ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2007	2006	**% increase**
Revenue: The Group and share of infrastructure joint ventures	**HK$916 million**	HK$645 million	42%
Profit attributable to shareholders	**HK$310 million**	HK$248 million	25%
Interim dividend per share	**HK24 cents**	HK22 cents	9%
	30 June 2007	31 December 2006	
Equity attributable to shareholders of the Company	**HK$7,592 million**	HK$6,778 million	12%
Cash and bank balances	**HK$2,682 million**	HK$1,137 million	136%
Net debt/equity ratio	**44%**	30%	47%

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") is pleased to announce the unaudited condensed consolidated income statement of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007, together with the comparative figures for the corresponding period in 2006, the unaudited condensed consolidated balance sheet of the Group as at 30 June 2007 together with audited comparative figures as at 31 December 2006, as follows:

Unaudited Condensed Consolidated Income Statement

For The Six Months Ended 30 June 2007

	Continuing operations		Discontinued operations		Total	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue *(Note 3)*	**307,763**	8,571	**—**	24,822	**307,763**	33,393
Sales of completed properties	**307,763**	—	**—**	—	**307,763**	—
Sales of ginseng	**—**	—	**—**	24,822	**—**	24,822
	307,763	—	**—**	24,822	**307,763**	24,822
Cost of sales	**(246,313)**	—	**—**	(25,805)	**(246,313)**	(25,805)
Gross profit (loss)	**61,450**	—	**—**	(983)	**61,450**	(983)
Minimum income undertaking	**—**	8,571	**—**	—	**—**	8,571
Interest income	**62,209**	3,830	**—**	—	**62,209**	3,830
Other income	**68,981**	11,411	**—**	371	**68,981**	11,782
Selling expenses	**(16,897)**	(6,796)	**—**	—	**(16,897)**	(6,796)
Operating expenses	**(69,417)**	(48,334)	**—**	(4,046)	**(69,417)**	(52,380)
Share of results of joint ventures *(Note 4)*	**360,994**	334,121	**—**	—	**360,994**	334,121
Share of results of associates	**29**	—	**—**	—	**29**	—
Finance costs *(Note 5)*	**(128,884)**	(52,481)	**—**	(1,245)	**(128,884)**	(53,726)
Profit (loss) before taxation *(Note 6)*	**338,465**	250,322	**—**	(5,903)	**338,465**	244,419
Income tax (expense) credit *(Note 7)*	**(28,891)**	—	**—**	2,774	**(28,891)**	2,774
Profit (loss) for the period	**309,574**	250,322	**—**	(3,129)	**309,574**	247,193

	Continuing operations		Discontinued operations		Total	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Attributable to:						
Shareholders of the Company	**309,574**	250,322	**—**	(2,262)	**309,574**	248,060
Minority interests	**—**	—	**—**	(867)	**—**	(867)
	309,574	250,322	**—**	(3,129)	**309,574**	247,193
Dividend paid *(Note 8)*	**192,214**	156,350	**—**	—	**192,214**	156,350
Earnings per share *(Note 9)*						
From continuing and discontinued operations						
— Basic					**HK$0.43**	HK$0.42
— Diluted					**HK$0.42**	HK$0.41
From continuing operations						
— Basic					**HK$0.43**	HK$0.42
— Diluted					**HK$0.42**	HK$0.41

Condensed Consolidated Balance Sheet

	30 June 2007	31 December 2006
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
ASSETS		
Non-current assets		
Property, plant and equipment	**9,475**	9,724
Interest in an associate	**446,237**	—
Loan to an associate	**265,095**	—
Interests in joint ventures	**4,948,501**	5,073,408
Loan to a joint venture	**13,530**	13,408
Loans to related companies	**54,700**	54,700
Deferred tax assets	**3,566**	9,576
Deferred consideration — due after one year	**34,050**	31,484
	5,775,154	5,192,300
Current assets		
Properties under development for sale	**2,878,321**	2,444,729
Completed properties held for sale	**404,865**	452,230
Advances for land leases	**719,104**	458,758
Income tax prepaid	**25,424**	7,650
Amounts due from associates	**1,530,288**	—
Debtors, deposits and prepayments	**836,224**	1,268,769
Pledged deposits	**27,624**	24,018
Bank balances and cash	**2,654,133**	1,113,374
	9,075,983	5,769,528
Total assets	**14,851,137**	10,961,828

