

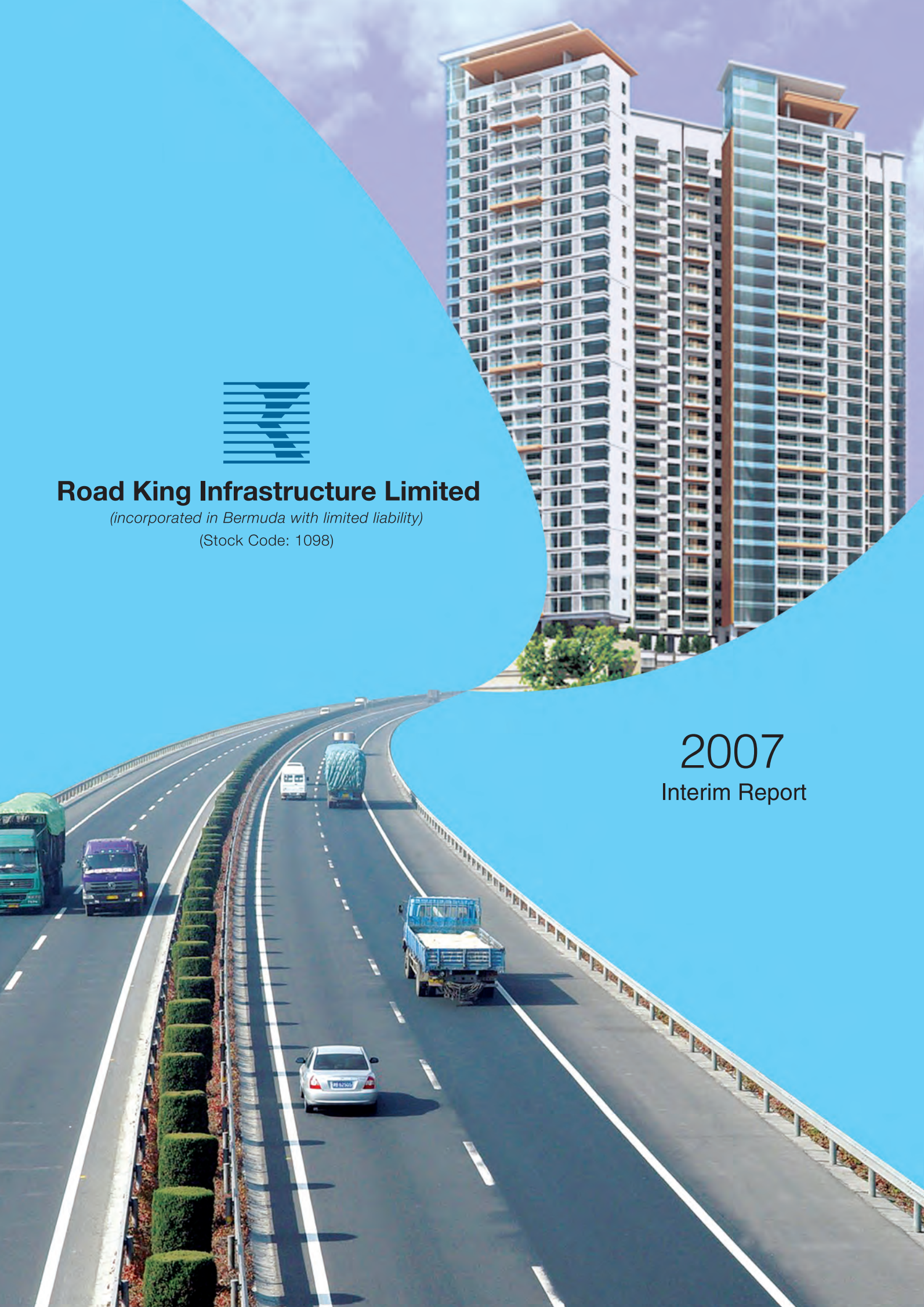


Road King Infrastructure Limited

(incorporated in Bermuda with limited liability)

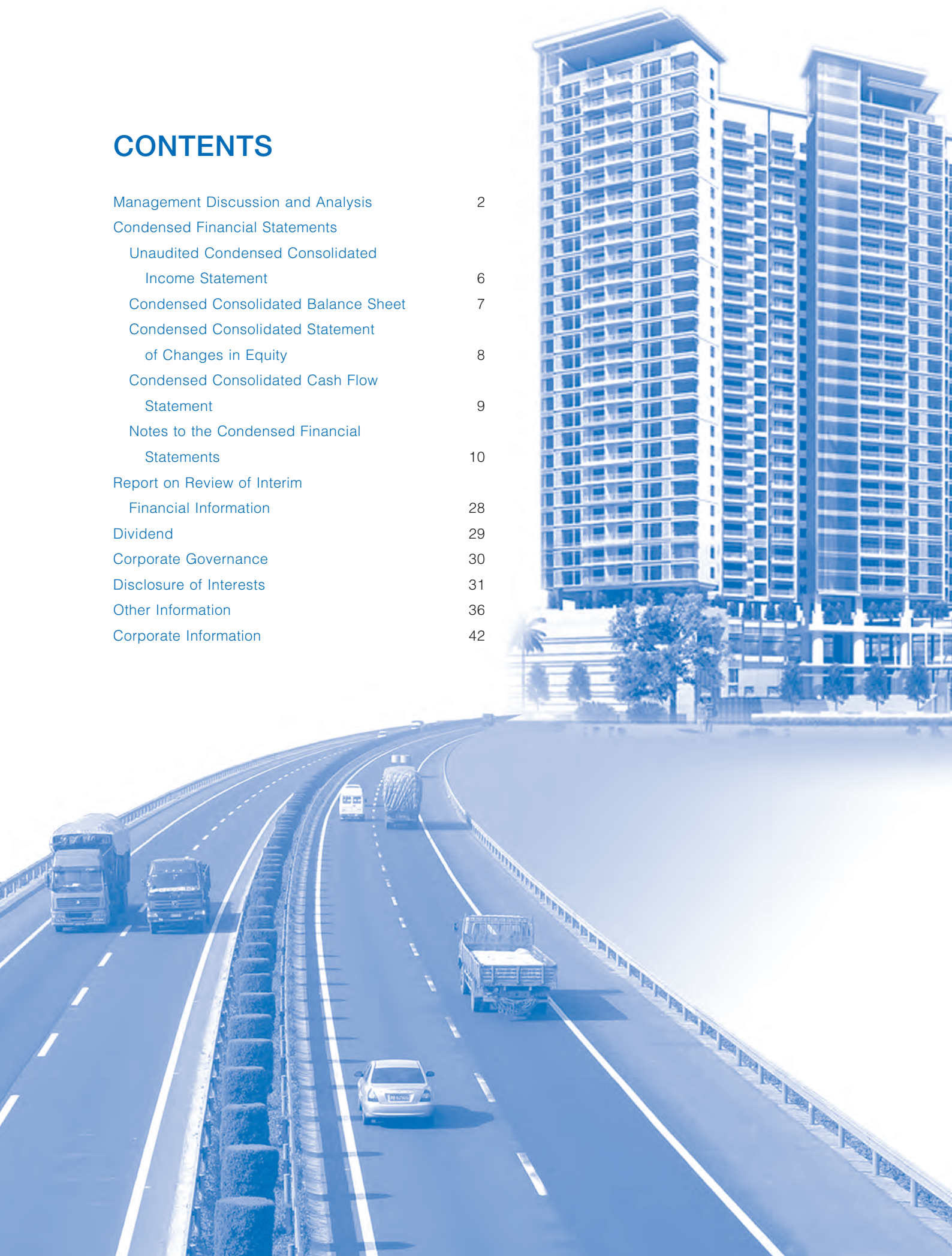
(Stock Code: 1098)

