

RESULTS

For the period ended 30th June 2006, the Group's turnover and profit attributable to shareholders were HK\$303,602,000 (2005: HK\$254,672,000) and HK\$27,260,000 (2005: HK\$26,341,000) respectively.

INTERIM DIVIDEND

The Board resolved to recommend an interim dividend of HK\$0.02 per share for the period ended 30th June 2006. The interim dividend will be payable on 31st October 2006 to shareholders whose names appear on the Register of Members of the Company on 20th October 2006.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 18th October 2006 (Wednesday) to 20th October 2006 (Friday) (both days inclusive). During which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 17th October 2006.

DIRECTOR'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

At 30th June 2006, the interests of the directors and chief executives in the shares of the Company and its associated corporations disclosed pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

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

	Family Interests	Corporate Interests	Other Interests	Total
Mr. Tsang Chung Yin (<i>Notes 1, 2 & 5</i>)	–	122,400,000	19,206,000	141,606,000
Dr. Tsang Ngan Chung (<i>Notes 1, 3 & 5</i>)	–	122,400,000	19,206,000	141,606,000
Mr. Tsang Yin (<i>Notes 1, 4 & 5</i>)	4,842,000	122,400,000	14,346,000	141,588,000

DIRECTOR'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

(continued)

Notes:

- (1) Interest in shares stated above represent long positions.
- (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 Karny Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Chung Yin. Jong Yee Limited directly held 19,206,000 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 19,206,000 shares in the Company.
- (4) Mr. Tsang Yin was beneficially interested in 141,588,000 shares of the Company, of which 14,346,000 shares were held by Manhattan Properties Limited, which is owned by St. George's Trust Company Limited, is the trustee of the Manhattan Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Yin, and 4,842,000 shares were directly held by Click Fort Limited, which is owned by his family members.
- (5) On Top Industrial Limited, a company incorporated in the British Virgin Islands, held 122,400,000 shares in the Company. On Top Industrial Limited is beneficially owned as to 16.67% by Click Fort Limited, as to 33.33% by Jong Yee Limited, as to 33.33% by Kingsville Inc. and as to 16.67% by Manhattan Properties Limited.

Save as disclosed above, none of the directors and the chief executive of the Company was interested or had any short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30th June 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO disclosed the following persons or corporations (other than a director and chief executive of the Company) as having an interest of 5% or more of the issued share capital of the Company:

Long position in Share and underlying share of the Company

Name of shareholder	Number of ordinary shares	Percentage of holding (%)
Jong Yee Limited	141,606,000	58.55%
Kingsville Inc.	141,606,000	58.55%
On Top Industrial Limited	122,400,000	50.61%
Mr. Chau Kam To	20,000,000	8.27%
St. George's Trust Company Limited	14,346,000	5.93%

Other than disclosed above, the Company had not been notified of any other interests representing 5% or more of the Company's issued share capital as at 30th June 2006.

As at 30th June 2006, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

BUSINESS REVIEW AND PROSPECTS

For the first half of the financial year, the Group continued to grow steadily in its business performance. Turnover achieved HK\$304 million representing a 19.21% growth compared to the same period last year. This encouraging performance was not only attributed industry's continual growth and the thriving economy in the PRC continued growth in the markets, but also our key customers' excellent performance in an intensifying competitive environment. Under such circumstances, our unique advantages in full range of product supply, sufficient stock level and timely delivery have been highly appreciated by our customers. Throughout the years, we have seen such win-win partnership strengthened between the Group and its key customers. With the success of our key customers in the market together with our relentless efforts in providing the best services to them, we were able to sustain high double-digit turnover growth during the period. We have been continuously expanding the business volumes with and the scope of services provided to our key customers. The expansion of existing customers as well as the contribution from new clients was the key driving force for this sustained business growth.

Total operating expenses increased by HK\$12,774,000, or 33.76% to HK\$50,614,000 in the first half of 2006 from HK\$37,840,000 in the first half of 2005. The increase is attributed to the higher sales commission and related marketing expenses with in the in line of growth of turnover. Moreover, the delivery cost for the Macau projects also enlarge the operating expenses. Furthermore, the increase of rental expenses is another force of the increment. Finally, an additional bad-debt provision made and the implementation of new computer system also driven the operating expense up.