	30 June 2007	31 December 2006
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	**74,597**	69,008
Reserves	**7,517,719**	6,708,560
Total equity	**7,592,316**	6,777,568
Non-current liabilities		
Bank and other borrowings — due after one year	**5,758,103**	1,559,029
Deferred tax liabilities	**8,139**	5,885
	5,766,242	1,564,914
Current liabilities		
Creditors and accrued charges	**702,315**	615,823
Deposits from pre-sale of properties	**535,264**	383,494
Income tax payable	**—**	37,874
Bank and other borrowings — due within one year	**255,000**	1,582,155
	1,492,579	2,619,346
Total equity and liabilities	**14,851,137**	10,961,828

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC) - INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[2]
HK(IFRIC) - INT 8	Scope of HKFRS 2[3]
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) - INT 10	Interim Financial Reporting and Impairment[5]

1 Effective for annual periods beginning on or after 1 January 2007.
2 Effective for annual periods beginning on or after 1 March 2006.
3 Effective for annual periods beginning on or after 1 May 2006.
4 Effective for annual periods beginning on or after 1 June 2006.
5 Effective for annual periods beginning on or after 1 November 2006.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - INT 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) - INT 12	Service Concession Arrangements[3]

1 Effective for annual periods beginning on or after 1 January 2009.
2 Effective for annual periods beginning on or after 1 March 2007.
3 Effective for annual periods beginning on or after 1 January 2008.

HK (IFRIC) - INT 12 sets out general principles on recognising and measuring the obligations and related rights under service concession arrangements. The Group will apply this interpretation from 1 January 2008. The adoption of this interpretation may have financial impact on the interests in joint ventures and share of results of joint ventures, however, the directors of the Company is still not yet in the position to reasonably quantify the impact that may arise on the Group's results and financial position from adoption of this interpretation. The directors of the Company anticipate that the application of the remaining standards or interpretation will have no material impact on the results and the financial position of the Group.

2. SEGMENTAL INFORMATION

The Group's revenue and profit for the six months ended 30 June 2007 and 2006 by business activities are as follows:

By business segments:

	Continuing operations				Discontinued operation	
	Toll road	**Property development**	**Unallocated**	**Total**	**Ginseng**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the six months ended 30 June 2007						
Revenue	—	307,763	—	307,763	—	307,763
Segment results	4,002	19,606	—	23,608	—	23,608
Interest income	—	—	62,209	62,209	—	62,209
Corporate income	—	—	60,847	60,847	—	60,847
Corporate expenses	—	—	(40,338)	(40,338)	—	(40,338)
Share of results of joint ventures	360,872	122	—	360,994	—	360,994
Share of results of associates	—	29	—	29	—	29
Finance costs	—	—	(128,884)	(128,884)	—	(128,884)
Profit (loss) before taxation	364,874	19,757	(46,166)	338,465	—	338,465
Income tax expense	—	(28,891)	—	(28,891)	—	(28,891)
Profit (loss) for the period	364,874	(9,134)	(46,166)	309,574	—	309,574
For the six months ended 30 June 2006						
Revenue	8,571	—	—	8,571	24,822	33,393
Segment results	6,518	(14,289)	—	(7,771)	(4,658)	(12,429)
Interest income	—	—	3,830	3,830	—	3,830
Corporate income	—	—	784	784	—	784
Corporate expenses	—	—	(28,161)	(28,161)	—	(28,161)
Share of results of joint ventures	334,273	(152)	—	334,121	—	334,121
Finance costs	—	—	(53,726)	(53,726)	—	(53,726)
Profit (loss) before taxation	340,791	(14,441)	(77,273)	249,077	(4,658)	244,419
Income tax credit	—	—	2,774	2,774	—	2,774
Profit (loss) for the period	340,791	(14,441)	(74,499)	251,851	(4,658)	247,193

3. REVENUE

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Continuing operations		
Sales of completed properties	**307,763**	—
Minimum income undertakings	**—**	8,571
	307,763	8,571
Discontinued operation		
Farming and trading of ginseng goods	**—**	24,822
Total revenue of the Group	**307,763**	33,393
Share of toll revenue of infrastructure joint ventures	**608,269**	611,954
Revenue of the Group and share of revenue of infrastructure joint ventures	**916,032**	645,347

4. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Continuing operations		
Share of post-acquisition profits of infrastructure joint ventures before depreciation and taxation	**498,643**	498,743
Less: depreciation of toll highway operation rights	**(96,470)**	(132,432)
Less: current tax	**(37,551)**	(28,288)
Less: deferred taxation	**(3,750)**	(3,750)
	360,872	334,273
Share of post-acquisition profit (loss) of a property construction joint venture	**122**	(152)
	360,994	334,121

The current tax amount represents the share of PRC Enterprise Income Tax attributable to the PRC infrastructure joint ventures.