2007
Interim Report



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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.

Management Discussion and Analysis (Continued)

Business Review (Continued)

PROPERTY BUSINESS (Continued)

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.



Management Discussion and Analysis (Continued)

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.

Management Discussion and Analysis (Continued)

Financial Review (Continued)

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.





Condensed Financial Statements

Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2007

	NOTES	Continuing operations		Discontinued operation		Total	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Revenue	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
Cost of sales		307,763 (246,313)	—	—	24,822 (25,805)	307,763 (246,313)	24,822 (25,805)
Gross profit (loss)		61,450	—	—	(983)	61,450	(983)
Minimum income undertakings		—	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	5	360,994	334,121	—	—	360,994	334,121
Share of results of associates		29	—	—	—	29	—
Finance costs	6	(128,884)	(52,481)	—	(1,245)	(128,884)	(53,726)
Profit (loss) before taxation	7	338,465	250,322	—	(5,903)	338,465	244,419
Income tax (expense) credit	8	(28,891)	—	—	2,774	(28,891)	2,774
Profit (loss) for the period		309,574	250,322	—	(3,129)	309,574	247,193
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	9	192,214	156,350	—	—	192,214	156,350
Earnings per share	10						
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 Financial Statements (Continued)

Condensed Consolidated Balance Sheet

At 30 June 2007

	NOTES	30 June 2007 (Unaudited) HK\$'000	31 December 2006 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		9,475	9,724
Interest in an associate	11	446,237	—
Loan to an associate	12	265,095	—
Interests in joint ventures	13	4,948,501	5,073,408
Loan to a joint venture	13	13,530	13,408
Loans to related companies	14	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	15	2,878,321	2,444,729
Completed properties held for sale		404,865	452,230
Advances for land leases	16	719,104	458,758
Income tax prepaid		25,424	7,650
Amounts due from associates	12	1,530,288	—
Debtors, deposits and prepayments	17	836,224	1,268,769
Pledged deposits	18	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
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	19	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	20	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	21	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	20	255,000	1,582,155
		1,492,579	2,619,346
Total equity and liabilities		14,851,137	10,961,828



Condensed Financial Statements (Continued)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2007

	Attributable to shareholders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Revaluation reserve HK\$'000	Statutory reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2006	59,090	1,566,947	45,254	1,260,000	3,611	—	—	2,296,376	5,231,278	35,215	5,266,493
Exchange differences arising on translation of foreign operations	—	—	3,837	—	—	—	—	—	3,837	1,747	5,584
Loss on fair value changes of available-for-sale investment	—	—	—	—	—	(1,465)	—	—	(1,465)	—	(1,465)
Net income (expenses) recognised directly in equity	—	—	3,837	—	—	(1,465)	—	—	2,372	1,747	4,119
Profit for the period	—	—	—	—	—	—	—	248,060	248,060	(867)	247,193
Total recognised income and expense for the period	—	—	3,837	—	—	(1,465)	—	248,060	250,432	880	251,312
Issue of ordinary shares	1,169	63,764	—	—	—	—	—	—	64,933	—	64,933
Transfer upon exercise of share options	—	636	—	—	(636)	—	—	—	—	—	—
Dividend	—	—	—	—	—	—	—	(156,350)	(156,350)	—	(156,350)
Balance at 30 June 2006	60,259	1,631,347	49,091	1,260,000	2,975	(1,465)	—	2,388,086	5,390,293	36,095	5,426,388
Balance at 1 January 2007	69,008	2,522,627	257,722	1,260,000	36,795	—	—	2,631,416	6,777,568	—	6,777,568
Exchange differences arising on translation of foreign operations recognised directly in equity	—	—	97,577	—	—	—	—	—	97,577	—	97,577
Profit for the period	—	—	—	—	—	—	—	309,574	309,574	—	309,574
Total recognised income and expense for the period	—	—	97,577	—	—	—	—	309,574	407,151	—	407,151
Issue of ordinary shares	1,089	67,928	—	—	—	—	—	—	69,017	—	69,017
Placement of new shares	4,500	544,500	—	—	—	—	—	—	549,000	—	549,000
Expense incurred in relation to the placement of new shares	—	(10,368)	—	—	—	—	—	—	(10,368)	—	(10,368)
Transfer upon exercise of share options	—	3,045	—	—	(3,045)	—	—	—	—	—	—
Forfeiture of share options	—	—	—	—	(62)	—	—	62	—	—	—
Realised to consolidated income statement on disposal of interests in infrastructure joint ventures	—	—	(7,838)	—	—	—	—	—	(7,838)	—	(7,838)
Appropriation	—	—	—	—	—	—	10,867	(10,867)	—	—	—
Dividend	—	—	—	—	—	—	—	(192,214)	(192,214)	—	(192,214)
Balance at 30 June 2007	74,597	3,127,732	347,461	1,260,000	33,688	—	10,867	2,737,971	7,592,316	—	7,592,316

