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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The board of directors (the “Board”) of Huayu Expressway Group Limited (the “Company”) hereby announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2009, together with comparative figures for the preceding year ended 31 December 2008, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	<i>Note</i>	2009 HK\$'000	2008 <i>HK\$'000</i>
Turnover	4	205,538	10,080
Cost of construction services		<u>(201,016)</u>	<u>(9,858)</u>
Gross Profit		4,522	222
Other revenue	5	586	126
Administrative expenses		<u>(20,795)</u>	<u>(3,569)</u>
Loss before taxation	6	(15,687)	(3,221)
Income tax credit	7	740	831
Loss for the year		<u>(14,947)</u>	<u>(2,390)</u>
Attributable to:			
Equity shareholders of the Company		(14,385)	(2,140)
Minority interests		<u>(562)</u>	<u>(250)</u>
Loss for the year		<u>(14,947)</u>	<u>(2,390)</u>
Loss per share			
Basic and Diluted (HK cents)	9	<u>(4.76)</u>	<u>(0.71)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Loss for the year	(14,947)	(2,390)
Other comprehensive income for the year		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of nil tax	<u>232</u>	<u>3,982</u>
Total comprehensive income for the year	<u>(14,715)</u>	<u>1,592</u>
Attributable to:		
Equity shareholders of the Company	(14,177)	1,445
Minority interests	<u>(538)</u>	<u>147</u>
Total comprehensive income for the year	<u>(14,715)</u>	<u>1,592</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2009

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,716	1,968
Intangible assets - service concession arrangement		414,793	90,373
Prepayments		77,846	29,002
Deferred tax assets		2,086	1,341
		<u>496,441</u>	<u>122,684</u>
Current assets			
Prepayments and other receivables	<i>10</i>	597	385
Amount due from a related company		—	10,999
Cash and cash equivalents		544,249	3,886
		<u>544,846</u>	<u>15,270</u>
Current liabilities			
Accruals and other payables	<i>11</i>	58,056	27,949
Amount due to a related company		536	—
Amount due to controlling shareholder of the Company		—	349
		<u>58,592</u>	<u>28,298</u>
Net current assets/(liabilities)		<u>486,254</u>	<u>(13,028)</u>
Total assets less current liabilities		<u>982,695</u>	<u>109,656</u>
Non-current liabilities			
Long-term secured bank loan		<u>340,830</u>	<u>—</u>
Net Assets		<u>641,865</u>	<u>109,656</u>
Capital and reserves			
Share Capital		4,000	—
Reserves		606,999	98,716
Total equity attributable to equity shareholders of the Company		610,999	98,716
Minority interests		30,866	10,940
Total Equity		<u>641,865</u>	<u>109,656</u>

NOTES TO THE FINANCIAL STATEMENT

(Expressed in Hong Kong dollars unless otherwise stated)

1. GENERAL INFORMATION

Huayu Expressway Group Limited (“the Company”) was incorporated in the Cayman Islands on 21 April 2009 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. The Company and its subsidiaries (together referred to as “the Group”) are principally engaged in the construction, operation and management of an expressway in the People’s Republic of China (“PRC”).

Pursuant to a reorganisation (“the Reorganisation”), the Company acquired the equity interests of entities under common control and became the holding company of the subsidiaries now comprising the Group in preparing for the listing of the Company’s shares on the Main Board of the Stock Exchange of Hong Kong Limited (“the Stock Exchange”). Details of the Reorganisation are set out in the prospectus of the Company dated 11 December 2009 (“the Prospectus”).

The shares of the Company were listed on the Stock Exchange on 23 December 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2009 but are extracted from those financial statements.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of Preparation

The Group is regarded as a continuing entity resulting from the Reorganisation under common control and has been accounted for on the basis of merger accounting. The consolidated financial statements of the Group have been prepared as if the current group structure had been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company of the Group pursuant to the Reorganisation. All material intra-group transactions and balances have been eliminated on consolidation.

The consolidated financial statements for the year ended 31 December 2009 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

3. SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocation resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business segment, the construction, operation and management of an expressway in the PRC. Accordingly, no segmental analysis is presented.

4. TURNOVER

The principal activities of the Group are construction, operation and management of an expressway in the PRC. During the year, the expressway was under construction and has not commenced its operation. Turnover during the year represented revenue from construction work and project management services under the service concession arrangement.

5. OTHER REVENUE

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest income from bank deposits	526	98
Other	60	28
	<u>586</u>	<u>126</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(a) Staff costs:		
Salaries, wages and other benefits	6,279	126
Contributions to defined contribution retirement plans	612	25
	<u>6,891</u>	<u>151</u>

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiary participates in a defined contribution retirement benefit scheme (“the Scheme”) organised by the local authority whereby the PRC subsidiary is required to make contributions to the Scheme at a fixed rate announced annually by the municipal government. The municipal government is responsible for the entire pension obligations payable to the retired employees.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of pension benefits associated with the schemes referred to above beyond the annual contributions described above.

