

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 2001, together with the comparative figures for the corresponding period in 2000, the unaudited condensed consolidated balance sheet of the Group as at 30 June 2001 together with audited comparative figures as at 31 December 2000, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2001

	Notes	Six months ended 30 June	
		2001 (Unaudited) HK\$'000	2000 (Unaudited) HK\$'000
Turnover: Group and share of infrastructure joint ventures			
Toll revenue		347,813	342,476
Minimum income undertakings		71,394	94,494
Sales of goods		48,048	12,326
		<u>467,255</u>	<u>449,296</u>
Less: Share of infrastructure joint ventures' toll revenue		(333,593)	(328,586)
Turnover: Group		133,662	120,710
Net income recognised in respect of goodwill and negative goodwill	3	9,908	–
Other income	4	9,906	20,186
		<u>153,476</u>	<u>140,896</u>
Cost of inventories sold		(38,168)	(10,594)
Operating expenses		(52,922)	(43,381)
		<u>62,386</u>	<u>86,921</u>
Operating profit: Group		196,502	225,498
Share of operating profit of joint ventures			
Operating profit: Group and share of joint ventures		258,888	312,419
Finance costs	6	(53,746)	(66,635)
		<u>205,142</u>	<u>245,784</u>
Profit before taxation		205,142	245,784
Taxation	7	(16,404)	(4,061)
		<u>188,738</u>	<u>241,723</u>
Profit before minority interests		188,738	241,723
Minority interests		(2,728)	(1,768)
		<u>186,010</u>	<u>239,955</u>
Profit for the period		<u>186,010</u>	<u>239,955</u>
Dividends	8	54,657	132,466
Earnings per share	9		
– Basic		HK\$0.33	HK\$0.43
– Diluted		HK\$0.33	HK\$0.42

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2001

	Notes	As at 30 June 2001 (Unaudited) HK\$'000	As at 31 December 2000 (Audited) HK\$'000
ASSETS			
Non-current assets			
Goodwill		3,547	4,097
Negative goodwill		(38,348)	(48,806)
Toll highway operation right		73,238	75,708
Property, plant and equipment		63,416	68,648
Interests in joint ventures	10	4,467,340	4,463,123
Investments in securities		52,387	52,387
Debtors - due after one year	11	209,398	182,811
Charged deposits	12	53,275	61,652
		<u>4,884,253</u>	<u>4,859,620</u>
Current assets			
Inventories and ginseng crops		160,181	169,639
Debtors, deposits and prepayments	13	295,097	308,591
Charged deposits	12	138,150	176,287
Bank balances and cash		299,701	214,232
		<u>893,129</u>	<u>868,749</u>
Total assets		<u><u>5,777,382</u></u>	<u><u>5,728,369</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	50,667	50,667
Reserves	15	4,249,767	4,117,522
Convertible preference shares dividend payable		19,226	-
		<u>4,319,660</u>	<u>4,168,189</u>
Minority interests		<u>84,198</u>	<u>84,776</u>
Non-current liabilities			
Secured loans - due after one year	16	616,158	1,239,125
Obligations under finance leases - due after one year		283	464
		<u>616,441</u>	<u>1,239,589</u>
Current liabilities			
Creditors and accrued charges	17	52,074	79,094
Secured loans - due within one year	16	699,796	148,521
Obligations under finance leases - due within one year		462	525
Deferred taxation		4,751	7,675
		<u>757,083</u>	<u>235,815</u>
Total equity and liabilities		<u><u>5,777,382</u></u>	<u><u>5,728,369</u></u>

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE SIX MONTHS ENDED 30 JUNE 2001

	Six months ended 30 June 2001 (Unaudited) <i>HK\$'000</i>
Exchange differences arising on translation of overseas operations and net gain not recognised in the income statement	892
Profit for the period	<u>186,010</u>
Total recognised gains and losses	<u><u>186,902</u></u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2001

	Six months ended 30 June 2001 (Unaudited) HK\$'000
Net cash inflow from operating activities	26,296
Returns on investments and servicing of finance	
Dividends paid	(35,431)
Dividend paid to a minority shareholder	(3,306)
Interest received	7,864
Interest paid	(53,776)
Net cash outflow from returns on investment and servicing of finance	(84,649)
Investing activities	
Purchase of property, plant and equipment	(927)
Proceeds from disposal of property, plant and equipment	113
Additional investments in a joint venture	(3,790)
Loans to joint ventures	(23,953)
Repayment of loans from infrastructure joint ventures	198,114
Decrease in charged deposits	46,514
Net cash inflow from investing activities	216,071
Net cash inflow before financing	157,718
Financing	
New loan raised	1,116
Repayment of transferable loan certificate	(73,121)
Repayment of obligations under finance leases	(244)
Net cash outflow from financing	(72,249)
Increase in cash and cash equivalents	85,469
Cash and cash equivalents at the beginning of the period	214,232
Cash and cash equivalents at the end of the period	299,701
Analysis of balances of cash and cash equivalents	
Bank balances and cash	299,701