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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 the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of 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 based on a preliminary assessment by the Board of the unaudited management accounts of the Company for the year ended 31 December 2015, the Group may incur a significantly higher loss for the year ended 31 December 2015 as compared to the year ended 31 December 2014. Such expected increase in loss is primarily attributable to, among other things, the impairment loss on the intangible assets under the service concession arrangement of the Group, arising from the decrease in the expected revenue of the Sui-Yue Expressway (Hunan Section) (the “Expressway”). According to the latest management accounts of the Group, the toll revenue of the Expressway for the year ended 31 December 2015 was about 5% less than the budgeted amount. In addition, the Group is still negotiating with the lessee regarding the renewal of the lease of the service area of the Expressway. This rental revenue forms a significant part of the future revenue of the Expressway and its value.

The information contained in this announcement is only a preliminary assessment by the management of the Company with reference to the information currently available to the Board and such information has not been audited by the Company’s auditor. Detailed financial information of the Group will be disclosed in the annual results announcement of the Company for the year ended 31 December 2015, which is expected to be published in March 2016.

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, 20 January 2016

As at the date of this announcement, the executive Directors are Mr. Chan Yeung Nam, Mr. Mai Qing Quan and Mr. Fu Jie Pin and the independent non-executive Directors are Mr. Sun Xiao Nian, Mr. Chu Kin Wang, Peleus and Mr. Hu Lie Ge.