Profit for the period was roughly the same as the previous comparable period. The extra gross profit was eliminated by the larger operating expenses. The profit for the period ended 30th June 2006 was HK\$27,260,000 representing a 3.49% increase when compared with the same period last year.

During the first half of 2006, the Group has supplied pipes, fittings and/or other related accessories to several large projects namely, Millennium City 6, Grand Lisboa Hotel Macau, Union Square at Kowloon Station, ICAC Headquarter, Mandarin Oriental Hotel renovation, New Infectious Disease Centre at Princess Margaret Hospital, The Great Hill, Grand Waterfront, Suzhou Shangri-La Hotel, Guanzhou Pazhou Shangri-La Hotel, Chengdu Shangri-La Hotel and Shanghai Hyatt Regency Hotel.

As at 30th June 2006, contracts on hand amounted to approximately HK\$140 million for the Group. The major projects which the Group will supply pipes, fittings and/or other related accessories include, MGM Grand Macau, Cyberport Residential R5, Alteration of Hung Hom Peninsula, Ma On Shan Area 77 residential project, KCRC Shatin Ho Tung Lau residential project, Johnston Road redevelopment project, YOHO Town Phase 2, Westlands Road Office Development, HSBC Data Centre, Kowloon Station Phase 7 – International Commerce Centre, Chinese University Hotel Development, To Fung Shan Residential Development Phase 2, Shangri-La Sheng Zheng, Beijing Shangri-La Hotel, Shanghai Hang Lung Plaza Phase 2, Shanghai Liu Chong Hing Financial Centre, NanJing Westin Hotel, Beijing Yin Tai Centre and Hunan ChangSha Sheraton Hotel.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June 2006, the cash and bank balance of the Group was HK\$91,032,000 (31st December 2005: HK\$63,824,000). Basically the Group's working capital requirement has been financed by its internal resources. 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\$280,125,000 as at 30th June 2006 (31st December 2005: HK\$284,125,000) for term loans and other trade finance facilities. Banking facilities utilised as at 30th June 2006 amounted to approximately HK\$127,394,000 (31st December 2005: HK\$93,577,000). The banking facilities were secured by corporate guarantees from the Company.

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 currencies other than Hong Kong Dollars and US Dollars to mitigate the foreign currency risk. There was no outstanding forward exchange contract as at 30th June 2006 and 31st December 2005.

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 2006, the gearing ratio (total debts/total assets of the Group) was 0.23 (31st December 2005: 0.17).

STAFF AND EMPLOYMENT

Including the directors of the Group, as at 30th June 2006, the Group employed a total of 156 (31st December 2005: 165) full-time employees. Total employee benefit expenses was approximately HK\$27,731,000 (2005: HK\$23,751,000).

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.

CORPORATE GOVERNANCE

In order to ensure full compliance of the Company's Bye-laws with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), the Company has set up Remuneration Committee in April 2006 and adopted the terms of reference which are in line with the Code. Moreover, a special resolution was passed at the 2006 annual general meeting of the Company held on 15th June, 2006 to amend the Company's Bye-laws so that all directors will be subject to retirement by rotation at least once every three years at the annual general meeting and any new director appointed to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

The Company has complied with all the code provisions set out in the Code during the six months ended 30th June 2006.

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.

REMUNERATION COMMITTEE

The Remuneration Committee has been established by the Company in accordance with the requirement of the Code. The Remuneration Committee currently comprises four members, three independent non-executive directors, Mr. Wong Wah On, Edward, Mr. Chan Yuk Ming and Mr. Wong, Samuel Kwok Hay, and one executive director, Dr. Tsang Ngan Chung.

The Remuneration Committee is responsible for reviewing and recommending the remuneration of the executive directors and senior management. The remuneration of the independent non-executive directors are determined by the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30th June 2006.

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 2006.

By Order of the Board

Tsang Chung Yin

Chairman

Hong Kong, 13th September 2006

As at the date of this interim report, the Board comprises five executive directors, namely Mr. Tsang Chung Yin, Mr. Tsang Yin, Mr. Chan Churk Kai, Dr. Tsang Ngan Chung and Ms. Ngai Chui Ling; and three independent non-executive directors, namely, Mr. Wong Wah On, Edward, Mr. Chan Yuk Ming and Mr. Wong, Samuel Kwok Hay.