



WORLD TRADE BUN KEE LTD.

世貿彬記集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 380)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2007

The Board of Directors (the “Board”) of World Trade Bun Kee Ltd. (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June 2007 together with comparative figures as follows:

CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

	<i>Note</i>	For the six months ended 30th June	
		2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Turnover	3	274,792	303,602
Cost of sales		(201,216)	(221,497)
Gross profit		73,576	82,105
Other income	4	830	1,119
Other gains, net	5	542	1,964
Selling and distribution costs		(8,066)	(9,816)
Administrative expenses		(37,709)	(40,331)
Operating profit	6	29,173	35,041
Finance costs		(1,397)	(2,024)
Profit before taxation		27,776	33,017
Taxation	7	(5,268)	(5,757)
Profit for the period		<u>22,508</u>	<u>27,260</u>
Profit attributable to shareholders of the Company		<u>22,508</u>	<u>27,260</u>
Dividend	8	<u>4,837</u>	<u>4,837</u>
Earnings per share			
Basic	9	<u>0.19 cents</u>	<u>0.23 cents</u>
Diluted	9	<u>N/A</u>	<u>N/A</u>

* for identification purposes only

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		30th June 2007 (Unaudited) HK\$'000	31st December 2006 (Audited) HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		8,235	4,111
Investment properties		32,446	16,800
Other assets		779	779
Deferred tax assets		1,491	1,714
Rental deposits		258	306
		<u>43,209</u>	<u>23,710</u>
Current assets			
Inventories		223,514	233,634
Trade and other receivables	10	174,432	161,099
Financial assets at fair value through profit or loss		—	3,501
Derivative financial instruments		81	—
Tax recoverable		190	190
Cash and cash equivalents		54,950	101,219
		<u>453,167</u>	<u>499,643</u>
Total assets		<u>496,376</u>	<u>523,353</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	24,185	24,185
Reserves		323,913	306,005
Proposed dividend		4,837	9,674
		<u>352,935</u>	<u>339,864</u>
Total equity		<u>352,935</u>	<u>339,864</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		<u>571</u>	<u>571</u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET *(continued)*

		30th June 2007 (Unaudited) HK\$'000	31st December 2006 (Audited) HK\$'000
	<i>Note</i>		
Current liabilities			
Trade and other payables	11	55,641	49,594
Amounts due to related companies		–	968
Taxation payable		8,776	6,100
Borrowings		78,453	126,256
		<u>142,870</u>	<u>182,918</u>
Total liabilities		<u>143,441</u>	<u>183,489</u>
Total equity and liabilities		<u>496,376</u>	<u>523,353</u>
Net current assets		<u>310,297</u>	<u>316,725</u>
Total assets less current liabilities		<u>353,506</u>	<u>340,435</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30th June 2007 have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34, “Interim financial reporting” and other relevant HKAS and Interpretations, the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants, and applicable requirements of Appendix 16 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited.

This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2006.

2 Accounting policies

The accounting policies adopted are consistent with those used in the financial statements for the year ended 31st December 2006, except for the adoption of the following applicable amendments to standards and interpretation, which are effective for accounting periods beginning on or after 1st January 2007.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC) Interpretation 7	Applying the Restatement Approach under HKAS 29
HK(IFRIC) Interpretation 8	Scope of HKFRS 2
HK(IFRIC) Interpretation 9	Reassessment of Embedded Derivatives
HK(IFRIC) Interpretation 10	Interim Financial Reporting and Impairment

The adoption of the above new accounting standards and interpretation has no material impact on the Group’s balance sheet and profit and loss account.

No early adoption of the following new standard, interpretations and amendment that have been issued but are not yet effective. The adoption of such new standard, interpretations and amendment will not result in substantial changes to the Group’s accounting policies.

HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC) Interpretation 11	HKFRS2 – Group and Treasury Share Transactions
HK(IFRIC) Interpretation 12	Service Concession Arrangements

3 Turnover and segment information

The Group is principally engaged in the trading of construction materials, mainly pipes and fittings.

