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**安徽皖通高速公路股份有限公司**

**ANHUI EXPRESSWAY COMPANY LIMITED**

*(incorporated in the People's Republic of China with limited liability as a joint stock company)*

**(Stock Code: 995)**

## **INSIDE INFORMATION**

### **(1) AGREEMENT OF INTENT IN RELATION TO THE PROPOSED ACQUISITION (2) POSSIBLE APPLICATION FOR WHITEWASH WAIVER AND (3) RESUMPTION OF TRADING IN H SHARES**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the SFO and the Takeovers Code.

Reference is made to the announcement of the Company dated 3 April 2023 in respect of the trading suspension in the A Shares and the trading halt in the H Shares.

## **AGREEMENT OF INTENT**

The Board is pleased to announce that on 3 April 2023, the Company and Anhui Transportation Holding Group entered into the non-legally binding Agreement of Intent in relation to, among other things, the Proposed Acquisition.

The principal terms of the Agreement of Intent are as follows:

### **Date**

3 April 2023

## **Parties**

- (1) the Company, as prospective purchaser; and
- (2) Anhui Transportation Holding Group, as prospective vendor.

## **Subject Matter and Consideration**

Pursuant to the Agreement of Intent, the Company intends to purchase, and Anhui Transportation Holding Group intends to sell, the Target Assets, being 100% of the equity interests in the Target Company, in consideration of (i) the allotment and issuance of new A Shares and (ii) the payment of a cash consideration by the Company to Anhui Transportation Holding Group. The parties also intend to (i) discuss the terms and conditions of the Proposed Acquisition and to enter into a Definitive Agreement upon the agreement of the terms and conditions of the Proposed Acquisition; and (ii) complete the due diligence, audit and valuation work in connection with the Proposed Acquisition as soon as possible. The final implementation plan of the Proposed Acquisition is subject to the terms and conditions of the Definitive Agreement.

The Agreement of Intent is non-legally binding and outlines the intention of the parties in relation to the Proposed Acquisition. The specific rights and obligations of the parties under the Proposed Acquisition shall be subject to the terms and conditions of the Definitive Agreement.

In the event that the parties fail to enter into the Definitive Agreement within 3 months after the date of the Agreement of Intent, the Agreement of Intent shall be terminated automatically.

## **INFORMATION ON THE PARTIES TO THE AGREEMENT OF INTENT**

### **Information on the Company**

The Company is a joint stock limited company established in the PRC on 15 August 1996, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange, and the A Shares of which are listed on the Shanghai Stock Exchange in the PRC. The Company is principally engaged in the holding, investment, construction, development, operation and management of toll expressways and highways within Anhui Province.

### **Information on Anhui Transportation Holding Group**

Anhui Transportation Holding Group is a state-owned enterprise established in the PRC on 27 April 1993 and is the controlling shareholder of the Company holding approximately 31.63% of the Company's issued share capital as at the date of this announcement. Anhui Transportation Holding Group is principally engaged in transportation, investment and asset management, as well as real estate and construction.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 15 December 2022. The Target Company is principally engaged in the investment, operation and management of the Liuwu Expressway in Anhui Province in the PRC.

The Target Company currently owns the concession rights of the Liuwu Expressway. The Liuwu Expressway is an important part of the Shanghai-Chengdu Expressway (滬蓉高速公路). The total chargeable mileage of the Liuwu Expressway is 92.7 kilometers, starting from Dagudian (大顧店) of Yeji District, Liu'an City (六安市葉集區), joining the Heliuye Expressway (合六葉高速公路), passing through several towns of Yaoli Town (姚李鎮) in Yeji District, Liu'an City (六安市葉集區), as well as Baitafan (白塔畈), Meishan (梅山), Huaishuwan (槐樹灣), Gubei (古碑), Nanxi (南溪) and Banzhuyuan (斑竹園) in Jinzhai County (金寨縣) from northeast to southwest, and ending at Changling pass (長嶺關) at the junction of Anhui and Hubei provinces. The Liuwu Expressway connects to the Hubei section of the Liuan-Wuhan Expressway (六安至武漢高速公路湖北段). The operation period of the Liuwu Expressway is 30 years, from 28 December 2009 to 27 December 2039.

For reference, a map showing the location of the Liuwu Expressway is depicted below:



As of the date of this announcement, the Target Company is a wholly-owned subsidiary of Anhui Transportation Holding Group, and upon completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF PROPOSED ACQUISITION**

The Proposed Acquisition will help the Company to further strengthen and expand its main business by forming an extended network of roads, optimizing the provincial allocation of the existing road property portfolio, increasing the Company's ability and competitiveness in optimizing its asset structure. This is of strategic importance in enhancing the overall competitiveness, profitability and dividend distribution capability of the Company and in strengthening its capability in sustainable development.