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
(b) Other items:		
Auditors’ remuneration	1,117	9
Consultancy fee	57	132
Depreciation	403	146
Operating lease charges in respect of rental of office premises	861	358

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the Consolidated Income Statement Represents:

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
Deferred tax		
Origination and reversal of temporary differences	(740)	(831)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.
- (ii) No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the years ended 31 December 2009 and 2008.
- (iii) Pursuant to the income tax rules and regulations of the PRC, the subsidiary in the PRC is liable to PRC corporate income tax at a rate of 25% (2008: 25%) on its assessable profits. No provision has been made for PRC corporate income tax as the Group did not have assessable profits subject to PRC corporate income tax during the years ended 31 December 2009 and 2008.

(b) Reconciliation Between Tax Credit and Accounting Loss at Applicable Tax Rates:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Loss before taxation	<u>(15,687)</u>	<u>(3,221)</u>
Notional tax on loss before taxation, calculated at the rates applicable to losses in the tax jurisdictions concerned	(1,190)	(815)
Tax effect on temporary differences not recognised	451	20
Tax effect on non-taxable income	(1)	—
Others	<u>—</u>	<u>(36)</u>
Income tax credit	<u>(740)</u>	<u>(831)</u>

8. DIVIDENDS

No dividend has been declared or paid by the Company since its incorporation.

9. LOSS PER SHARE

(a) **Loss Per Share**

The calculation of loss per share is based on the consolidated loss attributable to ordinary equity shareholders of the Company of HK\$14,385,000 and the weighted average number of 302,466,000 shares in issue during the year, calculated as follows:

	2009 <i>HK'000</i>
Issuance of shares upon incorporation	—
Issuance of shares upon Reorganisation	300,000
Issuance of shares for placing and public offering on 23 December 2009	<u>2,466</u>
	<u>302,466</u>

The calculation of loss per share for the year ended 31 December 2008 is based on the consolidated loss attributable to ordinary equity shareholders of the Company of HK\$2,140,000 and 300,000,000 shares in issue (as if the shares were outstanding throughout the year).

(b) **Diluted Loss Per Share**

There were no dilutive potential ordinary shares during the years presented and, therefore, diluted loss per share is equivalent to basic loss per share.

10. PREPAYMENTS AND OTHER RECEIVABLES

All of the prepayments and other receivables are expected to be recovered within one year.

11. ACCRUALS AND OTHER PAYABLES

Included in accruals and other payables as at 31 December 2009 are contract guarantee deposits and contract retention deposits to independent contractors of HK\$30,021,000 and HK\$17,079,000 (2008: HK\$27,895,000 and Nil) respectively which are expected to be settled after more than one year. All of the remaining accruals and other payables are expected to be settled within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

The global economic environment has been substantially changed in the year 2009 due to the once-in-century financial crisis. With the decisive and effective measures taken by the PRC Government to promote the infrastructure and boost the domestic demands, China can maintain its high growth in the GDP. The Company can also benefited from those economic policies.

FINANCIAL REVIEW

Turnover and cost of construction services

Turnover of the Group represented revenue from construction work and project management under the Concession Agreement and there was no real cash inflow realised/realisable during the construction phase. Thus the turnover recorded by the Group should not be interpreted as cash revenue. For the year ended 31 December 2009, the Group recorded a turnover of approximately HK\$205.54 million, about 1940% of the turnover for the year ended 31 December 2008 of approximately HK\$10.08 million. With the commencement of the major construction work of the Sui-Yue Expressway (Hunan Section), the Group has injected more investment and efforts in the project. Up to 31 December 2009, total investment in the project was approximately HK\$414.79 million.

Other revenue

The Group recorded other revenue which mainly represented interest income from bank deposits of approximately HK\$586,000 for the year ended 31 December 2009 while the other revenue for the year ended 31 December 2008 was approximately HK\$126,000. The increase in other revenue was mainly because of the increase in cash deposited in banks by the Group as a result of the increase in paid-up capital of the Company's PRC subsidiary.

Administrative expenses

Administrative expenses increased from approximately HK\$3.57 million for the year ended 31 December 2008 by about 483% to approximately HK\$20.80 million for the year ended 31 December 2009. This was mainly because, the Group developed the Sui-Yue Expressway (Hunan Section) project at a more advance stage, it employed increasingly more resources for the project and our consultancy fees, office expenses, rent, etc increased substantially in 2009.

