四川成渝高速公路股份有限公司

Sichuan Expressway Company Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 107)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2007

The board of directors (the "Board") of Sichuan Expressway Company Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the six months ended 30 June 2007 (the "Period"), with the 2006 comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2007	2006
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	*(Unaudited)*
REVENUE	3	**574,520**	513,957
Other income and gains	3	**22,492**	23,213
Depreciation and amortisation expenses		**(123,737)**	(119,278)
Employee costs		**(61,633)**	(47,626)
Other operating expenses		**(97,682)**	(99,086)
Finance costs	4	**(43,453)**	(58,947)
Share of profits and losses of associates		**2,230**	2,381

	Notes		
PROFIT BEFORE TAX	5	**272,737**	214,614
Tax	6	**(55,784)**	(41,828)
PROFIT FOR THE PERIOD		**216,953**	172,786
Attributable to:			
Equity holders of the Company		**213,607**	170,385
Minority interests		**3,346**	2,401
		216,953	172,786
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY – basic	7	**RMB0.084**	RMB0.067

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**30 June 2007** *RMB'000* *(Unaudited)*	31 December 2006 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**5,984,008**	6,045,738
Prepaid land lease payments		**523,518**	535,740
Operating rights		**112,540**	115,899
Interests in associates		**55,040**	58,535
Available-for-sale investments		**32,795**	32,795
Deferred tax assets		**—**	37,255
Long-term compensation receivables		**69,105**	69,105
Total non-current assets		**6,777,006**	6,895,067
CURRENT ASSETS			
Inventories		**25,194**	12,258
Prepayments, deposits and other receivables	9	**60,744**	151,968
Cash and cash equivalents		**539,908**	416,840
Total current assets		**625,846**	581,066

CURRENT LIABILITIES		
Tax payable	**14,619**	17,121
Other payables and accruals	**169,274**	334,813
Interest-bearing bank and other loans	**1,629,902**	1,592,922
Dividend payable	**66,510**	—
Due to the ultimate holding company	**2,054**	2,054
Total current liabilities	**1,882,359**	1,946,910
NET CURRENT LIABILITIES	**1,256,513**	1,365,844
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,520,493**	5,529,223
NON-CURRENT LIABILITIES		
Interest-bearing bank and other loans	**348,600**	464,418
Deferred tax liabilities	**151**	927
Total non-current liabilities	**348,751**	465,345
Net assets	**5,171,742**	5,063,878
EQUITY		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Issued capital	**2,558,060**	2,558,060
Reserves	**2,516,749**	2,303,142
Proposed final dividend	**—**	102,322
	5,074,809	4,963,524
Minority interests	**96,933**	100,354
Total equity	**5,171,742**	5,063,878

Notes

1.1 BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2007 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2006.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fundamental accounting concept

As at 30 June 2007, the current liabilities of the Group exceeded its current assets by approximately RMB1.257 billion. The directors prepared these interim condensed consolidated financial statements on a going concern basis notwithstanding the net current liabilities position as at 30 June 2007 due to the following factors:

(a) Based on the correspondences received by the directors, banking facilities amounting to RMB2.0 billion, RMB1.2 billion, RMB500 million and RMB1 billion granted by the Industry and Commercial Bank of China, China Construction Bank, Huaxia Bank and Citic Bank, respectively, are available to the Group. As at 30 June 2007, banking facilities amounting to RMB119 million in aggregate were utilised; and

(b) Pursuant to a resolution passed at the extraordinary general meeting of shareholders of the Company on 28 August 2007, the Company was approved to issue short-term commercial papers in one or separate time(s) within an amount not exceeding RMB2.0 billion each year, for a period of three years commencing from 28 August 2007.