Condensed Financial Statements (Continued)

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Net cash (used in) from operating activities	(177,940)	1,016
Net cash (used in) from investing activities:		
Distributions from infrastructure joint ventures	419,940	483,529
Proceeds on disposal of interests in infrastructure joint ventures	128,000	52,381
Increase in advances for land leases	(442,144)	—
Additional investments in infrastructure joint ventures	(8,911)	—
Acquisition of an associate	(275,741)	—
Loans to associates	(1,360,863)	—
Other investing cash flows	34,590	(72,357)
	(1,505,129)	463,553
Net cash from (used in) financing activities:		
New borrowings raised	4,429,965	—
Repayment of borrowings	(1,509,746)	(8,232)
Issue of ordinary shares	618,017	64,933
Expenses incurred in connection with the issue of ordinary shares	(10,368)	—
Interest paid	(119,169)	(60,091)
Dividend paid	(192,214)	(156,350)
	3,216,485	(159,740)
Net increase in cash and cash equivalents	1,533,416	304,829
Cash and cash equivalents at 1 January	1,113,374	421,192
Effect of foreign exchange rate changes	7,343	12
Cash and cash equivalents at 30 June	2,654,133	726,033
Analysis of balances of cash and cash equivalents		
Bank balances and cash	2,654,133	726,033



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements

For the six months ended 30 June 2007

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").

2. PRINCIPAL ACCOUNTING POLICIES

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.

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 are 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.

3. REVENUE

	Six months ended 30 June	
	2007 HK\$'000	2006 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



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

4. SEGMENTAL INFORMATION

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

By business segments:

	Continuing operations			Discontinued operation		Consolidated HK\$'000
	Toll road	Property development	Unallocated	Total	Ginseng	
	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

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

4. SEGMENTAL INFORMATION (Continued)

By geographical segments:

	Continuing operations	Discontinued operation		
	People's Republic of China (the "PRC") HK\$'000	Hong Kong HK\$'000	Canada HK\$'000	Consolidated HK\$'000
For the six months ended 30 June 2007				
Revenue	307,763	—	—	307,763
Segment results	23,608	—	—	23,608
For the six months ended 30 June 2006				
Revenue	8,571	20,540	4,282	33,393
Segment results	(7,771)	259	(4,917)	(12,429)

In September 2006, the Company distributed its entire interest in Chai-Na-Ta Corp. ("CNT") by way of a special interim dividend. At the date of disposal, the Company held 84.2% of the issued share capital of CNT, which was engaged in farming and trading of North American ginseng products. Such operation was discontinued upon the disposal of CNT.



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

5. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2007 HK\$'000	2006 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.

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

6. FINANCE COSTS

	Six months ended 30 June	
	2007 HK\$'000	2006 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
	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



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

7. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30 June					
	Continuing operations		Discontinued operation		Consolidated	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 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 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

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

8. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2007 HK\$'000	2006 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.

9. DIVIDEND PAID

	Six months ended 30 June	
	2007 HK\$'000	2006 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.



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

10. EARNINGS PER SHARE

From continuing and discontinued operations

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 HK\$'000	2006 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 Number of shares	30 June 2006 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 of the Company is based on the following data:

	Six months ended 30 June	
	2007 HK\$'000	2006 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	—	2,262
Earnings for the purposes of basic earnings per share from continuing operations attributable to the shareholders of the Company	309,574	250,322

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

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

11. INTEREST IN AN ASSOCIATE

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Cost of investment, unlisted shares	446,208	—
Share of post-acquisition undistributed profits and reserves	29	—
	446,237	—

Pursuant to a subscription agreement dated 17 October 2006, the aggregate consideration paid for the subscription of 49% enlarged issued share capital of Sunco Property Holdings Company Limited (formerly known as Sunco Binhai Land Limited) ("Sunco A") (the "Sunco A Subscription") of HK\$446,208,000 was satisfied by the Group by way of i) cash of HK\$275,741,000; ii) capitalisation of loans to Sunco A of HK\$170,467,000. Sunco A was incorporated in the British Virgin Islands on 12 February 2003 as an international business company with limited liability. Sunco A acts as an investment holding company and its subsidiaries are engaged in property development business in the PRC. The Sunco A Subscription was completed on 11 January 2007.

12. LOAN TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES

Loan to an associate and amounts due from associates represented the cash advances to Sunco A.

At 30 June 2007, loan to an associate of HK\$265,095,000 is unsecured, carrying interest at 8% per annum and will be repaid by 31 December 2008.

At 30 June 2007, included in amounts due from associates was loan to an associate of HK\$983,175,000 and was unsecured, interest bearing at 6% per annum and will be repaid before 31 October 2007, the remaining balances are unsecured, interest-free and repayable on demand.



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

13. INTERESTS IN JOINT VENTURES

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	5,550,636	5,636,052
Share of post-acquisition undistributed profits and reserves	2,639,819	2,570,265
Reduction of cost of investments	(3,241,954)	(3,132,909)
	4,948,501	5,073,408
Interest in a property construction joint venture		
Cost of investment	1	1
Share of post-acquisition loss	(1)	(1)
	—	—
	4,948,501	5,073,408
Loan to a joint venture	14,136	14,136
Less: loss allocated in excess of cost of investment	(606)	(728)
	13,530	13,408

14. LOANS TO RELATED COMPANIES

The loans to related companies of HK\$54,700,000 represented cash advance to subsidiaries of CNT in which one of its shareholders being Wai Kee Holdings Limited, which has significant beneficial interest in the Company. The loans are unsecured, interest bearing at LIBOR/HIBOR plus 1.7% and wholly repayable in 2010.

