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HUAYU EXPRESSWAY GROUP LIMITED

華昱高速集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1823)

PROFIT WARNING

This announcement is made by Huayu Expressway Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of Directors (the “Board”) of the Company (together with its subsidiaries are referred to as the “Group”) wishes to inform the shareholders of the Company and potential investors that the Group may incur a significantly higher loss for the six months ended 30 June 2012 as compared to the loss of approximately HK\$10.4 million for the six months ended 30 June 2011. Such increase in loss was primarily attributable to, among other things, the impairment loss on the intangible assets under the service concession arrangement of the Group, arising from the recent promulgation of “Notice on Approval and Forwarding of Toll-Free on Major Festivals and Holidays for Small Passengers Vehicles Implementation Policy Promulgated by the Ministry of Transport etc.” (《國務院關於批轉交通運輸等部門重大節假日免收小型客車通行費實施方案的通知》) by the State Council on 2 August 2012 regarding the Toll-Free on Major Festivals and Holdings for Small Passenger Vehicles Implementation Policy (《重大節假日免收小型客車通行費實施方案》) (“Holiday Toll-Free Policy”). Pursuant to the Holiday Toll-Free Policy, small passenger vehicles with 7 seats or less would be entitled to use certain toll roads during major statutory holidays in the PRC free of charge. The implementation of the Holiday Toll-Free Policy is expected to have a negative impact on the toll revenue of the Sui-Yue Expressway (Hunan Section) operated by the Group, thus the impairment loss.

The information contained in this announcement is only a preliminary estimate of the Company and is not yet finalized with the auditor of the Company. Detailed financial information of the Group will be disclosed in the 2012 Interim Results Announcement of the Group.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order to the Board of
Huayu Expressway Group Limited
Chan Yeung Nam
Chairman

Hong Kong, 17 August 2012

As at the date of this announcement, the executive directors of the Company are Mr. Chan Yeung Nam, Mr. Mai Qing Quan, Mr. Fu Jie Pin, Mr. Chen Min Yong and Ms. Mao Hui and the independent non-executive directors are Mr. Sun Xiao Nian, Mr. Chu Kin Wang, Peleus and Mr. Hu Lie Ge.