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006, except for the adoption of certain new/revised Hong Kong Financial Reporting Standards ("HKFRS", which also include HKASs and Interpretations) noted below. Adoption of these new/revised HKFRSs did not have any effect on the financial position or performance of the Group.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment

1.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSS

The Group has not applied the following new and revised HKFRSs relevant to the Group's interim financial statements, that have been issued but not yet effective in these financial statements which are effective for periods beginning on or after 1 January 2008:

HKFRS 8	Operating Segments
HK(IFRIC) –Int 12	Service Concession Arrangements

The Group expects that the adoption of the pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

2. SEGMENT INFORMATION

The Group's revenue and contribution to profit from operating activities for the Period were mainly derived from toll operations. The principal assets employed by the Group are located in the Sichuan Province, the People's Republic of China ("the PRC"). Accordingly, no segment analysis by business or geographical segments is provided.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue		
Toll income		
– Chengyu Expressway	**385,942**	353,210
– Chengya Expressway	**170,317**	137,949
– Chengbei Exit Expressway, Qinglongchang Bridge and Chengbei Exit Dajian Road	**36,201**	39,596
	592,460	530,755
Less: Revenue taxes	**(17,940)**	(16,798)
	574,520	513,957
Other income and gains		
Road maintenance income	**8,788**	6,860
Rental income	**7,761**	7,886
Interest income	**2,785**	5,506
Miscellaneous	**3,158**	2,961
	22,492	23,213
Total revenue, other income and gains	**597,012**	537,170

4. FINANCE COSTS

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank loans wholly repayable within five years	**11,964**	55,484
Interest on other borrowings	**3,304**	3,463
Amortisation of a discount on short-term commercial papers	**27,980**	—
Exchange losses	**205**	—
	43,453	58,947

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Employee costs:		
Wages and salaries	**49,153**	37,401
Pension scheme contributions		
– Defined contribution fund	**6,865**	5,863
Accommodation benefits		
– Defined contribution fund	**5,615**	4,362
	61,633	47,626
Auditors' remuneration	**212**	315
Depreciation	**108,156**	101,068
Amortisation of prepaid land lease payments	**12,222**	12,518
Amortisation of an operating right	**3,359**	5,692
Minimum lease payments under operating leases:		
Land and buildings	**899**	1,194
Property, plant and equipment written off	**3,522**	1,231
(Reversal of provision)/provision for doubtful debts	**(1,000)**	5,530

6. TAX

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the Period.

Pursuant to documents “Cai Shui [2001] No. 202” and “Guo Shui Fa [2002] No. 47” issued by the State Tax Bureau and approval documents “Chuan Guo Shui Han [2002] No. 244” dated 16 October 2002, “Chuan Guo Shui Zhi Han [2002] No. 30” dated 21 November 2002 issued by the Sichuan Provincial Branch of the State Tax Bureau, “Chuan Guo Shui Han [2006] No. 40” dated 7 February 2006 issued by the Sichuan Provincial Branch of the State Tax Bureau, for the five years from 1 January 2006 to 31 December 2010, the Company is required to pay enterprise income tax (“EIT”) at a preferential rate of 18%.

Pursuant to an approval document “Chuan Di Shui Han [2004] No. 283” dated 19 July 2004 issued by the Sichuan Provincial Branch of the State Tax Bureau, the Company’s subsidiary, Chengdu Chengbei Exit Expressway Company Limited. (“Chengbei Company”), was granted a tax concession to pay EIT at a preferential rate of 15% for the period from 1 January 2003 to 31 December 2010.

Pursuant to a document “Guo Ban Fa [2001] No. 73” dated 29 September 2001 issued by the State Council of the PRC and the approval of the local tax authorities, Chengdu Airport Expressway Company Limited, an associate of the Company, was granted a tax concession to pay EIT at a preferential rate of 15% for a period of 10 years from 1 January 2001 to 31 December 2010.

The other subsidiaries and associates of the Company are required to pay EIT at the standard rate of 33%.

On 16 March 2007, the National People’s Congress approved the Corporate Income Tax law of the PRC (the “new CIT law”), which will be effective from 1 January 2008. Under the new CIT law, the standard EIT rate starting from 1 January 2008 will be 25%, replacing the current rate of 33%, and the entities that are currently entitled to preferential tax rate may continue to enjoy the tax benefits. As detailed measures concerning the tax incentives have not been issued by the State Council, the Group is not yet in a position to assess the impact of the new CIT law, if any. The Group will continue to evaluate the impact when more detailed regulations are announced.

