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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional independent advisers.

**If you have sold or transferred** all your shares in **Huayu Expressway Group Limited** (the “**Company**”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**(I) PROPOSED CHANGE OF AUDITORS;  
AND  
(II) NOTICE OF EGM**

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Capitalised terms used on this cover shall have the same meanings as defined in this circular unless otherwise requires.

A notice convening the EGM to be held at Unit 1205, 12/F, Tower 1, Lippo Centre, 89 Queensway, Hong Kong at 11:00 a.m. on Tuesday, 16 January 2024 is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are intending to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting (as the case may be) in person should you so desire.

21 December 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Announcement”	the announcement of the Company dated 13 December 2023 in relation to the Proposed Removal and the Proposed Appointment
“Articles”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company”	Huayu Expressway Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1823)
“Crowe”	Crowe (HK) CPA Limited
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the Proposed Change of Auditors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 December 2023, being the latest practicable date prior to printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Appointment”	the proposed appointment of Crowe as the new auditors of the Company

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## DEFINITIONS

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“Proposed Change of Auditors”	collectively, the Proposed Removal and the Proposed Appointment
“Proposed Removal”	the proposed removal of KPMG as the auditors of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Chan Yeung Nam (*Chairman*)  
Mr. Fu Jie Pin (*Chief Executive Officer*)  
Ms. Liu Bao Hua

*Registered Office:*

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent Non-executive Directors:*

Mr. Lam Hon Kuen  
Mr. Chu Kin Wang, Peleus  
Mr. Hu Lie Ge

*Principal Place of Business*

*in Hong Kong:*

Unit 1205  
12/F, Tower 1  
Lippo Centre  
89 Queensway  
Hong Kong

21 December 2023

*To the Shareholders*

Dear Sir or Madam,

**(I) PROPOSED CHANGE OF AUDITORS;  
AND  
(II) NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Proposed Change of Auditors. The purpose of this circular is to provide you with, among others, (i) further information on the Proposed Change of Auditors; and (ii) a notice convening the EGM.

**PROPOSED REMOVAL OF KPMG**

KPMG was re-appointed as the auditors of the Company at the last annual general meeting of the Company held on 1 June 2023 to hold office until the conclusion of the next annual general meeting of the Company. However, the Company and KPMG have been unable to reach a consensus on the audit fee of KPMG for the financial year ending 31 December 2023.

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## **LETTER FROM THE BOARD**

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After considering the facts and circumstances, the Audit Committee, having been delegated the power to oversee the effectiveness of the external auditors, was of the view that it would be in the best interest of the Company and the Shareholders as a whole to replace KPMG with another sizeable accounting firm, and therefore made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Change of Auditors.

The Board proposes to seek the approval of the Shareholders regarding the Proposed Removal by way of an ordinary resolution at the EGM. The Proposed Removal shall come into effect upon the passing of such ordinary resolution by the Shareholders at the EGM pursuant to the Articles.

The Board believes that the Proposed Removal would allow the Company to implement effective cost control measures and reduce operating expenses, thereby enhancing the Group's ability to adapt to future business development. The Board considers this decision to be in the best interest of the Company and its Shareholders as a whole.

The Company confirms that, save as the audit fee, there is no disagreement between the Company and KPMG. The Company has received a letter from KPMG confirming that there are no matters in connection with the Proposed Removal that need to be brought to the attention of the holders of securities of the Company. To the best of the Directors' knowledge, information and belief, save as disclosed above, there are no other circumstances or matters that need to be brought to the attention of the Shareholders in relation to the Proposed Removal.

### **PROPOSED APPOINTMENT OF CROWE**

The Audit Committee has assessed and considered that Crowe is eligible, qualified and suitable to carry out duties of the auditors of the Company. The Board, with the recommendation of the Audit Committee, is of the view that Crowe is a sizeable accounting firm which should be able to devote appropriate and adequate resources to handle the Company's audit work for the financial year ending 31 December 2023, and therefore proposes to appoint Crowe as the new auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company.