	For the six months ended	
	30th June	
	2007	2006
	HK\$'000	HK\$'000
Sales of pipes and fittings	273,882	303,051
Rental income	910	551
	<u>274,792</u>	<u>303,602</u>

Business segment information is not required as the turnover, results and assets of the wholesale business represent more than 90% of the total turnover, results and assets of the Group respectively.

Geographical segment information is not shown as over 90% of the Group's turnover and operating profit are derived from Hong Kong.

4 Other income

	For the six months ended	
	30th June	
	2007	2006
	HK\$'000	HK\$'000
Interest income	810	1,048
Dividend income from financial assets at fair value through profit or loss	20	71
	<u>830</u>	<u>1,119</u>

5 Other gains, net

	For the six months ended	
	30th June	
	2007	2006
	HK\$'000	HK\$'000
Net realised gains on disposal of financial assets at fair value through profit or loss	551	993
Net exchange (losses)/gains	(9)	971
	<u>542</u>	<u>1,964</u>

6 Operating profit

	For the six months ended 30th June	
	2007	2006
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' emoluments)	23,925	27,731
Depreciation of property, plant and equipment	1,241	1,063
Provision for slow-moving inventories	763	–
Provision for impairment of trade and other receivables	–	1,385
Operating lease on land and buildings	7,132	6,878
Net fair value loss on financial assets at fair value through profit or loss	1,544	207

7 Taxation

	For the six months ended 30th June	
	2007	2006
	HK\$'000	HK\$'000
Current taxation charge:		
– Hong Kong	5,105	5,817
– Overseas	163	249
– Over provisions in prior years	–	(309)
Taxation charges	5,268	5,757

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

8 Dividend

	For the six months ended 30th June	
	2007	2006
	HK\$'000	HK\$'000
Interim dividend proposed of HK0.04 cents (2006: HK0.04 cents) per ordinary share	4,837	4,837

A 2005 final dividend of HK0.06 cents per ordinary share as retrospectively adjusted for the effect of share subdivision on 31st August 2007, totalling HK\$7,256,000 was paid in June 2006.

A 2006 final dividend of HK0.08 cents per ordinary share as retrospectively adjusted for the effect of share subdivision on 31st August 2007, totalling HK\$9,674,000 was paid in May 2007.

At a meeting held on 21st September 2007, the Directors declared an interim dividend of HK0.04 cents per ordinary share as retrospectively adjusted for the effect of share subdivision on 31st August 2007. This interim dividend has not been reflected as a dividend payable in the condensed interim financial information but will be reflected as an appropriation of retained earnings for the year ending 31st December 2007.

9 Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of the HK\$22,508,000 (2006: HK\$27,260,000) and the weighted average of 12,092,700,000 shares (2006: 12,092,700,000 shares) in issue during the period. The weighted average number of ordinary shares in issue for 2007 and 2006 has been retrospectively adjusted for the effect of the share subdivision on 31st August 2007.

Diluted earnings per share is not presented as there were no dilutive potential ordinary shares in half year ended 30th June 2006 and 2007.

10 Trade and other receivables

Included in trade and other receivables are trade receivables and their ageing analysis as at the balance sheet date is as follows:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Current to 30 days	42,609	43,407
31 days to 60 days	39,901	37,345
61 days to 90 days	28,030	24,280
91 days to 120 days	23,646	21,354
Over 120 days	15,424	16,094
	<u>149,610</u>	<u>142,480</u>

The Group normally grants 90 to 120 days credit period to customers.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

11 Trade and other payables

Included in trade and other payables are trade payables and their ageing analysis as at the balance sheet date is as follows:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Current to 30 days	17,288	3,137
31 days to 60 days	5,591	2,163
61 days to 90 days	207	1,602
Over 90 days	523	221
	<u>23,609</u>	<u>7,123</u>

12 Share capital

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Authorised:		
500,000,000 ordinary shares of HK\$0.10 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
241,854,000 ordinary shares of HK\$0.10 each	<u>24,185</u>	<u>24,185</u>

At the special general meeting of the Company held on 31st August 2007, ordinary resolutions were passed to approve (i) the subdivision of each of the issued and unissued shares of HK\$0.10 in the capital of the Company into 50 shares of HK\$0.002 each (the “Subdivided Shares”); and (ii) change of board lot size to 20,000 Subdivided Shares. The share subdivision and the change in board lot size were effective from 31st August 2007.