The major components of income tax expenses for the Period are as follows:

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Group:		
Current – PRC		
Charge for the period	**19,305**	43,271
Deferred	**36,479**	(1,443)
Total tax charge for the period	**55,784**	41,828

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of earnings per share is based on the profit for the Period attributable to equity holders of the Company for the Period of RMB213,607,000 (2006: RMB170,385,000) and the 2,558,060,000 (2006: 2,558,060,000) Domestic and H Shares in issue during the Period.

No diluting events existed as the Company did not have any potential shares for the Period or at each of the balance sheet dates. Accordingly, diluted earnings per share amounts for the two periods ended 30 June 2007 and 2006 have not been disclosed.

8. DIVIDENDS

(a) Dividends attributable to the interim period

At a meeting of the board of directors held on 28 August 2007, the directors of the Company resolved not to pay an interim dividend to shareholders (2006: Nil).

(b) Dividends attributable to the previous financial year, declared and paid during the interim period

	For the six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Final dividend in respect of the financial year ended 31 December 2006 of RMB0.04 per share (2005: RMB0.04 per share)		
Declared during the interim period	**102,322**	102,322
Paid during the interim period	**(35,812)**	(35,812)
	66,510	66,510

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in the prepayments as at 31 December 2006 was a down payment of RMB100,000,000 made in respect of a proposed acquisition of a 21.16% equity interest in Jiuzhai Huanglong Airport Co., Ltd.. The down payment was received by the Group on 16 March 2007 after the board of directors of a subsidiary passed a resolution to withdraw from the proposed acquisition on 7 March 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In the first half of 2007, the Group continued to strengthen and improve the operation and management of its existing assets to enhance the operating performance while continuing to look for new investment opportunities for asset expansion aiming to realise its sustainable and healthy development.

The booming demand for transportation, as driven by Sichuan Province's fast-growing economy, remained the major impetus for growth in the Group's toll road business. During the first half of 2007, the toll income of expressways falling in the Group's principal business demonstrated an upward trend since 2006 and recorded a remarkable increase of 11.63% on average as compared with the corresponding period of last year, laying a solid foundation for the increase of the Group's profit.

In 2007, the medium to long term maintenance project for Chengyu Expressway for a term of four years was about to complete. With the completion of the repair and maintenance project for the cement road surface of Chenglong (Chengdu-Longquan) section in early February 2007, road conditions and traffic capacity of Chengyu Expressway has been noticeably improved, which ensured the rapid, safe, comfortable and smooth services of the expressway, sharpening the market competitive edge of Chengyu Expressway, the core asset of the Group.

A weight-based tolling mechanism for networked expressways in Sichuan has been implemented since 1 June 2007 in accordance with the deployment of Sichuan Provincial Department of Communications. The mechanism is favourable for curbing overloaded vehicles, effectively protect the road and bridge facilities and further regulate the order of the transportation market.

During the Period, the Group continued to proactively and steadily step up in investment and financing. In order to guard against risks, the Company's subsidiary, Chengdu Shuhai Investment Management Co. Ltd., decided to withdraw the proposed investment in Sichuan Jiuzhai Huanglong Airport Company Limited, and recovered the prepayment of RMB100 million in full on 16 March 2007. Following the successful issuance of short-term commercial papers amounting to RMB1.5 billion last year, currently, the Company is working on reapplication for issuance of short-term commercial papers, planning to issue short-term commercial papers within 3 years starting from the date of approval of the special resolution on issuance of short-term commercial papers with an annual cap of RMB2 billion. The proceeds raised will be used to as working capital to meet the operation needs, reduce the company's financial costs as well as optimize the financing structure.

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2007. The Group's revenue for the Period amounted to RMB574.520 million, representing an increase of 11.78% over the corresponding period last year. Profit attributable to the equity holders of the Company amounted to RMB213.607 million, representing an 25.37% increase over the corresponding period last year. Earnings per share were RMB0.084 (for the corresponding period of 2006: RMB0.067).