## **IMPLICATIONS UNDER THE LISTING RULES**

It is expected that the Proposed Acquisition, if materialized, will constitute a notifiable transaction of the Company under the Listing Rules.

As at the date of this announcement, Anhui Transportation Holding Group directly holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company, and is the controlling shareholder of the Company. Accordingly, Anhui Transportation Holding Group is a connected person of the Company. Therefore, the Proposed Acquisition, if materialized, will also constitute a connected transaction of the Company under the Listing Rules.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND POSSIBLE APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, Anhui Transportation Holding Group directly holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company.

If the Proposed Acquisition materializes, it is expected that immediately after completion thereof, the voting rights held by Anhui Transportation Holding Group in the Company will increase by more than 2%. Accordingly, upon completion of the Proposed Acquisition, pursuant to Rule 26.1 of the Takeovers Code, Anhui Transportation Holding Group will be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by Anhui Transportation Holding Group and parties acting in concert with it, unless the Whitewash Waiver from strict compliance with Rule 26.1 of the Takeovers Code is obtained from the Executive.

As such, it is intended that the completion of the Proposed Acquisition will be conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the relevant independent shareholders, and such condition will not be waivable. The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the independent votes that are cast either in person or by proxy at a general meeting of the Company; and (ii) the approval of the Proposed Acquisition by more than 50% of the independent votes that are cast either in person or by proxy at a general meeting of the Company as required under the Takeovers Code. The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by relevant independent shareholders.

## **SUSPENSION OF TRADING IN A SHARES**

As the Proposed Acquisition involves significant uncertainties, in order to ensure fair disclosure of information, safeguard the interests of the investors and avoid unusual movement in the price of the A Shares listed on the Shanghai Stock Exchange, upon application by the Company to the Shanghai Stock Exchange, the trading in the A Shares has been suspended from 3 April 2023.

The Company will conduct the Proposed Acquisition, if materialized, in accordance with the relevant laws and regulations, and will publish further announcement(s) in relation to the Proposed Acquisition as and when appropriate. The Company will apply to resume trading of the A Shares by 18 April 2023, being 10 SSE trading days on the Shanghai Stock Exchange from the date of suspension of trading in the A Shares.

## **RESUMPTION OF TRADING IN H SHARES**

At the request of the Company, trading in the H Shares on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m on 3 April 2023 pending the release of this announcement.

An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the H Shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 4 April 2023.

## **GENERAL**

The Company will make monthly announcement(s) in relation to the progress of the Proposed Acquisition. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code.

**The Agreement of Intent is non-legally binding in nature, and there is no assurance that the Proposed Acquisition will materialize or eventually be consummated. Shareholders and potential investors of the Company should be aware that the terms of the Proposed Acquisition are subject to further negotiations between the parties, and the completion of the Proposed Acquisition, if materialized, will be subject to the Definitive Agreement being entered into and the terms and conditions which may be specified therein. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“A Share(s)”	the domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange in the PRC
“Agreement of Intent”	the Agreement of Intent dated 3 April 2023 between the Company and Anhui Transportation Holding Group
“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company holding approximately 31.63% of the Company’s issued share capital as at the date of this announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company established in the PRC, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 995), and the A Shares of which are listed on the Shanghai Stock Exchange in the PRC (stock code: 600012)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Definitive Agreement”	the formal agreement in relation to the Proposed Acquisition which will set out the definitive terms and conditions of the Proposed Acquisition



“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“H Share(s)”	the overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Liuwu Expressway”	the Liuwu Expressway (六武高速公路) with its concession rights owned and operated by the Target Company
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Proposed Acquisition”	the proposed acquisition of the Target Assets from Anhui Transportation Holding Group by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“SSE trading day(s)”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Assets”	100% of the equity interests in the Target Company

“Target Company”	Anhui Province Liuwu Expressway Co., Ltd.* (安徽省六武高速公路有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Anhui Transportation Holding Group as at the date of this announcement
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Anhui Transportation Holding Group to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Anhui Transportation Holding Group and parties acting in concert with it which would otherwise arise as a result of the issue and allotment of the new A Shares as part of the consideration for the Proposed Acquisition
“%”	per cent

By Order of the Board  
**Anhui Expressway Company Limited**  
**Lee Chung Shing**  
*Company Secretary*

Hefei, Anhui, the PRC  
3 April 2023

*As at the date of this announcement, the Board of the Company comprises Xiang Xiaolong (chairman), Yang Xiaoguang, Tao Wensheng and Chen Jiping as the executive Directors; Yang Xudong and Du Jian as the non-executive Directors; and Liu Hao, Zhang Jianping and Fang Fang as the independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

\* For identification purpose only.