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

15. PROPERTIES UNDER DEVELOPMENT FOR SALE

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
At Cost	2,878,321	2,444,729
Cost consisted of:		
Land costs	1,875,657	1,714,322
Construction expenditure	952,813	685,545
Borrowing costs capitalised	49,851	44,862
	2,878,321	2,444,729

16. ADVANCES FOR LAND LEASES

At 30 June 2007, a total advance of HK\$719,104,000 (31 December 2006: HK\$458,758,000) was made for the acquisition of several pieces of land. Upon completion of the acquisition and delivery of relevant land title documents to the Group, the amount will be transferred to the account of "Properties Under Development for Sale".

17. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Aging analysis of debtors		
Within 60 days	2,378	6,579
60 to 90 days	2,924	—
More than 90 days	18,156	51,213
	23,458	57,792
Deferred consideration due within one year on disposal of an infrastructure joint venture	17,850	35,183
Interest receivable	28,872	5,710
Other receivables	562,980	960,932
Prepayments on business tax and other taxes	138,663	131,330
Deposits and prepayments	64,401	77,822
	836,224	1,268,769



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

17. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

At 30 June 2007, included in debtors is an amount of HK\$16,543,000 (31 December 2006: HK\$51,213,000) representing minimum income undertakings due from the PRC joint venture partners. Minimum income undertakings have been recognised in accordance with the terms set out in the relevant joint venture agreements and are settled according to the schedules agreed with the relevant PRC joint venture partners.

At 30 June 2007, included in other receivables were cash advances of HK\$363,636,000 to Sunco Real Estate Investment Limited ("Sunco B"), which is controlled by a shareholder of Sunco A. The amount was carried interest at 12% per annum and will be repaid within one year.

At 31 December 2006, included in other receivables were cash advances of HK\$960,932,000 to subsidiaries of Sunco A and Sunco B. The amounts due from Sunco A and Sunco B of HK\$802,153,000 carried interest at 12% per annum and were partially repaid subsequent to 31 December 2006, and the remaining balance was interest-free and repayable on demand.

At 30 June 2007 and 31 December 2006, a deed tax amounted to HK\$108,396,000 was paid by 蘇州雋御地產有限公司 ("Suzhou Sunco") to 蘇州市國土房產局 ("國土局") in respect of the land certificates obtained from 國土局. The PRC lawyer has advised that according to the confirmation received from 國土局 dated 10 October 2006, Suzhou Sunco has the right to request 國土局 to repay the deed tax to Suzhou Sunco and then to discharge its tax liability by making payment to the relevant government authority. Accordingly, the prepaid deed tax has been included in prepayments on business tax and other taxes.

18. PLEDGED DEPOSITS

At 30 June 2007, the pledged deposits were bank balances of HK\$27,624,000 (31 December 2006: HK\$24,018,000) pledged as security in favour of banks for mortgage facilities granted to the buyers of the Group's properties.

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

19. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each	20,000,000,000	2,000,000
Issued and fully paid:		
Ordinary shares		
At 1 January 2007	690,076,566	69,008
Exercise of share options (<i>note 1</i>)	10,894,000	1,089
Placement of new shares (<i>note 2</i>)	45,000,000	4,500
At 30 June 2007	745,970,566	74,597

Notes:

- (1) The Company has a share option scheme for directors and eligible employees of the Group. At 30 June 2007, the number of outstanding share options are 25,931,000 (31 December 2006: 36,860,000).

During the period, 10,894,000 share options were exercised and 35,000 share options were forfeited.

The weighted average closing price of the Company's shares immediately before the date on which share options were exercised during the period was HK\$13.86 (For the six months ended 30 June 2006: HK\$8.37).

As a result of the exercise of the Company's share options during the period, 10,894,000 ordinary shares were issued by the Company during the period ended 30 June 2007. All the new shares issued rank pari passu in all respects with the existing shares.

- (2) In March 2007, 45,000,000 ordinary shares of the Company were placed in the market at a price of HK\$12.20 per share. All the new shares issued rank pari passu in all respects with the existing shares.



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

20. BANK AND OTHER BORROWINGS

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Senior notes (<i>note i</i>)	2,625,157	—
Guaranteed notes (<i>note ii</i>)	1,533,138	1,559,029
Bank loans (<i>note iii</i>)	1,854,808	1,582,155
	6,013,103	3,141,184
The maturity of the above loans is as follows:		
Unsecured borrowings repayable:		
Within one year	230,000	1,582,155
More than two years but not exceeding five years	2,658,369	1,559,029
More than five years	1,499,925	—
	4,388,294	3,141,184
Secured borrowings repayable:		
Within one year	25,000	—
More than one year but not exceeding two years	259,351	—
More than two years but not exceeding five years	1,340,458	—
	1,624,809	—
Total borrowings	6,013,103	3,141,184
Less: amount due within one year shown under current liabilities	(255,000)	(1,582,155)
Amount due over one year shown under non-current liabilities	5,758,103	1,559,029

Notes:

- (i) Senior notes with carrying amounts of HK\$1,499,925,000 carry interest at a fixed rate of 7.625% per annum and will mature in May 2014. Senior notes with carrying amounts of HK\$1,125,232,000 carry interest at floating rates of three month LIBOR plus 2.25% per annum and will mature in May 2012. The fair value of the senior notes based on the quoted market bid price at 30 June 2007 was HK\$1,464,970,000 and HK\$1,141,871,000, respectively.
- (ii) The guaranteed notes carry interest at a fixed rate of 6.25% per annum and will mature in July 2011. The fair value of the guaranteed notes based on the quoted market bid price at 30 June 2007 was HK\$1,457,300,000 (31 December 2006: HK\$1,489,051,000).
- (iii) The interest rates on the bank loans are equal to the floating rates at LIBOR plus 1% per annum. (31 December 2006: range from LIBOR plus 0.75% per annum to LIBOR plus 0.875% per annum).