Deferred tax has been provided for temporary differences between the carrying amount of toll highway operation rights and the corresponding tax base used in the computation of taxable profits for the PRC infrastructure joint ventures.

5. FINANCE COSTS

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Continuing operations		
Interest on :		
Borrowings wholly repayable within five years	**107,927**	8,979
Borrowings not wholly repayable within five years	**15,624**	48,840
	123,551	57,819
Other finance costs	**15,680**	6,152
Total borrowing costs	**139,231**	63,971
Less: amount capitalised in properties under development for sale	**(10,347)**	(11,490)
	128,884	52,481
Discontinued operation		
Interest on :		
Borrowings wholly repayable within five years	**—**	1,309
Less: capitalised in inventories and ginseng crops	**—**	(64)
	—	1,245
	128,884	53,726

6. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30 June					
	Continuing operations		**Discontinued operation**		**Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:						
Depreciation of property, plant and equipment	**1,746**	1,075	**—**	3,496	**1,746**	4,571
Less: capitalised in inventories and ginseng crops	**—**	—	**—**	(3,430)	**—**	(3,430)
Less: capitalised in properties under development for sale	**(687)**	(299)	**—**	—	**(687)**	(299)
	1,059	776	**—**	66	**1,059**	842
Cost of inventories recognised as an expense	**236,892**	—	**—**	24,206	**236,892**	24,206
Write-down of inventories	**—**	—	**—**	1,599	**—**	1,599
Change in fair value on derivative financial instruments	**—**	14	**—**	—	**—**	14
and after crediting:						
Gain on disposal of interest in an infrastructure joint ventures	**11,130**	5,140	**—**	—	**11,130**	5,140
Gain on disposal of property, plant and equipment	**329**	—	**—**	—	**329**	—
Realised gain on derivative financial instruments	**—**	672	**—**	—	**—**	672
Net exchange gain	**55,121**	4,256	**—**	380	**55,121**	4,636

7. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Continuing operations		
Enterprise Income Tax in the PRC	**20,551**	—
Deferred taxation	**8,340**	—
	28,891	—
Discontinued operation		
Deferred taxation	**—**	(2,774)
	28,891	(2,774)

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from Hong Kong.

Deferred tax has been provided for temporary differences arising from subsidiaries mainly in respect of its accelerated tax depreciation, tax losses and ginseng crops.

The PRC Enterprise Income Tax of subsidiaries is calculated at 33% statutory tax rate.

8. DIVIDEND PAID

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
2006 final dividend paid of HK$0.26 (2005: HK$0.26) per share	**192,214**	156,350

An interim dividend in respect of 2007 of HK$0.24 (2006: HK$0.22) per share amounting to a total of approximately HK$179,487,000 (2006: HK$132,591,000) has been approved by the Board on 16 August 2007. This interim dividend has not been included as a liability in these interim financial statements.

The amount of the interim dividend has been calculated on the basis of 747,861,566 shares in issue as at 16 August 2007.

9. EARNINGS PER SHARE

From continuing and discontinued operation

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the following data:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to the shareholders of the Company	**309,574**	248,060

	30 June 2007	30 June 2006
	Number of shares	*Number of shares*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**722,268,000**	596,159,000
Effect of dilutive potential ordinary shares:		
Share options	**10,373,000**	6,622,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**732,641,000**	602,781,000

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the shareholders is based on the following data:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Profit for the period attributable to the shareholders of the Company	**309,574**	248,060
Add: loss for the period from discontinued operation	**—**	3,129
Earnings for the purposes of basic earnings per share from continuing operations attributable to the shareholders of the Company	**309,574**	251,189

The denominators used are the same as those detailed above for basic and diluted earnings per share.

DIVIDEND

The Board has resolved to pay an interim dividend of HK24 cents (2006: HK22 cents) per ordinary share for the six months ended 30 June 2007 to the shareholders of the Company whose names appear in the Register of Members of the Company on 6 September 2007, Thursday.

It is expected that the payment of dividend will be made on or before 21 September 2007, Friday.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 September, Monday to 6 September 2007, Thursday, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 31 August 2007, Friday.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's toll road and property businesses continued to develop based upon the solid foundation built over the past few years. For the six months ended 30 June 2007, the Group's unaudited profit attributable to shareholders of the Company amounted to approximately HK$309.6 million (2006: approximately HK$248.1 million), representing a growth of approximately 25% compared to that in the corresponding period of 2006. Earnings per share for the six months ended 30 June 2007 was approximately HK43 cents (2006: approximately HK42 cents).

