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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)

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION, STABILISING ACTIONS AND END OF STABILISING PERIOD

The Company announces that the Over-allotment Option referred to in the Prospectus has been partially exercised by Mizuho Securities Asia Limited (the “Stabilising Manager”) on behalf of the Placing Underwriters on January 15, 2010 in respect of an aggregate of 12,608,000 Shares (the “Over-allotment Shares”), representing approximately 12.61% of the Offer Shares initially available under the Share Offer (before any exercise of the Over-allotment Option), for the purpose of facilitating the return in part to VIL of 15,000,000 borrowed Shares which were used to cover over-allocations in the Placing.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.28 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Share Offer.

The Company makes this announcement pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilising period in connection with the Share Offer ended on January 15, 2010, being the 30th day after the last day for the lodging of Application Forms under the Public Offer. Stabilising actions have taken place during the stabilising period.

1. PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option referred to in the Prospectus has been partially exercised by Mizuho Securities Asia Limited on behalf of the Placing Underwriters on January 15, 2010 in respect of 12,608,000 Shares, representing approximately 12.61% of the Offer Shares initially available under the Share Offer (before any exercise of the Over-allotment Option), for the purpose of facilitating the return in part to VIL of 15,000,000 borrowed Shares which were used to cover over-allocations in the Placing.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.28 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Share Offer.

Pursuant to the Stock Borrowing Agreement, Mizuho Securities Asia Limited has borrowed 15,000,000 Shares from VIL to cover the over-allocations in the Placing. The Over-allotment Shares will be used to facilitate the return in part to VIL of 15,000,000 borrowed Shares which were used to cover the over-allocations in the Placing.

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

As shown in the shareholding structure of the Company set out below, immediately before and after the issue and allotment of the Over-allotment Shares by the Company, the number of Shares held by the public would represent no less than 25% of the total issued share capital of the Company.

The shareholding structure of the Company immediately before and immediately after the issue and allotment of the Over-allotment Shares by the Company are as follows:

Shareholders	Immediately before the issue of the Over-allotment Shares by the Company		Immediately after the issue of the Over-allotment Shares by the Company	
	<i>Number of Shares</i>	<i>Approximate % of the issued share capital</i>	<i>Number of Shares</i>	<i>Approximate % of the issued share capital</i>
VIL ⁽¹⁾	300,000,000 ⁽²⁾	75%	300,000,000	72.71%
Public	100,000,000	25%	112,608,000	27.29%
Total	400,000,000	100%	412,608,000	100%

Notes:

- (1) Mr. Chan holds 100% of the entire issued share capital of VIL and will be deemed to be interested in the 300,000,000 Shares held by VIL for the purpose of the SFO.
- (2) This includes the 15,000,000 Shares borrowed by Mizuho Securities Asia Limited pursuant to the Stock Borrowing Agreement.

The additional net proceeds to be received by the Company upon the issue and allotment of the Over-allotment Shares are estimated to be approximately HK\$15.7 million. Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for information on the intended use of proceeds.

Following the partial exercise of the Over-allotment Option and the issue and allotment of the Over-allotment Shares, the Company continues to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

2. STABILISING ACTIONS AND END OF STABILISING PERIOD

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong), the Company announces that the stabilising period in connection with the Share Offer ended on January 15, 2010, being the 30th day after the last day for the lodging of Application Forms under the Public Offer.

Mizuho Securities Asia Limited, being the Stabilising Manager, has advised that the stabilising actions taken during the stabilising period were: (i) over-allocations of an aggregate of 15,000,000 Shares in the Placing, representing approximately 15% of the number of Offer Shares initially available under the Share Offer before any exercise of the Over-allotment Option; (ii) the borrowing of an aggregate of 15,000,000 Shares by the Stabilising Manager from VIL pursuant to the Stock Borrowing Agreement to cover over-allocations in the Placing; (iii) the partial exercise of the Over-allotment Option in respect of an aggregate of 12,608,000 Over-allotment Shares at the Offer Price by the Stabilising Manager on behalf of the Placing Underwriters on January 15, 2010 to cover the above over-allocations; (iv) market purchases in the price range of HK\$1.21 to HK\$1.28 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) during the stabilising period. The last purchase made in the course of the stabilising period in the secondary market was on January 15, 2010 at the price of HK\$1.27 per Share.

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

Hong Kong, January 18, 2010

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