13 Events occurring after the balance sheet date

On 11th September 2007, the Company entered into a sale and purchase agreement with an independent third party (the “Vendor”) to acquire (i) the entire share capital of Noble Win International Limited (“Noble Win”), a company incorporated in the British Virgin Islands and (ii) the shareholder’s loan due from Noble Win to the Vendor as at the completion of the acquisition. The total consideration of the transaction is HK\$185,000,000.

RESULTS

For the period ended 30th June 2007, the Group's turnover and profit attributable to shareholders were HK\$274,792,000 (2006: HK\$303,602,000) and HK\$22,508,000 (2006: HK\$27,260,000) respectively.

INTERIM DIVIDEND

The Board resolved to recommend an interim dividend for the period ended 30th June 2007 of HK0.04 cents per share as retrospectively adjusted for share subdivision on 31st August 2007. The interim dividend will be payable on 18th October 2007 to shareholders whose names appear on the Register of Members of the Company on 12th October 2007.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 10th October 2007 (Wednesday) to 12th October 2007 (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 9th October 2007.

BUSINESS REVIEW AND PROSPECTS

During the six months ended 30th June 2007, the Group's sales decreased to HK\$274,792,000 from HK\$303,602,000 for the same period of 2006. The drop of sales in the first half of 2007 was primarily attributable to the slowdown of Macau project as the next stage of Macau project will start to commence in the last quarter of 2007. The gross profit of the Group for the first six months of 2007 was HK\$73,576,000, with a gross margin of 26.78%, compared to gross profit for the same period of 2006 of HK\$82,105,000 with a gross margin of 27.04%. The slightly decrease in gross margin was mainly resulted from the fierce price competition.

During the period under review, both selling and distribution cost and administrative expenses had dropped when compared with the same period of 2006, which is in line with the drop of turnover and gross profit. Profit attributable to shareholders of the Company decreased by 17.43% to HK\$22,508,000 (2006: HK\$27,260,000), which resulted in a basic earnings per share of HK0.19 cents (2006: HK0.23 cents).

During the first half of 2007, the Group has supplied pipes, fittings and/or other related accessories to several large projects namely, KCRC Shatin Ho Tung Lau residential project, YOHO Town Phase 2, One Island East, Kowloon Station Phase 7 – International Commerce Centre, Chinese University Hotel Development, Wai Yip Street Commercial Development, Oil Street Complex Development, Celestial Heights, Hong Kong Skycity Marriott Hotel, Landmark East, Tai Lin Pai Road Commercial Development, Dream City Phase 1, Hyatt on the Bund, Shanghai, Shanghai LCH Centre, Shangri-La Hotel, Ningbo, Nanjing BenQ Hospital, Shangri-La Hotel, Chengdu, Shangri-La Hotel, Xian, Beijing Star River Apartments, Shangri-La Hotel, Qingdao and No.9 Dong Hai Road, Qingdao.

As at 30th June 2007, contracts on hand amounted to approximately HK\$167 million for the Group. The major projects which the Group will supply pipes, fittings and/or other related accessories include, Residential Development at KCRC Wu Kai Sha Station Phase 1,2,3, KCRC Mass Railway – Tai Wai Station Complex Development (Contract One), The City of Dreams Resort, Venetian Parcel 5 (Shangri-La Hotel and Trader Hotel), Venetian Parcel 2 (Four Season Hotel), Venetian Parcel 6 (Sheraton Hotel and St. Regis Hotel), Redevelopment of Lo Wu Correctional Institution, Leighton Road Hotel Development, Refurbishment of Ocean Park, Kwu Tung Europa Garden Ph.2 and 3, J Residence, Redevelopment of Larch Street / Fir Street in Tai Kok Tsui.