Toll Road Business

For the first half of 2007, total traffic volume and toll revenue of toll road projects were approximately 63.4 million vehicles and RMB1.1 billion, respectively. Cash contributed from the Group's toll road business amounted to HK$456.2 million. Compared to the same period of 2006, total traffic volume and toll revenue grew by 9% and 14%, respectively (excluding the disposed project in 2006). Total traffic volume and toll revenue of the Group's expressway projects recorded an average growth of 16% and 18%, respectively, as compared to the same period of 2006.

In June 2007, the Group had entered into agreements to dispose of 25% of the equity interest in three Class II highways, namely Provincial Highway 307 Bengbu Huaihe Bridge Highway, Provincial Highway 307 Bengbu Huaiyuan-Mengcheng Highway and Bengbu Chaoyanglu Huaihe Highway Bridge, of which the Group owned 60% equity interest prior to the abovementioned disposal. The Group is preparing to dispose of the remaining equity interest in the captioned highways in the coming years. Such disposals are in line with the Group's policy to dispose of Class I/II highway projects to enhance investment returns.

The Group will continue to enhance the portfolio of expressway projects. During the past six months, the Group had studied and negotiated for a number of expressway projects.

Property Business

(a) *Operational review*

During the six months under review, the Group has seven wholly-owned property development projects, three of which are located in Guangdong Province and four projects are located in Jiangsu Province.

Guangzhou City, Guangdong Province

The Group's projects in Guangdong are well received by the customers. Up to 30 June 2007, the Group had pre-sold and delivered approximately 91% and 88%, respectively, of the total gross saleable area ("GSA") of Parkrise project. During the period under review, the Group had pre-sold and delivered, respectively, GSA of approximately 9,700 sq.m. and 13,300 sq.m., generating revenue of approximately HK$146 million at gross margin of approximately 45%.

The Group had pre-sold 141 residential units or GSA of approximately 22,700 sq.m., representing approximately 42% of the residential GSA of Parkvista Phase I since it commenced pre-sale in May 2007. Pre-sale of additional 98 units is launched in August 2007 at approximately RMB19,500 per sq.m., representing an increase of over 41% from the average selling price of approximately RMB13,790 of the pre-sold units. It is expected that Parkvista Phase I will make contributions to the Group's 2007 profit.

Following the encouraging response to the pre-sale of Parkvista Phase I, the Group has commenced the construction preparation work for Parkvista Phase II. It is believed that the Parkvista project will also contribute lucrative returns to the Group.

Changzhou City, Jiangsu Province

The Group is the market leader in the Changzhou region, in terms of both quality and pricing. Pre-sale of the Group's Royal City project commenced in October 2006 and up to 30 June 2007, 397 residential units of the first phase had been pre-sold at satisfactory results. A substantial portion of the pre-sold units is expected to be delivered by the end of 2007.

The Group has commenced the construction work for the Vista Panorama Phase I in the first half of the year. For the "Grand Metropolis" commercial project, a long-term rental contract has been signed with a well-known supermarket operator, "RT-MART" and the construction thereof has also been commenced in the first half of the year.

Suzhou City, Jiangsu Province

The Phoenix City project was acquired by the Group in late 2006. Upon being acquired by the Group, the Group has adopted its own project development programs to control the costing, construction and sales of the project and the directors are confident that this project will contribute promising returns in the coming years. During the first six months ended 30 June 2007, this project had delivered approximately 300 residential units.

(b) *Acquisition of Sunco Property Holdings Company Limited*

In January 2007, the Company subscribed for 49% of the enlarged share capital of Sunco Property Holdings Company Limited ("Sunco") and became the largest shareholder of Sunco. Following completion of the subscription, the Group has equity-accounted for 49% of the results of Sunco.

Since January 2007, the Group has assisted Sunco to strengthen its corporate governance and internal control measures, including establishing management committee to monitor operations and major decisions, establishing internal audit department which is headed by members of the Group, and adopting the Group's operations and procedures manual. The directors are very confident that Sunco's projects will bring good profit contributions in the coming years.

On 16 July 2007, the subscription and acquisition of additional shares of Sunco to increase the Company's shareholding interest in Sunco from 49% to approximately 88.5% of its enlarged share capital (the "Sunco Acquisitions") were approved in a special general meeting of the Company. The acquisitions were subsequently completed and the financial statements of Sunco will be consolidated into those of the Group.

Upon completion of the Sunco Acquisitions, the Group's attributable land bank increased to approximately 6.6 million sq.m. spreading across 25 projects (including one joint venture). Out of the total land bank, approximately 3.6 million sq.m., representing 55% of the Group's total land bank, was located in Beijing, Tianjin, Shanghai, Suzhou and Guangzhou and the remaining 45% was located in fast developing cities such as Zhengzhou, Jinan, Wuhan and Changzhou.

