

DIRECTOR'S INTERESTS IN SHARES

At 30th June 2002, the interests of the directors and chief executives in the shares of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

Ordinary shares of HK\$0.1 each in World Trade Bun Kee Ltd.

	Corporate Interests	Other interests	Total
Tsang Sik Yin, Eric (<i>Notes 1 & 5</i>)	136,926,000	–	136,926,000
Tsang Chung Yin (<i>Notes 2 & 5</i>)	122,400,000	14,364,000	136,764,000
Tsang Ngan Chung (<i>Notes 3 & 5</i>)	122,400,000	14,364,000	136,764,000
Tsang Yin (<i>Notes 4 & 5</i>)	122,400,000	14,346,000	136,746,000

Notes:

- (1) Click Fort Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Tsang Sik Yin, Eric. Click Fort Limited directly held 14,526,000 shares in the Company.
- (2) Jong Yee Limited is the trustee of the Jong Yee Unit Trust. All units of the Jong Yee Unit Trust are owned by the Karyn Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Chung Yin. Jong Yee Limited directly held 14,364,000 shares in the Company.
- (3) Kingsville Inc. is the trustee of Kingsville Unit Trust. All units of the Kingsville Unit Trust are owned by Fungming Trust, the discretionary beneficiaries of which are family members of Dr. Tsang Ngan Chung. Kingsville Inc. directly held 14,364,000 shares in the Company.
- (4) Manhattan Properties Limited is owned by St. George's Trust Company Limited which is the trustee of the Manhattan Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Yin. Manhattan Properties Limited directly held 14,346,000 shares in the Company.

- (5) On Top Industrial Limited (“On Top”), a company incorporated in the British Virgin Islands, held 122,400,000 shares in the Company. On Top is beneficially owned as to 25% by Click Fort Limited, as to 25% by Jong Yee Limited, as to 25% by Kingsville Inc. and as to 25% by Manhattan Properties Limited.

DIRECTOR’S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the Share Option Scheme adopted by the Company on 27th November 2000, the directors of the Company were granted options on 16th March 2001 to subscribe for share in the Company. No option were exercised by the directors during the period. Details of options granted to certain directors and the outstanding options held by the directors as at 30th June 2002 were as follows.

Name of Director	No. of options outstanding at the beginning of the period	No. of options cancelled during the period	No. of options outstanding at the period end	Date granted	Period during which options exercisable	Price per share on exercise of options
Mr. Tsang Sik Yin Eric	1,380,000	(1,380,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96
Mr. Tsang Chung Yin	1,380,000	(1,380,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96
Dr. Tsang Ngan Chung	1,380,000	(1,380,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96
Mr. Tsang Yin	1,380,000	(1,380,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96
Mr. Chan Churk Kai	1,380,000	(1,380,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96
Ms. Ngai Chui Ling	258,000	(258,000)	–	16th March 2001	19th March 2002 to 18th March 2006	HK\$0.96

Save as aforesaid, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in or debt securities (including debentures) of the Company or any other body corporate, and none of the directors or the chief executive or their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that as at 30th June 2002, the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital.

Name of shareholder	Number of ordinary shares
On Top Industrial Limited	122,400,000

BUSINESS REVIEW AND PROSPECTS

In the first half of 2002, the Hong Kong property market remain weak and the demand for the building material decreased. For the six months ended 30th June 2002, the Group recorded a 8.43% decreased in turnover to HK\$210,134,000 when compared with the same period last year. Despite the highly competitive market conditions, the operating result of the Group were satisfactory. With the comparative purchasing advantage and inclusive of new environmental product, the gross profit margin for the six months ended 30th June 2002 increased from 27.93% to 30.10% when compared with the same period last year. Furthermore, the Group was also benefit from the interest rate cut. For the six months ended 30th June 2002, the finance cost had decreased 74.02% to HK\$606,000 when compared with the same period last year. During the period under review, the Group has supplied pipes, fittings and/or other related accessories to several large projects namely, Beacon Hill Residential Development NKIL6277, Banyan Garden, Kwai Chung Container Port-Terminal 9 Development, Police Headquarter III, KCR East Rail extension and Shanghai Raffles Plaza.

While the Group remains cautious, in the prevailing business environment, it is well equipped to cope with the challenges that lie ahead. The directors are confident that the Group remains one of the strong market leaders and niche players in its core business. As at 30th June 2002, contracts on hand amounted to approximately HK\$100 million for the Group. The major projects which the Group will start to supply pipes, fittings and/or other related accessories include, Kowloon Station Development Package 4, Metro Harbourview, Four Seasons Hotel, Ocean Shores, Shanghai Gorman Centre, Le Pare Shenzhen (Phase III) and Nansha Puzhou Hotel.

In the second half of this financial year, the Group continues to strengthen the competitiveness of existing business operations and will develop new business opportunities. To achieve better results, the Group is also actively implementing measures to improve cost control and work efficiency.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June 2002, the cash and bank balance of the Group was HK\$51,827,000 (31st December 2001: HK\$46,159,000). Basically the Group's working capital requirement has been financed by its internal resources and banking facilities. The Group believes that funds generated from internal operations, its existing reserve and the available banking facilities will enable the Group to meet its future cash requirements.

The Group had aggregate banking facilities of approximately HK\$184,855,000 as at 30th June 2002 (31st December 2001: HK\$184,855,000) for term loans and other trade finance facilities. Banking facilities utilised as at 30th June 2002 amounted to approximately HK\$80,322,000 (31st December 2001: HK\$64,815,000).

The Group's borrowings are mainly denominated in Hong Kong Dollars. Banking facilities were granted to the Group which bear interest at prevailing market rates.

The Group conducts its business transactions mainly in Hong Kong Dollars, US Dollars and Australian Dollars. Currency forward contracts were arranged for the transactions denominated in other currencies for hedging purposes. Forward exchange contracts amounting to HK\$7,858,000 were outstanding as at 30th June 2002 (31st December 2001: HK\$186,000).

During the period under review, there was no significant deviation from the policies above.

Over 90% of the Group's cash is either denominated in Hong Kong Dollars or US Dollars. The exposure to exchange fluctuation is minimal.

As at 30th June 2002, the gearing ratio (total debts/total assets of the Group) was 0.23 (31st December 2001: 0.18).

STAFF AND EMPLOYMENT

Including the directors of the Group, as at 30th June 2002, the Group employed a total of 166 (31st December 2001: 160) full-time employees. Remuneration is reviewed annually and certain staff members are entitled to commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also provides staff benefits including discretionary bonus and medical scheme.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the interim financial statements which have not been audited.

PURCHASE, SALE AND REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the six months ended 30th June 2002.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the Directors is aware of any information that would reasonably indicate that the Company was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules governing the Listing of Securities on the Stock Exchange for the period.

By Order of the Board
Tsang Sik Yin, Eric
Chairman

Hong Kong, 23rd September 2002