Income tax credit and loss for the year

As the Group made further progress in the Sui-Yue Expressway (Hunan Section) project, we also incurred more expenses. However, in 2009 the Group still has not commenced the toll road operation. Accordingly, our loss for the year ended 31 December 2009 increased from approximately HK\$2.39 million for the year ended 31 December 2008 by about 526% to approximately HK\$14.95 million. Also, due to a larger loss before taxation for the year ended 31 December 2009, the Group recorded deferred tax credit arising from the temporary differences from the intangible assets-service concession arrangement.

Liquidity and financial resources

During the year ended 31 December 2009, the Group financed its operations and capital expenditures by the capital injection by the shareholders of the Company and long-term secured bank loan. The capital contribution by the controlling shareholder before the Initial Placing and Public Offer was approximately HK\$513.39 million while the net proceeds from the new shares issued at the Initial Placing and Public Offer was approximately HK\$115.54 million. As at 31 December 2009, total bank loan drawn by the Group was about HK\$340.83 million and the total cash and cash equivalents, including bank deposits and cash on hand was amounted to HK\$544.25 million.

The Group has always pursued a prudent treasury management policy and is in a strong liquidity position with sufficient standby banking facilities to cope with daily operation and the future development demands for capital. As at 31 December 2009, total available banking facilities of the Group amounted to RMB880 million from China Merchants Bank, which is mainly for the construction cost of the Sui-Yue Expressway (Hunan Section), among of which the amount of outstanding long-term secured bank loan was HK\$340.83 million (equivalent to RMB300 million). The ratio of outstanding long-term secured bank loan to equity holders' equity was 55.78% (2008: Nil).

At 31 December 2009, the long-term secured bank loan is repayable as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
After 2 years but within 5 years	34,083	—
After 5 years	306,747	—
	<u>340,830</u>	<u>—</u>

During the year, the Group has not entered into any interest swap arrangement to hedge against interest rate risks.

Use of net proceeds from the initial placing and public offering

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 23 December 2009 with net proceeds from the initial placing and public offer of approximately HK\$115.54 million (after deducting issuing expenses). Up to 31 December 2009, all of the proceeds was placed in short-term deposit bank accounts and has not yet utilized.

The Group intends to continue to apply the net proceeds in the manner set out in the Prospectus.

Foreign currency risk

The Group mainly operates in the PRC with most of the transactions settled in Renminbi. Part of the Group's cash and bank deposits are denominated in Hong Kong Dollars.

As at 31 December 2009, the Group did not enter into any hedging arrangements to hedge against exposure in foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may cause financial impacts on the Group. The management will continue to monitor its foreign currency exposure and will consider taking appropriate actions, including but not limited to hedging should the need arise.

Pledge of asset

As at 31 December 2009, the banking facilities of RMB1.1 billion from China Merchants Bank was secured by the pledge of the toll collection right in relation to the Sui-Yue Expressway (Hunan Section), upon commencement of the toll road operation.

Capital commitments

Capital commitments outstanding at 31 December 2009 not provided for in the financial statements were as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted for	624,098	636,005
Authorised but not contracted for	<u>890,423</u>	<u>1,189,716</u>

The capital commitments represent the costs for the construction of the Sui-Yue Expressway (Hunan Section).

BUSINESS REVIEW

Sui-Yue Expressway (Hunan Section)

The Sui-Yue Expressway (Hunan Section) is a dual three-lane expressway with a planned length of approximately 24.08km and will be connecting the southern end of the Jing-Yue Yangtze River Highway Bridge in Daorenji town to Kunshan in Yueyang City, and connecting to the existing Jing-Gang-Ao Expressway via Yueyang Connecting Line to reach Guangdong Province, Hong Kong and Macau. It is currently under construction and is planned to be completed by the end of 2011. The Group will then operate the Sui-Yue Expressway (Hunan Section) once it is completed and open to traffic pursuant to the Concession Agreement under which the Group will have concession period of 27 years (excluding construction period).

The construction of the project was in a more advanced stage for the year ended 31 December 2009. As at 31 December 2009, total investment in the project was about HK\$414.79 million (2008: HK\$90.37 million).

Employees and emoluments

As at 31 December 2009, the Group employed a total of 46 (2008: 30) employees in the PRC and Hong Kong which included the management staff, engineers, technicians, etc. For the year ended 31 December 2009, the Group's total expenses on the remuneration of employees was approximately HK\$6.89 million (2008: HK\$0.15 million).

The Group's emolument policies are formulated based on the performance of individual employees, which will be reviewed periodically. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees) and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance.

The Company adopted a Share Option Scheme on 30 November 2009 for the purpose of motivating eligible persons to optimize their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. No options have been granted under the Share Option Scheme up to 31 December 2009.