In addition, with the aim to sustain future growth, the Group established an assembly subsidiary in Panyu and Macau retail shop, which started operation in 2007. The Group believe that there will be more effective in the cost of control and widen the revenue base.

On 3rd September 2007, the Board of the Company proposes that the English name of the Company be changed from “World Trade Bun Kee Ltd” to “China Pipe Group Limited” and adopt the Chinese name of “中國管業集團有限公司” as secondary name of the Company. The Board considers that the proposed new name of the Company and the adoption of Chinese name as secondary name are to signify the Company’s continuous enhancement in its existing trading and distribution of construction materials business in Hong Kong and its future business expansion in the market of the People’s Republic of China, which is in the interests of the Company and the shareholders of the Company as a whole. The proposed change of the name of the Company and adoption of Chinese name as secondary name are subject to (i) the passing of a special resolution by the Shareholders at the special general meeting on 5th October 2007 of the Company; and (ii) the approval by the Registrar of Companies in Bermuda.

On 11th September 2007, the Company entered into the Sale and Purchase Agreement with a third party independent of the Group (the “Vendor”) being the acquisition of the entire issued shares capital of Noble Win International Limited which upon completion of the agreement indirectly is the holder of the Properties, being 15 retails units of a commercial podium located in Qiangsheng Gubei Garden, Lane 717 Huangjincheng Avenue, a residential development in Changning District, Shanghai, the PRC. The Group consider that this acquisition offers the Group an invaluable opportunity of diversify into the property business in Shanghai and will increase the income stream of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June 2007, the cash and bank balance of the Group was HK\$54,950,000 (31st December 2006: HK\$101,219,000). 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\$355,125,000 as at 30th June 2007 (31st December 2006: HK\$315,125,000) for term loans and other trade finance facilities. Banking facilities utilised as at 30th June 2007 amounted to approximately HK\$103,637,000 (31st December 2006: HK\$143,931,000). 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 Renminbi.

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 2007, the gearing ratio (total debts/total assets of the Group) was 0.16 (31st December 2006: 0.24).

STAFF AND EMPLOYMENT

Including the directors of the Group, as at 30th June 2007, the Group employed a total of 206 (31st December 2006: 163) full-time employees. Total employee benefit expenses was approximately HK\$23,925,000 (2006: HK\$27,731,000). 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

Throughout the period ended 30th June 2007, the Company has complied with the code provision of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

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. At the date of this announcement, the Audit Committee comprises three members, three independent non-executive directors, Mr. Lui Tin Nang (Chairman), Mr. Ko Ming Tung, Edward and Mr. Ho Yiu Yue Louis.

REMUNERATION COMMITTEE

The Remuneration Committee has been established by the Company in accordance with the requirement of the Code. At the date of this announcement, the Remuneration Committee comprises four members, three independent non-executive directors, Mr. Lui Tin Nang, Mr. Ko Ming Tung, Edward and Mr. Ho Yiu Yue Louis, and one executive director, Mr. Chan Wing Yuen, Hubert. 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 2007.

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 2007.

PUBLICATION OF INTERIM REPORT

The interim results announcement is published at the website of The Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) and the Company (<http://www.worldtradebunkee.com>). The interim report will be dispatched to shareholders and will be available at the website of The Hong Kong Exchanges and Clearing Limited and the Company in due course.

By order of the Board
World Trade Bun Kee Ltd.
Wing Man Yi
Chairman

Hong Kong, 21st September 2007

As at the date of this announcement, the Board consists of Ms. Wing Man Yi, Mr. Lam Cheung Shing, Richard, Mr. Chan Wing Yuen, Hubert, Mr. Hu Yishi and Mr. Zhu Yongjun (all being executive Directors), Mr. Hu Jinxing and Mr. Zhang Yang (all being non-executive Directors), and Mr. Lui Tin Nang, Mr. Ko Ming Tung, Edward and Mr. Ho Yiu Yue Louis (all being independent non-executive Directors).