Unaudited turnover of the Sunco Group for the six months ended 30 June 2007 is approximately RMB1.0 billion (including the turnover of the property projects after the acquisition by the Sunco Group in May 2007) and there was pre-sold but not delivered GSA of approximately 702,000 sq.m. as of 30 June 2007.

Financial Review

Financial Resources and Liquidity

In order to strengthen the financial position of the Group, the Group has undertaken the following financing activities during the six months ended 30 June 2007:-

(a) placing of 45,000,000 shares at HK$12.2 per shares in March 2007;

(b) refinancing the previous syndicated bank loan of US$120 million with a new syndicated bank loan of US$220 million; and

(c) issuing fixed and floating rate notes of US$350 million in May 2007.

The Group's total assets and net assets amounted to approximately HK$14.9 billion and HK$7.6 billion, respectively as of 30 June 2007. The net asset value per share was approximately HK$10.2 (31 December 2006: approximately HK$9.8). During the reporting period, the Group's total cash receipt from toll road projects was approximately HK$456 million (2006: approximately HK$510 million). As of 30 June 2007, the Group's bank balances and cash totaled approximately HK$2.7 billion (31 December 2006: approximately HK$1.1 billion).

As of 30 June 2007, the Group's total borrowings were approximately HK$6.0 billion (31 December 2006: approximately HK$3.1 billion), of which, approximately HK$255 million would mature within a year, approximately HK$4.3 billion would mature during the second to the fifth year, and approximately HK$1.5 billion would mature after the fifth year. The gearing ratio of the Group was approximately 79% (31 December 2006: approximately 46%) computed based on total borrowings over shareholders' fund.

The Group's borrowings were primarily denominated in US dollar. Other than the US$200 million 6.25% notes due 2011 and the US$200 million 7.625% notes due 2014, the Group's borrowings were on a floating rate basis.

Exposure on Foreign Exchange Fluctuations

The Group maintained a conservative treasury policy to minimize exposure to foreign exchange risks. The Group's borrowings are principally denominated in US dollars, while its cash flow generated from the projects is denominated mainly in Renminbi. The announcement made by the People's Bank of China on the revaluation of Renminbi in July 2005 had a positive impact to the Group's financing position. Other than that, the Group has no significant exposure to foreign exchange fluctuation.

Contingent Liabilities

As of 30 June 2007, according to market practice, the Group provided guarantees amounted to approximately HK$528.3 million (31 December 2006: approximately HK$401.5 million) in favour of banks to facilitate the mortgage granted to customers who purchased the Group's properties. These guarantees will be released when the customers receive and pledge their real estate certificates as securities to banks for the mortgage loans granted. The increase is in line with the growth of the Group's property development business and the pre-sales of the residential units during the period under review.

Major Capital Commitments

As at 30 June 2007, the Group's capital commitments amounted to approximately HK$36.6 million and would be required after the fifth year.

Employees

Excluding the staff of joint ventures and associated companies, the total number of employees in the Group was 492 as of 30 June 2007. The pay levels of employees are commensurate with their responsibilities, performance, and contribution.

Prospects

The toll road and the property businesses are complementary in characteristics. This business mix brings synergy in return of the Group's operations and balances the operating risk of the Group. These two businesses also leverage on the Group's experience and relationship in the PRC.

The toll road business brings strong and stable cash inflow to the Group and serves as a concrete source of profit. The Group will continue to look for new expressway projects and has been in negotiations with several projects.

Apart from improving and enhancing the sales strategy and management efficiency for the existing property projects, the Group will continue to identify profitable land reserve, especially in first tier cities and provincial capitals. The Group is in the process of negotiating certain land acquisitions.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management and external auditors the accounting principles and policies adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2007.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, with deviations from code provisions A.4.1 of the Code in respect of the service term of Directors.

Under code provisions A.4.1, Non-executive Directors should be appointed for a specific term and subject to re-election. None of the existing Non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the Directors of the Company (executive and non-executive) are subject to the retirement by rotation at each annual general meeting under the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

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 during the six months ended 30 June 2007.

APPRECIATION

The Board would like to thank all the staff for their loyalty and diligence.

By Order of the Board
Ko Yuk Bing
Managing Director

Hong Kong, 16 August 2007

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Chan Kam Hung, Fong Shiu Leung, Keter and Zen Wei Peu, Derek as Executive Directors of the Company, Messrs. Hu Aimin and Zhang Yijun as Non-executive Directors of the Company and Messrs. Chan Hing Chiu, Vincent, Chow Shiu Kee, Stephen and Lau Sai Yung as Independent Non-executive Directors of the Company.