1. Income from the Group's principal operations

Toll income	**For the period ended 30 June 2007** *(RMB'000)*	**Percentage to total income**	**Period growth/ (decline)**
Chengyu Company	385,942	65.14%	9.27%
Chengya Branch	170,317	28.75%	23.46%
* Chengbei Company	36,201	6.11%	(8.57%)
Total	592,460	100%	11.63%

* The toll income of Chengbei Company was the sum of the toll incomes of Qinglongchang Bridge and Chengbei Exit Expressway.

Since the original toll road - Chengbei Exit Dajian Road Section I had ceased to collect toll as at 30 December 2006, such income was not included in Chengbei Company's toll income for this period. If comparison was made without taking in account such income, Chengbei Company's toll income should have surged by 9.61% as compared with the corresponding period last year.

2. Operation of expressways included in the principal business

The operating performance of the Group's major expressways during the Period are as follows:

Toll road	Average daily traffic flow *(No. of vehicles)*	Period growth	Toll income during the period *(RMB'000)*	Period growth
Chengyu Expressway	16,181	6.95%	385,942	9.27%
Chengya Expressway	12,020	4.59%	170,317	23.46%
Chengbei Exit Expressway (including Qinglongchang Bridge)	21,821	6.08%	36,201	9.61%

Thanks to the steady and fast growing macro economy as an effective drive of the booming communication and transportation activities in Sichuan province, the operations of the Group's expressways were sound during the Period.

- The traffic flow and toll income of Chengyu Expressway increased steadily by 6.95% and 9.27% respectively. This was mainly due to: (1) The passenger-cargo traffic flow in Chengyu economic zone around Chengyu Expressway hiked constantly, ensuring the steady increase in traffic flow and income of Chengyu Expressway; (2) The medium to long term maintenance project for Chengyu Expressway for a term of four years from 2004 to 2007 was about to complete with the last large-scale maintenance for cement road surface of Chenglong section (Chengdu - Longquan) completed in early February 2007, thus enabling better condition for Chengyu Expressway and greatly improving the capacity of traffic flow; (3) The implementation of the mechanism of weight-based toll rates for cargos from 1 June 2007 resulted in a remarkable increase in toll income which increased by more than 10% on a monthly basis. Meanwhile, the overloading was effectively curbed and road facilities were protected while the traffic safety was ensured.

  In early June 2007, for the purpose of speeding up development of middle and western regions and promoting regional balanced development, the State Council approved Chengdu and Chongqing to establish a pilot area for reform on integrated and united overall urban and rural consideration and coordination. The establishment of "Chengyu New Special Zone" is expected to further activate economic development and transportation of the areas along Chengyu Expressway, which has a positive and far-reaching effect on the traffic flow and toll income of Chengyu Expressway.

- With the ongoing economic development of western region of Sichuan and the continual escalation of tourism for natural ecology and nationality and custom, the toll income of Chengya Expressway has been increasing year after year. Especially since the new toll rates mechanism was implemented with effect from 10 April 2006, the toll income of Chengya Expressway has surged nearly 30%, which resulted in a great increase in toll income from January to April 2007 over the same period of last year. In addition, the implementation of the weight-based toll rate mechanism for cargos from 1 June 2007 led to a slight increase in toll income. Therefore, during the Period, the toll income of Chengya Expressway remained a strong momentum to the Group with more than 20% increase.

- During the Period, traffic flow and toll income of Chengbei Exit Expressway also emerged a rising trend. This was mainly attributable to a steady growth in traffic flow driven by the economic development and the implementation of the new toll rate mechanism from 10 April 2006, pursuant to which, the basic charges of Type I and Type II were increased and basic charges of Type III, IV and V were reduced. As Type I and Type II vehicles accounted for approximately 90% of the total traffic flow of Chengbei Exit Expressway which was obviously benefited from the adjustment in toll rate standards, an increase of 9.61% in toll income over the same period of last year was achieved.

3. Operation results of the Company, major branches and controlling companies

Unit: Rmb'000

	Toll Income	**Operating Profit**	**Profit**
Chengyu Company	385,942	225,589	171,201
Chengya Branch	170,317	86,422	50,486
Chengbei Company	36,201	18,227	8,594

4. Other businesses

During the Period, the Company's businesses other than toll roads recorded a total revenue and gains of RMB 22.492 million, down 3.11% from the same period last year.