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

21. CREDITORS AND ACCRUED CHARGES

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Aged analysis of creditors:		
Within 60 days	7,156	1,744
60 to 90 days	71	235
More than 90 days	116	18,839
Interest payable	7,343	20,818
Accrued construction costs	75,389	58,124
Accrued other taxes	385,354	342,619
Land premium	140,544	133,703
Other accrued charges	41,443	—
	52,242	60,559
	702,315	615,823



Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

22. DISPOSAL OF INTERESTS IN INFRASTRUCTURE JOINT VENTURES

On 11 June 2007, the Group has entered into three sale and purchase agreements to dispose of 25% equity interests in each of the three infrastructure joint ventures to the respective PRC joint venture partners at an aggregate consideration of HK\$128,000,000. The gain on disposal of the three infrastructure joint ventures was recognised in profit and loss.

The Group's disposal of its interest in the infrastructure joint ventures during the period had the following effects:

	HK\$'000
Cost of investments	147,971
Share of post-acquisition undistributed profits	59,957
Reduction of cost of investments	(84,070)
Translation reserve released	(7,838)
Net assets disposed of	116,020
Expenses in connection with the disposal	850
Gain on disposal	11,130
Total consideration	128,000
Satisfied by:	
Cash consideration	128,000
Cash inflow arising on disposal:	
Cash consideration	128,000

During the period, the disposed infrastructure joint ventures contributed to the Group's increase in profit after taxation of HK\$1,652,000 and increase in investing cash inflow of HK\$3,701,000.

23. TOTAL ASSETS LESS CURRENT LIABILITIES / NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2007 amounted to HK\$13,358,558,000 (31 December 2006: HK\$8,342,482,000). The Group's net current assets at 30 June 2007 amounted to HK\$7,583,404,000 (31 December 2006: HK\$3,150,182,000).

24. CAPITAL COMMITMENTS

At the balance sheet date, the Group had material capital commitments in respect of investment costs to be injected into infrastructure joint ventures after the fifth year amounted to HK\$36,580,000 (31 December 2006: HK\$36,241,000).

Condensed Financial Statements (Continued)

Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

25. CONTINGENT LIABILITIES

At 30 June 2007, the Group provided guarantees of HK\$528,303,000 (31 December 2006: HK\$401,500,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's developed properties. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective property by the banks from the customers as a pledge for security to the mortgage loan granted. The directors considered that the fair value of such guarantee on initial recognition was insignificant.

26. RELATED PARTY BALANCES AND TRANSACTIONS

The amounts due from related companies are disclosed in notes 12, 13 and 14.

During the period, the Group had significant transactions with the following related parties, details of which are as follows:

Related parties	Nature	Six months ended 30 June	
		2007 HK\$'000	2006 HK\$'000
Infrastructure joint ventures	Dividend received	258,155	128,147
Infrastructure joint ventures	Other income	657	161
Property construction joint venture	Construction cost paid	82,347	—
PRC joint venture partners	Minimum income undertakings received and receivable	—	8,571
Associates	Interest income	19,830	—
Related companies*	Interest income	1,849	—

* The related companies are associates of Wai Kee Holdings Limited which has significant beneficial interest in the Company.

27. POST BALANCE SHEET EVENTS

In July 2007, the Group has further acquired and subscribed for 39.46% equity interest in Sunco A. The total amount paid for such acquisition and subscription was HK\$1,276 million. The details of the transaction were set out in the circular of the Company dated 30 June 2007. The transaction will be accounted for as purchase of assets. The directors consider that it is impractical to disclose the carrying amounts of the net assets acquired in view of the short period of time since the date of the completion of the transaction.



Report on Review of Interim Financial Information

Deloitte.

德勤

To the Board of Directors of Road King Infrastructure Limited
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 6 to 27, which comprises the condensed consolidated balance sheet of Road King Infrastructure Limited as of 30 June 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 16 August 2007

Dividend

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 2007, 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 Registrar 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.



Corporate Governance

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 deviation from code provisions A.4.1 of the Code in respect of the service term of Directors.

Under code provision A.4.1, non-executive Directors should be appointed for a specific term, subject to re-election. None of the existing non-existing 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.

Disclosure of Interests

Directors' Interests and Short Positions

As at 30 June 2007, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

(I) The Company

INTERESTS IN SHARES

Name of Director	Capacity/ Nature of interest	Number of shares held		Percentage of holding (%)*
		Long position	Short position	
Zen Wei Pao, William	Personal	5,500,000 (<i>note 2</i>)	—	0.74
Ko Yuk Bing	Personal	580,000 (<i>note 1</i>)	—	0.08
		3,300,000 (<i>note 2</i>)	—	0.44
Chan Kam Hung	Personal	1,200,000 (<i>note 1</i>)	—	0.16
		2,400,000 (<i>note 2</i>)	—	0.32
Fong Shiu Leung, Keter	Personal	792,000 (<i>note 1</i>)	—	0.11
		2,400,000 (<i>note 2</i>)	—	0.32
Zen Wei Peu, Derek	Personal	5,286,000 (<i>note 1</i>)	—	0.71
		1,300,000 (<i>note 2</i>)	—	0.17
Hu Aimin	Personal	250,000 (<i>note 2</i>)	—	0.03
Zhang Yijun	Personal	250,000 (<i>note 2</i>)	—	0.03
Chan Hing Chiu, Vincent	Personal	750,000 (<i>note 2</i>)	—	0.10
Chow Shiu Kee, Stephen	Personal	185,000 (<i>note 1</i>)	—	0.02
		800,000 (<i>note 2</i>)	—	0.11
Lau Sai Yung	Personal	500,000 (<i>note 2</i>)	—	0.07



Disclosure of Interests (Continued)

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of the Company pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to Directors are included in this category, the particulars of which are set out in (II) below.

* As at 30 June 2007, the issued share capital of the Company is 745,970,566 shares. Accordingly, the percentage has been adjusted.

(II) Details of Share Options

For the period ended 30 June 2007, 10,894,000 share options granted under the share option scheme of the Company were exercised. Particulars of the share option scheme were set out in note 28 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2006.

