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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)**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Huayu Expressway Group Limited (the “**Company**”) will be held at Harbour Room, Orrick, Herrington & Sutcliffe, 43/F, Gloucester Tower, The Landmark, 15 Queen’s Road, Central, Hong Kong on 15 July 2011 at 11:00 a.m. for the following purpose:

As Special Business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. **“THAT:**
  - (a) the Share Purchase Agreement (a copy of which is tabled at the EGM, marked “A” and initialed by the chairman of the EGM for identification purpose) and the connected transaction (as defined under the Listing Rules) contemplated thereunder, be and are hereby approved, confirmed and ratified;
  - (b) any one director (“**Director**”) and/or the company secretary of the Company be and is hereby authorised to perform all such acts, deeds and things and execute all documents as they consider necessary or expedient to effect and implement the Share Purchase Agreement and the connected transaction contemplated thereunder.”
2. **“THAT** conditional upon the passing of ordinary resolution 1 above, and the Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the Consideration Shares, the grant of a specific mandate for the allotment and issue of the Consideration Shares be and is hereby approved.”
3. **“THAT** conditional upon the passing of ordinary resolution 1 above:
  - (1) subject to paragraphs (3) and (4) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power, for the sole purpose of fulfilling any conditions set out in the Share Purchase Agreement, be and is hereby generally and unconditionally approved;

- (2) the approval in paragraph (1) of this resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (3) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (1) of this resolution, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible persons thereunder of shares or rights to acquire shares in the capital of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed HK\$7,800,000, representing 780,000,000 shares of the Company of HK\$0.01 each ('Shares'), and the said approval shall be limited accordingly;
- (4) any issue, allotment and dealings with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and the making or grant of any offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) upon the exercise of any power by the Directors pursuant to this resolution shall not result in the Company issuing any Shares at less than HK\$1.28 per Share; and
- (5) for the purpose of this resolution,

**'Relevant Period'** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the expiration of a period of 120 days from the passing of this resolution; or
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

**'Rights Issue'** means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

At the EGM, Mr. Chan Yeung Nam and his associates, including Velocity International Limited, are required to abstain from voting in relation to resolutions 1 and 3 above approving the Share Purchase Agreement and the transaction thereunder.

Save as disclosed above, no other Shareholders would be required to abstain from voting at the EGM pursuant to the Listing Rules and/or the articles of association of the Company.

By Order of the Board  
**Huayu Expressway Group Limited**  
**Chan Yeung Nam**  
*Chairman*

Hong Kong, 24 June 2011

*Notes:*

1. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and, on poll, vote on his behalf. A proxy need not be a Shareholder of the Company.
2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at the Tricor Investor Services Limited, the Company's Hong Kong Branch Share Registrar and Transfer Office, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, at least 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the EGM, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).
5. For the purposes of the EGM, the register of members of the Company will be closed from 14 July 2011 to 15 July 2011 (both days inclusive), during which no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited, the Company's Hong Kong Branch Share Registrar and Transfer Office, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m., 13 July 2011.
6. Unless otherwise specified in herein, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 24 June 2011.

*As at the date of this notice, the executive Directors are 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 the independent non-executive Directors are Mr. Sun Xiao Nian, Mr. Chu Kin Wang, Peleus and Mr. Hu Lie Ge.*