



To Business Editor

[For Immediate Release]

Huayu Expressway Group Limited 華昱高速集團有限公司

**Huayu Expressway Announces Proposed Listing on the Main Board of the HKEx
Raising Up to HK\$ 135 million at the offer price range at HK\$1.23 to HK\$1.35**

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[10 December 2009, Hong Kong] **Huayu Expressway Group Limited** (“Huayu Expressway” or the “Company”, together with its subsidiaries the “Group”), an infrastructure company that invests, builds, operates and manages infrastructure and expressway projects in China, today announced its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEx”).

Huayu plans to offer a total of 100,000,000 new Shares with 90% International Placing Shares and 10% Public Offer Shares (subject to reallocation and Over-allotment Option), at an Offer Price range between HK\$1.23 and HK\$1.35, raising up to HK\$135 million (excluding Over-allotment option). The 100,000,000 Offer Shares represent 25% of enlarged capital (before exercise of over-allotment option). The Hong Kong Public Offer will begin on 11 December 2009 (Friday) and close on 16 December 2009 (Wednesday) at noon. Dealings in the Shares of the Company are expected to commence on 23 December 2009 (Wednesday). The Shares, with the stock code of **1823**, will be traded in board lots of 2000 Shares. The Over-allotment Option will be up to 15,000,000 additional new Shares, representing 15% of the Initial Offer Shares.

Mizuho Securities Asia Limited (“Mizuho Securities”) is the Sole Sponsor, Sole Bookrunner and Sole Lead Manager. This is the first Hong Kong IPO sole sponsored and bookrunned by Mizuho Securities, a subsidiary of the Mizuho Financial Group, the second largest banking groups in Japan.

Huayu Expressway invests, builds, operates and manages the Sui-Yue Expressway Hunan Section. With a total length of 24.08 km, the Sui-Yue Expressway Hunan Section is an integral part of the major artery between Hunan Province and Hubei Province, in addition to connection with various feeder roads in Hunan Province. It will be connecting the southern end of the Jing-Yue Yangtze River Highway Bridge (荆岳长江公路大桥) to Kunshan (昆山) in Yueyang city (岳阳市), and the existing Jiang-Gang-Ao (京—港—澳) Expressway. It is currently under construction and will be completed by the end of 2011. With dual three lanes and four toll plazas, the Company will operate the Sui-Yue Expressway Hunan Section for 27 years. The total planned project investment for the Sui-Yue Expressway Hunan Section is approximately RMB1.717 billion and approximately RMB1.1 billion is to be financed by bank loan, pursuant to the loan agreement with China Merchants Bank signed on 30 April 2009 for a term of 18 years.

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The Group owns 90% equity interest of the Sui-Yue Expressway Hunan Section through Hunan Daoyue Expressway Industry Co., Ltd (“Daoyue”), while the remaining 10% is held by Shenzhen Huayu Investment & Development (Group) Co., Ltd (“Huayu Investment”). According to Parsons Brinckerhoff (Asia) Ltd (“Parsons”) and Jones Lang LaSalle Sallmanns Limited (“Sallmanns”), as of 31 October 2009, the fair value of 100% equity interest of Daoyue is equivalent to RMB 1.05 billion (approximately HK\$1.193 billion). The attributable fair value of the Group’s interest in Daoyue is approximately RMB 945 million (approximately HK\$1,074 million). The expected market capitalization of Huayu Expressway based on the mid-point offer price range is at approximately 52% discount to such business valuation. The expected market capitalization of Huayu Expressway is also at a discount to the expected equity investment of approximately RMB 601 million (approximately HK\$ 683 million) which would have been fully injected upon listing (including the IPO proceeds which shall be used as equity investment for the Sui-Yue Expressway (Hunan Section)).

Situated in Hunan province, PRC, the Sui-Yue Expressway Hunan section enjoys a prestigious location. According to CEIC, Hunan is one of the fast growing provinces in China with GDP of RMB 1.1 trillion in 2008, representing a growth rate of 12.8% in 2008 compared to the previous year. The province also recorded solid cargo throughput by road traffic of approximately 987.6 million tones in 2008, an increase of 15.6% compare to the prior year. Passenger throughput by road traffic reached approximately 1.24 billion persons in 2008, posting an increase of 6.4% compared to the previous year. Huayu Expressway is well positioned to benefit from increasing traffic flow.