A summary of movement during the period under the share option scheme is as follows:

Name of Director	Issue	Number of share options				Balance at 30.6.2007	Weighted average closing price*
		Balance at 1.1.2007	Granted during the period	Exercised during the period	Cancelled during the period		
	<i>(note)</i>						
Zen Wei Pao, William	Tranche 1	500,000	—	500,000	—	—	13.90
	Tranche 2	2,500,000	—	2,000,000	—	500,000	13.71
	Tranche 3	2,500,000	—	—	—	2,500,000	
	Tranche 4	2,500,000	—	—	—	2,500,000	
Ko Yuk Bing	Tranche 2	700,000	—	700,000	—	—	13.58
	Tranche 3	2,300,000	—	1,300,000	—	1,000,000	13.90
	Tranche 4	2,300,000	—	—	—	2,300,000	
Chan Kam Hung	Tranche 2	1,300,000	—	1,300,000	—	—	13.13
	Tranche 3	1,800,000	—	1,200,000	—	600,000	15.18
	Tranche 4	1,800,000	—	—	—	1,800,000	
Fong Shiu Leung, Keter	Tranche 2	600,000	—	600,000	—	—	14.22
	Tranche 3	1,400,000	—	400,000	—	1,000,000	15.50
	Tranche 4	1,400,000	—	—	—	1,400,000	
Zen Wei Peu, Derek	Tranche 4	1,300,000	—	—	—	1,300,000	
Hu Aimin	Tranche 4	250,000	—	—	—	250,000	
Zhang Yijun	Tranche 4	250,000	—	—	—	250,000	
Chan Hing Chiu, Vincent	Tranche 2	250,000	—	—	—	250,000	
	Tranche 3	250,000	—	—	—	250,000	
	Tranche 4	250,000	—	—	—	250,000	

Disclosure of Interests (Continued)

Name of Director	Issue	Number of share options				Balance at 30.6.2007	Weighted average closing price*
		Balance at 1.1.2007	Granted during the period	Exercised during the period	Cancelled during the period		
	<i>(note)</i>						
Chow Shiu Kee, Stephen	Tranche 1	250,000	—	200,000	—	50,000	13.20
	Tranche 2	250,000	—	—	—	250,000	
	Tranche 3	250,000	—	—	—	250,000	
	Tranche 4	250,000	—	—	—	250,000	
Lau Sai Yung	Tranche 3	250,000	—	—	—	250,000	
	Tranche 4	250,000	—	—	—	250,000	
		25,650,000	—	8,200,000	—	17,450,000	
Employees	Tranche 1	460,000	—	325,000	—	135,000	13.16
	Tranche 2	490,000	—	100,000	—	390,000	14.40
	Tranche 3	1,470,000	—	1,080,000	—	390,000	12.94
	Tranche 4	8,790,000	—	1,189,000	35,000	7,566,000	14.07
		11,210,000	—	2,694,000	35,000	8,481,000	
		36,860,000	—	10,894,000	35,000	25,931,000	

Note:

Tranche 1: The share options under this issue were granted on 17 October 2003 with an exercisable period from 17 October 2003 to 16 October 2008 and an exercise price of HK\$5.15.

Tranche 2: The share options under this issue were granted on 26 August 2004 with an exercisable period from 26 August 2004 to 25 August 2009 and an exercise price of HK\$5.70.

Tranche 3: The share options under this issue were granted on 14 December 2005 with an exercisable period from 14 December 2005 to 13 December 2010 and an exercise price of HK\$5.80.

Tranche 4: The share options under this issue were granted on 20 December 2006 with an exercisable period from 20 December 2006 to 19 December 2011 and an exercise price of HK\$11.66.

* This represents the weighted average closing price of the Company's shares immediately before the date on which the share options were exercised.

Save as disclosed above, none of the Directors of the Company or their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.



Disclosure of Interests (Continued)

Arrangements to Acquire Shares or Debentures

Other than the share option scheme as mentioned earlier, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' Interests

As at 30 June 2007, so far as is known to any Directors of the Company, the following persons (other than a Director of the Company) have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of holding (%)*
		Long position <i>(note 1)</i>	Short position	
Wai Kee Holdings Limited <i>(note 2)</i>	Corporate	281,542,428	—	37.74
Wai Kee (Zens) Holding Limited <i>(note 3)</i>	Corporate	281,542,428	—	37.74
Groove Trading Limited <i>(note 4)</i>	Personal/Beneficiary	66,000,000	—	8.85
Wai Kee China Investments (BVI) Company Limited <i>(note 4)</i>	Corporate	211,925,428	—	28.41
Wai Kee China Investments Company Limited <i>(note 5)</i>	Corporate	211,925,428	—	28.41
ZWP Investments Limited <i>(note 6)</i>	Personal/Beneficiary	211,925,428	—	28.41
Shenzhen Investment Limited <i>(note 7)</i>	Corporate	169,765,142	—	22.76
Hover Limited <i>(note 8)</i>	Personal/Beneficiary	169,765,142	—	22.76
Cheah Cheng Hye <i>(note 9)</i>	Corporate	65,998,852	—	8.85
Value Partners Limited	Investment Manager	65,998,852	—	8.85

Disclosure of Interests (Continued)

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Wai Kee Holdings Limited is deemed to be interested in the shares through its interests in (i) its wholly owned subsidiaries, namely Wai Kee (Zens) Holding Limited, Groove Trading Limited, Wai Kee China Investments (BVI) Company Limited, Wai Kee China Investments Company Limited, ZWP Investments Limited and Top Horizon Holdings Limited respectively; and (ii) its subsidiaries, namely Build King Holdings Limited, Top Tactic Holdings Limited, Amazing Reward Group Limited, Absolute Achieve Holdings Limited and Smart Start Investments Limited, which beneficially held 3,617,000 shares, respectively.
3. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee Holdings Limited.
4. Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited are direct wholly-owned subsidiaries of Wai Kee (Zens) Holding Limited.
5. Wai Kee China Investments Company Limited is a direct wholly-owned subsidiary of Wai Kee China Investments (BVI) Company Limited.
6. ZWP Investments Limited is a direct wholly-owned subsidiary of Wai Kee China Investments Company Limited.
7. Shenzhen Investment Limited is deemed to be interested in the shares through its interests in its wholly-owned subsidiary, namely Hover Limited.
8. Hover Limited is a direct wholly-owned subsidiary of Shenzhen Investment Limited.
9. Cheah Cheng Hye is deemed to be interested in the shares through his 35.65% interest in Value Partners Limited.