In recommending Crowe as the new auditors of the Company, the Audit Committee has considered and/or reviewed, among other things, (i) the proposed audit fees respectively provided by KPMG and Crowe; (ii) the extensive experience of Crowe in providing audit services to listed companies and companies engaged in similar businesses as those of the Group; (iii) the considerable amount of resources and the number of professional staff of Crowe in Hong Kong, and Crowe's membership of the Crowe Global accountants network; (iv) the relevant services agreement to be signed between the Company and Crowe; and (v) the letter from KPMG indicating that there are no matters in respect of the circumstances leading to KPMG's cessation as the Company's auditor that in KPMG's opinion need to be reported to the Company. Based on the above, the Audit Committee is of the view that (a) the audit fees proposed by Crowe is commensurate with the extent of audit work required and is more cost-effective, taking into account the current macroeconomic environment and the financial expenditures of the Group; (b)

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## LETTER FROM THE BOARD

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Crowe possesses the necessary knowledge and expertise required for the Group's audit work; (c) the resources to be allocated by Crowe to the audit engagement are sufficient and appropriate; and (d) Crowe is independent, competent and capable to perform a high-quality audit, and the Proposed Change of Auditors will not have any impact on the audit work of the Company for the financial year ending 31 December 2023.

The Board proposes to seek the approval of the Shareholders regarding the Proposed Appointment by way of an ordinary resolution at the EGM. The Proposed Appointment is subject to the Proposed Removal becoming effective, the passing of the ordinary resolution in respect of the Proposed Appointment at the EGM pursuant to the Articles and the completion of the relevant audit engagement acceptance procedures of Crowe.

### IMPLICATIONS OF THE LISTING RULES

Pursuant to Article 152(2) of the Articles, the Shareholders may, at any general meeting convened and held in accordance with the Articles, by ordinary resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term. Pursuant to Article 155 of the Articles, the Directors may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor, if any, may act.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, each of the Proposed Removal and the Proposed Appointment will be proposed at the EGM as an ordinary resolution, and a copy of this circular will be despatched to KPMG to invite them to attend the EGM and make written and/or verbal representations (if any) to the Shareholders at the EGM.

The Board confirms that, save as disclosed in this circular, there are no other circumstances or matters in connection with the Proposed Change of Auditors that should be brought to the attention of the Shareholders.

### EGM

A notice convening the EGM to be held at Unit 1205, 12/F, Tower 1, Lippo Centre, 89 Queensway, Hong Kong at 11:00 a.m. on Tuesday, 16 January 2024 is set out on pages EGM-1 to EGM-2 of this circular.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of EGM will be taken by way of poll. The results of the voting will be announced in accordance with Rule 13.39(5) of the Listing Rules after the EGM.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions to be proposed at the EGM.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting (as the case may be) in person should you so desire.

In order to determine the entitlement to attend and vote at the EGM, the register of members and transfer books of the Company will be closed from Thursday, 11 January 2024 to Tuesday, 16 January 2024 (both days inclusive), during which no transfer of Shares will be registered. The record date for entitlement to attend and vote at the EGM is Tuesday, 16 January 2024. In order to qualify to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 10 January 2024.

### RECOMMENDATIONS

The Directors consider that the Proposed Change of Auditors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Proposed Change of Auditors.

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



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## NOTICE OF EGM

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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 (“**EGM**”) of Huayu Expressway Group Limited (the “**Company**”) will be held at Unit 1205, 12/F, Tower 1, Lippo Centre, 89 Queensway, Hong Kong on Tuesday, 16 January 2024 at 11:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. “**THAT** KPMG be and are hereby removed as the auditors of the Company pursuant to Article 152(2) of the articles of association of the Company with immediate effect after the conclusion of the EGM (the “**Removal**”), and the directors of the Company (the “**Directors**”) be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Removal.”
2. “**THAT** conditional upon the passing of the ordinary resolution numbered 1 above, (i) Crowe (HK) CPA Limited (“**Crowe**”) be and are hereby appointed as the auditors of the Company with immediate effect after the conclusion of the EGM, and to hold office until the conclusion of the next annual general meeting of the Company (the “**Appointment**”); (ii) the Directors be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Appointment; and (iii) the Board be and is hereby authorised to fix the remuneration of Crowe.”

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

Hong Kong, 21 December 2023

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## NOTICE OF EGM

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*As at the date of this notice, the executive Directors are Mr. Chan Yeung Nam, Mr. Fu Jie Pin and Ms. Liu Bao Hua and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Hu Lie Ge and Mr. Lam Hon Kuen.*

Notes:

1. The register of members of the Company will be closed from Thursday, 11 January 2024 to Tuesday, 16 January 2024 (both days inclusive) during which no transfer of the share(s) (the “**Share(s)**”) in the share capital of the Company will be registered. In order to qualify to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 10 January 2024.
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder of the Company who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
5. If typhoon signal no. 8 or above, or a “black” rainstorm warning is hoisted or remains hoisted at 9 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on The Stock Exchange of Hong Kong Limited website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.huayu.com.hk](http://www.huayu.com.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.