At present, the movement of people, goods and services between Hubei province (the area in between Wuhan and Jingzhou) and Hunan Province (Yueyang area) is severely restricted, which restrains the full utilization of the resources in both provinces. The Sui-Yue Expressway Hunan Section, upon completion, will fulfill the traffic need for a high speed link between Daorenji town and Yueyang city. According to the traffic forecast for Sui-Yue Expressway Hunan Section conducted by Parsons and Sallmanns, the traffic demand for this expressway would be 12,071 to 12,892 vehicles per day in 2012, and is expected to increase to 40,301 to 59,827 vehicles per day by 2038.

Led by the Chairman Mr. Chan Yeung Nam, who has more than 10 years’ experience in the investment, development and operation of highways, Huayu Expressway’s management consists of experts and professionals who have long association with expressway, coordination with government, transportation and environment protection fields. Mr. Chan was a government official prior to founding Huayu Investment in 1993. All of the Group’s Directors have been involved in the Sui-Yue Expressway Hunan Section project at different points in time since the project’s initiation in 2003.

Mr. Chan Yeung Nam, the Group’s Chairman and Executive Director is indirectly holding 90.67% of equity interest in Huayu Investment which is engaged in the investment, development and operation of toll expressways in Shenzhen. Founded in 1993, Huayu Investment has in-depth knowledge related to infrastructure projects in China.

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Huayu Investment is a leading private sector investor and operator of expressways in China. It and its related companies own an aggregate 60% interest in Shuiguan Expressway in Shenzhen and the remaining 40% is held by Shenzhen Expressway Company Limited (“Shenzhen Expressway” ; stock code:548). In addition, Huayu Investment also holds 60% interest in Shuiguan Expressway Extension Line, while the remaining 40% is owned by Shenzhen Expressway. Shuiguan Expressway, with a length of approximately 20.14km is among the expressways in Shenzhen with the highest traffic flow and expansion plans are formulated due to its heavy traffic flow. Currently, Huayu Investment and related companies also invests and operates two other expressway projects in Shenzhen, which are Shenzhen Qingping Expressway and Shenzhen Eastern Expressway, both of which are 100% held by Huayu Investment. The latter has a planned length of 31km and is expected to be the most important expressway linking Hong Kong, Shenzhen and the hinterland in Guangdong, particularly for cargo transport upon completion.

“With our in-depth experience, the Group will identify opportunities to bid for other infrastructure related projects in China in the future. Apart from investing new projects, we will also pursue opportunities related to abandoned or half-developed infrastructure projects,” commented Mr. Chan Yeung Nam.

Commenting on the prospect of infrastructure industry, Mr. Chan Yeung Nam said, “We believe China’s infrastructure industry possesses significant opportunities as 45% of the government’s RMB 4 trillion stimulus package is directed to infrastructure. We pride ourselves in our capabilities and experience related to the expressway industry. Management will proactively bid for projects that will generate positive returns to our shareholders and create integrated, convenient and reliable transport facilities for road users.”

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Offering Summary:

Number of Offer Shares under the Global Offering	:	100,000,000 Offer Shares (subject to the Over-allotment Option)
Number of Placing Shares	:	90,000,000 Shares (subject to reallocation and the Over-allotment Option)
Number of Public Offer Shares	:	10,000,000 Offer Shares (subject to reallocation)
Offer Price Range	:	HK\$1.23 - HK\$1.35 per Offer Share
Public Offer Begins	:	11 December 2009 (Friday)
Public Offer Ends	:	16 December 2009 (Wednesday) noon
Pricing	:	17 December 2009 (Thursday)
Announcement of Allotment Results	:	22 December 2009 (Tuesday)
Listing	:	23 December 2009 (Wednesday)
Stock Code	:	1823

Use of Proceeds:

The Company intends to use these net proceeds for the pre-operating and developing costs in relation to the development of the Sui-Yue Expressway (Hunan section) project.

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Issued by Porda International (Finance) PR Company Limited for and on behalf of Huayu Expressway Group Limited. For further information, please contact:

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