* As at 30 June 2007, the issued share capital of the Company is 745,970,566 shares. Accordingly, the percentage has been adjusted.

Save as disclosed above, no other person (other than the Directors' has any interest or a short position in the shares and underlying shares of the Company as recorded as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



Other Information

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2007.

Continuing Disclosure under the Listing Rules

In compliance with continuing disclosure obligations of the Listing Rules, the following information is disclosed:

1. Pursuant to rules 13.13 and 13.16 of the Listing Rules:
 - (a) All the Group's investments in highway projects are structured in the form of Sino-foreign co-operative joint ventures. The 42 joint ventures are regarded as infrastructure joint ventures irrespective of whether the Group's interests exceed 50% or not. The investments are in the form of both registered capital and loans. The size of loans made by the Group and by the other joint venture partner(s) to each joint venture is in proportion to the respective interests in each joint venture.
 - (b) During the period, the Group has not provided guarantees in respect of bank facilities utilized by the joint ventures.
 - (c) The total amount of loans to joint ventures was HK\$3.40 billion which in aggregate exceeds 8% of the Group's adjusted total assets of HK\$14.67 billion (being the Group's total assets as at 30 June 2007 adjusted for the dividend proposed for the year ended 31 December 2006 by the Company). The loans are actually part of the investments and are unsecured and interest free.
 - (d) The loans to the infrastructure joint ventures were reflected in the accounts as part of the cost of investment and were funded by equities raised at the listing of the Company or by borrowings or internal resources of the Group.

Other Information (Continued)

Continuing Disclosure under the Listing Rules (Continued)

- (e) An indirectly wholly-owned subsidiary of the Company, RK Investment (Beijing) Limited (“RKI (BJ)”) had provided respective loan advances to Sunco Property Holdings Company Limited (“Sunco A”), a 49%-owned associated company of RKI (BJ) as at 30 June 2007, and Sunco Real Estate Investment Limited (“Sunco B”), an independent third party, pursuant to several loan agreements as detailed below:
- (i) a loan agreement dated 28 November 2006, pursuant to which loan advances of up to approximately RMB363.6 million (“Loan 4”) was provided to Sunco B as working capital at an interest rate of 12% per annum. Loan 4 was secured by a personal guarantee from Mr. Sun Hongbin, charges over the then entire issued capital of Sunco A (being those shares in Sunco A held by the then shareholders of Sunco A) and the entire issued share capital of Sunco B. The loan was due in full, together with the accrued interest, on 16 March 2008. As at 30 June 2007, the outstanding principle and accrued interest of Loan 4 was RMB363.6 million and RMB25.5 million, respectively;
 - (ii) a loan agreement dated 23 January 2007, pursuant to which a loan facility of up to HK\$400 million (“Loan 5”) was granted to Sunco A for the purposes of acquiring direct or indirect interests in development land or property development projects in the PRC (“Property Acquisition”) or general working capital at an interest rate of 6% per annum. Loan 5 was due in full, together with the accrued interest, on 31 October 2007. As at 30 June 2007, the outstanding principle and accrued interest of Loan 5 was HK\$400 million and approximately HK\$9.7 million, respectively;
 - (iii) a loan agreement dated 7 March 2007, pursuant to which a loan facility of up to HK\$600 million (“Loan 6”) was granted to Sunco A for the purposes of Property Acquisition, payment of outstanding land premium, and/or general working capital at an interest rate of 6% per annum. Loan 6 was due in full, together with the accrued interest, on 31 October 2007. As at 30 June 2007, the outstanding principle and accrued interest of Loan 6 was approximately HK\$583.2 million and HK\$7.7 million, respectively; and
 - (iv) a loan agreement dated 26 May 2007, pursuant to which a loan facility of up to HK\$800 million (“Loan 7”) was granted to Sunco A for the purposes of Property Acquisition, payment of outstanding land premium, and/or general working capital at an interest rate of 8% per annum. Loan 7 was due in full, together with the accrued interest, on 31 December 2008. As at 30 June 2007, the outstanding principle and accrued interest of Loan 7 was approximately HK\$265.1 million and HK\$1.8 million, respectively.
2. Pursuant to rule 13.18 of the Listing Rules:

The Company are obliged to make an offer to repurchase all US\$200,000,000 fixed rate senior notes due 2014 and US\$150,000,000 floating rate senior notes due 2012 (“Notes”) then outstanding at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to (but not including) the date of repurchase in the occurrence of a change of control triggering event and a decline in rating of the Notes.



Other Information (Continued)

Continuing Disclosure of the Listing Rules (Continued)

3. Pursuant to rule 13.22 of the Listing Rules:

- a. A summary of aggregate financial information of the infrastructure joint ventures, based on the adjusted financial statements prepared under the accounting principles generally accepted in Hong Kong as at 30 June 2007, is as follows:

	As at 30 June 2007 (unaudited) HK\$'000
Balance sheet	
Property, plant and equipment	9,936,205
Current assets	727,384
Current liabilities	(398,416)
Net current assets	328,968
Amounts due to joint venture partners	(1,958,213)
Net assets	8,306,960

Other Information (Continued)

Continuing Disclosure of the Listing Rules (Continued)