5. Business development plan for the second half of 2007

(1) We will further strengthen the operation and management of the Group's existing chargeable items and deepen and refresh the management philosophy, system and measures in response to the new conditions and characteristics in the operation to secure the steady growth of its operating results.

(2) By seizing the opportunities of developing Sichuan traffic, the Group will continue to innovate investment philosophy and approach, and strive for greater breakthroughs in investment in expressways and accelerate the expansion in safe and highly-efficient ways in accordance with the Sichuan provincial traffic development plan, aligning with the industry policy and external condition.

(3) Preparation work for issuing short-term commercial papers will be pressed ahead to widen the source of funding, optimize the financing structure, reduce the finance cost and maintain a reasonable liability ratio.

(4) With the approaching completion of the 4-year medium to long term repair and maintenance project of Chengyu Expressway, the Company will put more effort in preventive maintenance, make full use of up-to-date resources in information management, implement new road management and maintenance measures to further raise the standard of road management and maintenance.

(5) The corporate governance will be moving towards a more scientific, benchmarking and sophisticated management approach. Establishing, training and management of human resources will be strengthened to keep up with the needs from the ongoing expansion of the Company.

In line with its development path of keeping toll road as its principal activity, capitalising its core advantages and seizing the opportunities to face all challenges and hedge the risks in consolidating its core competitiveness and constantly improving the corporate governance. We strive to press ahead an all-round, healthy and steady development with satisfactory returns to shareholders.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

EMPLOYEES AND THEIR REMUNERATION AND TRAINING

As at 30 June 2007, the Company (inclusive of Chengya Branch) had 1,583 employees, of which administrative and professional technical staff accounted for 23.6% and toll collection staff accounted for 76.4%.

Employee's wages are composed of fixed wage (which consist of basic salary, and salaries determined by the position and period of service) and performance incentive. Employee's salary is determined based on his position (i.e. the salary changes in accordance with the position of service) and performance as well as the operation efficiency of the Company with reference to the appraisal of employee's overall performance.

The emplyees' wages and salary totaled RMB42,304,000 (including the amount of Chengya Branch) for the Period.

The Company highly regard employee training in order to improve the comprehensive quality and business standard through all-level training. During the Period, the Company organised various centralized training in respect of education and skills for the position, as well as training on specialized topics. A total of 173 employees participated in the training.

CORPORATE GOVERNANCE

1. Code on Coporate Governance Practice

During the Period, the Company has not set up a Remuneration Committee with specific authority and obligations in accordance with relevant provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules. Until now, remunerations of Directors, Supervisors and senior management members of the Company are determined on the basis of related PRC policies or regulations, the Company's operation and applicable percentage of per capita income of the working population of Chengdu, a place where the Company is situated, and is subject shareholders' to approval in the general meeting. Save for the above, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the Period.

2. Audit Committee

The Audit Committee comprises three independent non-executive Directors of the Company who are all professionals experienced in finance and transportation industries. The Audit Committee has reviewed the unaudited financial statements and interim results for the six months ended 30 June 2007.

3. Model Code for Securities Transactions by Directors and Supervisors

During the Period, the Company has adopted a code of conduct not less favourable than the standards stipulated in Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions carried out by directors and supervisors. Upon specific enquiries made to all Directors and Supervisors, it was confirmed that the Directors and Supervisors of the Company have complied with the Model Code in relation to securities transactions by the Directors and the standards of code of conduct and there was no violation to the Model Code.

By Order of the Board
Tang Yong
Chairman

Chengdu, Sichuan, the PRC
28 August 2007

*As at the date of this announcement, the Directors are: Mr. Tang Yong, Mr. Zhang Zhiying, Mr. Zhang Wensheng, Mr. Gao Chun, Mr. Zhou Liming, Mr. Wang Shuanming, Mr. Liu Mingli, Madam Zhang Yang, *Madam Luo Xia, *Mr. Feng Jian and *Mr. Zhao Zesong.*

* *Independent Non-executive Director*