PROSPECTS

The Sui-Yue Expressway (Hunan Section) is one of the expressways with high economical potential in the PRC. It is strategically located in Hunan Province, which is one of the high economic growth provinces in the PRC. Also, the Sui-Yue Expressway (Hunan Section) will be an integral part of the major artery between Hunan Province and Hubei Province. Once it is completed and open to traffic, the enormous economic potential of the currently relatively limited trading between the Wuhan-Jingzhou area in Hubei Province and the Yueyang area in Hunan Province will be realized, resulting in significant vehicle turnover for the Sui-Yue Expressway (Hunan Section).

Furthermore, the Sui-Yue Expressway (Hunan Section) will connect to major expressway networks in the PRC and various feeder roads in Hunan Province. It will benefit from its connectivity to the existing and future highway and expressway networks because the usage of expressways depends on their accessibility relative to the points of origin and destination for their potential traffic.

In the shorter term, growth in traffic demand within Hunan Province will be driven by continuing economic growth in the PRC in general and by associated growth in vehicle ownership and usage. Under these premises, it is expected that traffic flow for the Sui-Yue Expressway (Hunan Section) will also show sustain continuous growth.

With the experience of the directors of the Company (the “Directors”) in successfully completing other PRC toll-expressway projects, and the connections and reputation established by them within the PRC, the Group will continue to tap and pursue opportunities which are consistent with its overall business strategies, and which will generate a satisfactory return on investment.

In accordance with this strategy, the Group will pursue other infrastructure projects in the PRC whenever suitable opportunity arises. Apart from developing new infrastructure projects, we might also consider acquiring abandoned or half-developed infrastructure projects, as well as infrastructure projects which are already in operation, from other developers or the government if it is commercially viable to do so.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company’s issue shares as required under the Listing Rules for the period from the listing date to 31 December 2009.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares since the listing date until 31 December 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company was a private company for most of the year ended 31 December 2009 as it was only listed on the Main Board of the Stock Exchange on 23 December 2009. Upon the listing of the Company, the Company has complied with all the code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules except that, as the Company was only listed on the Stock Exchange on 23 December 2009, no audit committee meeting of the Company has been held during the year ended 31 December 2009, and deviated from the provision C3.3(e)(i) of the Code. The first audit committee meeting of the Company was held on 21 April 2010, which was after the year under review. Going forward, the Company will convene audit committee at least once a year in compliance with the respective code provision in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standards set out in the Model Code from the listing date on 23 December 2009 to 31 December 2009.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 30 November 2009 in compliance with Rule 3.21 of the Listing Rules.

The audit committee is accountable to the Board and the primary duties of which include the review and supervision of the Group’s financial reporting process and internal control measures. The audit committee comprises all three independent non-executive directors of the Company, namely Mr. Chu Kin Wang, Peleus, Mr. Sun Xiao Nian and Mr. Hu Lie Ge. Mr. Chu Kin Wang, Peleus is the chairman of the audit committee of the Company. The chairman of the audit committee has professional qualification and experience in financial matters in compliance with the requirement of the Listing Rules.

The audit committee of the Company has met and discussed with the external auditors of the Company, KPMG, and has reviewed the accounting principles and practices adopted by the Group and the results of the Group for the year ended 31 December 2009. The audit committee considered that the consolidated results of the Group for the year ended 31 December 2009 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been duly made.

DIVIDEND

The Board does not recommend any dividend payment for the year ended 31 December 2009 at the forthcoming annual general meeting.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held in Hong Kong on 29 June 2010. Notice of the annual general meeting will be issued and dispatched to shareholder in due course. The Company’s register of members will be closed from 28 June 2010 to 29 June 2010 (both days inclusive), during such period no transfer of the Shares will be registered. In order to qualify to attend and vote at the forthcoming annual general meeting, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 25 June 2010.

PUBLICATION OF 2009 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is also published on the websites of the Company at (www.huayu.com.hk), and the website of the Stock Exchange (www.hkexnews.hk) and the 2009 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

APPRECIATION

I would like to take this opportunity to express my thanks and gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our shareholders, suppliers and bankers for their continuous support.

On behalf of the Board of
Huayu Expressway Group Limited
Chan Yeung Nam
Chairman

Hong Kong, 23 April 2010

As at the date of this announcement, the Board comprises eight executive Directors, namely, Mr. Chan Yeung Nam, Mr. Mai Qing Quan, Mr. Chen Kai Shu, Mr. Fu Jie Pin, Mr. Chen Min Yong, Mr. Zhang Bo Qing, Mr. Yue Feng and Ms. Mao Hui and three independent non-executive Directors, namely, Mr. Sun Xiao Nian, Mr. Chu Kin Wang, Peleus and Mr. Hu Lie Ge.