3. b. Details of the joint ventures

	% of interest held indirectly by the Company	Loan to joint venture HK\$'000	Outstanding loan to be injected HK\$'000
PRC Infrastructure Joint Ventures			
Anhui Road Universe Hefei Highway Development Co., Ltd.	50%	125,924	—
Anhui Road Universe Hehuai Highway Dayang Section Development Company Limited	60%	80,919	—
Anhui Road Universe Hehuai Highway Yangjin Section Development Company Limited	60%	72,424	—
Anhui Road Universe Liuan Highway Development Co., Ltd.	50%	65,352	—
Bengbu Road King Chaoyanglu Huaihe Highway Bridge Development Co., Ltd.	35%	37,000	—
Bengbu Road King Huaihe Bridge Highway Development Co., Ltd.	35%	44,034	—
Bengbu Road King Huaimeng Highway Development Co., Ltd.	35%	32,257	—
Guangxi Hengjing Highway Development Co., Ltd.	70%	62,129	19,665
Guangxi Lutong Highway Development Co., Ltd.	70%	82,618	16,915
Handan Rongguang Highway Development Co., Ltd.	70%	80,015	—
Handan Xinguang Highway Development Co., Ltd.	70%	81,278	—
Hebei Baofa Expressway Co., Ltd.	40%	54,605	—
Hebei Baofeng Expressway Co., Ltd.	40%	54,652	—
Hebei Baohui Expressway Co., Ltd.	40%	54,446	—
Hebei Baojie Expressway Co., Ltd.	40%	55,544	—
Hebei Baojin Expressway Co., Ltd.	40%	54,921	—
Hebei Baoli Expressway Co., Ltd.	40%	55,599	—
Hebei Baoming Expressway Co., Ltd.	40%	51,056	—
Hebei Baosheng Expressway Co., Ltd.	40%	54,729	—
Hebei Baoyi Expressway Co., Ltd.	40%	54,989	—
Hebei Baoyu Expressway Co., Ltd.	40%	55,250	—
Hebei Tanghui Expressway Co., Ltd.	45%	184,606	—
Hebei Tangjin Expressway Co., Ltd.	45%	160,818	—
Hebei Tangrun Expressway Co., Ltd.	45%	110,847	—
Hunan Changyi (Baining) Expressway Co., Ltd.	43.17%	59,222	—
Hunan Changyi (Cangyi) Expressway Co., Ltd.	43.17%	60,431	—
Hunan Changyi Expressway Co., Ltd.	43.17%	60,163	—
Hunan Changyi (Hengcang) Expressway Co., Ltd.	43.17%	62,080	—
Hunan Changyi (Ningheng) Expressway Co., Ltd.	43.17%	60,105	—



Other Information (Continued)

Continuing Disclosure of the Listing Rules (Continued)

	% of interest held indirectly by the Company	Loan to joint venture HK\$'000	Outstanding loan to be injected HK\$'000
Hunan Changyi (Zijiang No. 2 Bridge) Expressway Co., Ltd.	43.17%	47,820	—
Liuan Road Universe Liuye Highway Development Co., Ltd.	50%	69,172	—
Liuan Road Universe Pihe Bridge Development Co., Ltd.	50%	63,919	—
Luodingshi Luochong Highway Company Limited	61%	115,873	—
Pingdingshan Road King Xuchang-Nanyang Highway (Xiangcheng Section) Development Co., Ltd.	50%	69,036	—
Pingdingshan Road King Xuchang-Nanyang Highway (Yexian Section) Development Co., Ltd.	50%	59,615	—
Shanxi Lutong Dongguan Highway Co., Ltd.	65%	100,690	—
Shanxi Lutong Taiyu Highway Co., Ltd.	65%	76,697	—
Shanxi Lutong Yuci Highway Co., Ltd.	65%	61,064	—
Shenzhen Airport-Heao Expressway (Eastern Section) Co., Ltd.	45%	380,798	—
Shijiazhuang Luhui Road & Bridge Development Co., Ltd.	60%	97,623	—
Shijiazhuang Luxin Road & Bridge Development Co., Ltd.	60%	54,580	—
Suzhou Road King Shanghai-Suzhou Airport Road Development Co., Ltd.	50%	122,083	—
		3,386,983	36,580
Property Construction Joint Venture			
常州利駿建築工程有限公司 (「利駿」)	60%	14,136*	—
		3,401,119	36,580

* The loan was advanced to the immediate holding company of 利駿, Value Ahead Limited, which then on-lent it to 利駿.

Other Information (Continued)

Continuing Disclosure of the Listing Rules (Continued)

3. c. A summary of the unaudited consolidated balance sheet of Sunco A, based on the financial statements prepared under the accounting principles generally accepted in Hong Kong as at 30 June 2007, is as follows:

Unaudited consolidated balance sheet	As at 30 June 2007 RMB'000
Non-current assets	296,500
Current assets	9,754,465
Current liabilities	(9,640,848)
Net current assets	113,617
Non current liabilities	(300,387)
Net assets	109,730

4. Save as disclosed above, there is no other continuing disclosure required to be made by the Company pursuant to Chapter 13 of the Listing Rules.

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.

By Order of the Board
Ko Yuk Bing
Managing Director

Hong Kong, 16 August 2007



Corporate Information

Executive Directors

Zen Wei Pao, William (*Chairman*)
Ko Yuk Bing (*Managing Director & CEO*)
Chan Kam Hung (*Chief Operation Officer*)
Fong Shiu Leung, Keter (*Finance Director*)
Zen Wei Peu, Derek

Non-Executive Directors

Hu Aimin
Zhang Yijun

Independent Non-Executive Directors

Chan Hing Chiu, Vincent
Chow Shiu Kee, Stephen
Lau Sai Yung

Audit Committee

Lau Sai Yung (*Chairman*)
Chan Hing Chiu, Vincent
Chow Shiu Kee, Stephen

Remuneration Committee

Chan Hing Chiu, Vincent (*Chairman*)
Zen Wei Pao, William
Chow Shiu Kee, Stephen
Lau Sai Yung

Auditors

Deloitte Touche Tohmatsu

Solicitors

Richards Butler
Sidley Austin
Conyers, Dill & Pearman

Principal Bankers

Bank of China (Hong Kong) Limited
CITIC Ka Wah Bank Limited
DBS Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited

Qualified Accountant

Fong Shiu Leung, Keter

Company Secretary

Fong Shiu Leung, Keter

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM 08, Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

Registered Office

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Hamilton HM 11
Bermuda

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Share Listing

The Company's shares are listed on
The Stock Exchange of Hong Kong Limited

The Stock Codes

The Stock Exchange of Hong Kong Limited — 1098
Reuters — 1098.HK
Bloomberg — 1098 HK

Investor Relations

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