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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)

**(1) ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION: BRIDGE
MAINTENANCE WORK CONTRACT; AND
(2) SUPPLEMENTAL ANNOUNCEMENT – CONTINUING
CONNECTED TRANSACTIONS:
MAINTENANCE WORK CONTRACTS**

The Board announces that on 19 June 2023, Anqing Bridge Company (a subsidiary of the Company) entered into the 2023 General Contracting Contract for Long Bridge Integrated Maintenance (the “**Bridge Maintenance Work Contract**”) with the Consortium formed by Design Institute, Research Centre, ATEGC and ATRMC, pursuant to which, Anqing Bridge Company shall engage the Consortium to provide bridge integrated maintenance work services for Anqing Yangtze River Bridge.

Anhui Transportation Holding Group currently holds approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute and Research Centre are subsidiaries of Anhui Transportation Holding Group and both ATEGC and ATRMC are wholly-owned subsidiaries of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, Research Centre, ATEGC and ATRMC are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transaction under the Bridge Maintenance Work Contract constitutes continuing connected transaction.

As the continuing connected transaction under the Bridge Maintenance Work Contract is conducted with substantially the same connected persons as the transactions under the Previous Maintenance Work Contracts (Design Institute, ATEGC and ATRMC), pursuant to the requirements under Rule 14A.83 of the Listing Rules, the above continuing connected transactions may be aggregated and regarded as a single transaction.

As the highest applicable percentage ratio in respect of the continuing connected transaction under the Bridge Maintenance Work Contract, after having been aggregated with the Previous Maintenance Work Contracts, on an annual basis is more than 0.1% but less than 5%, and the transaction is conducted on normal commercial terms, the transaction is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

(1) BRIDGE MAINTENANCE WORK CONTRACT

Date

19 June 2023

Parties

- (1) Anqing Bridge Company (as service user); and
- (2) The Consortium formed by Design Institute (as the leading unit of the Consortium), Research Centre, ATEGC and ATRMC (as service providers), all of which are connected persons of the Company under the Listing Rules.

Contract Matters

Pursuant to Bridge Maintenance Work Contract, Anqing Bridge Company shall engage the Consortium to provide bridge integrated maintenance services for Anqing Yangtze River Bridge, which shall mainly include bridge design consultation, technical services, testing, bridge maintenance operation special engineering projects and daily maintenance constructions (including ancillary facilities), emergency response, etc..

Contract Term

The construction period under the Bridge Maintenance Work Contract shall be 12 months and the commencement time shall be determined subject to the order issued by Anqing Bridge Company (or the supervision engineer).

Fees

The fees under the Bridge Maintenance Work Contract shall be RMB26,539,560.47 in total, including RMB630,000 for work design, RMB24,999,560.47 for services related to constructions (including a provisional amount of RMB200,000.00 for bridge contingency cost for inspection, evaluation, design, construction, acceptance and other costs required for the emergency disposal of bridge damage, which can only be used after approval by Anqing Bridge Company) and RMB910,000 for bridge and tunnel technology and informationalization services.

Basis for Fees and Payment Terms

The contract fee is the successful bid price submitted by the Consortium in the tender for the provision of services under the Bridge Maintenance Work Contract. To ensure that the price is in line with normal commercial terms, the Bridge Maintenance Work Contract shall be awarded to a service provider selected by way of open tender. At least 3 service providers have participated in the tender and the tender process has complied with the relevant local regulations. Factors that have been taken into consideration by the Company during the tender process include: (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant services; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

According to the relevant terms of Bridge Maintenance Work Contract and as confirmed by the parties, Anqing Bridge Company shall pay to the leading unit of the Consortium, upon the issue of the order to commence by Anqing Bridge Company (or the supervision engineer), 10% of the contract price (excluding the provisional amount) as the advance payment for commencement, which will be fully deducted from the settlement of relevant project payments by the end of December 2023, and the leading unit of the Consortium shall provide a conforming advance payment guarantee. The aforesaid fees will be paid out of the internal funds of Anqing Bridge Company.

The fees of maintenance works under Bridge Maintenance Work Contract shall be paid on a monthly basis (3% of the project payments shall be deducted for each payment as quality guarantee deposit, which shall be refunded upon the expiry of 1-year quality guarantee period with no quality issues being identified by a third party auditor), while the design and (bridge and tunnel technology and informationalization services) consultation fees shall be paid after the design drawings and the consultation report have passed the review by Anqing Bridge Company respectively. The aforesaid fees will be paid out of the internal funds of Anqing Bridge Company.

Annual Caps

For the financial years ending 31 December 2023 and 2024, the maximum annual total amounts (i.e. Annual Caps) for the transactions under the Bridge Maintenance Work Contract are RMB20,435,700.00 and RMB6,103,860.47, respectively. The above Annual Caps have been determined with reference to factors including (1) the expected workload; (2) the total contractual amount under each contract and (3) the expected payment schedule.

As disclosed in the announcement of the Company dated 8 June 2023, the aggregate Annual Caps for the Previous Maintenance Work Contracts for the financial years ending 31 December 2023 and 31 December 2024 shall be RMB68,542,800.00 and RMB41,155,632.91, respectively. Accordingly, the aggregate Annual Caps for the Bridge Maintenance Work Contract and the Previous Maintenance Work Contracts for the financial years ending 31 December 2023 and 31 December 2024 are RMB88,978,500.00 and RMB47,259,493.38, respectively.

Reasons for and Benefits of the Transaction

The continuing connected transaction under the Bridge Maintenance Work Contract is the work that must be carried out by Anqing Bridge Company during the course of its daily operations. The Bridge Maintenance Work Contract has undergone open tender and is the results of successful bid made by the Consortium. Design Institute has Class-A integrated qualification for construction works design; Research Centre has Class-A integrated qualification for highway construction works, special qualification for highway construction works and bridge and tunnel construction works and qualification as examination and inspection institutions; ATEGC has relevant qualifications for maintenance, traffic safety and electromechanical including Class-I general contracting of highway construction works, Class-I professional contracting of highway safety facilities as well as Class-II professional contracting of steel structure construction works; ATRMC has relevant qualifications including that for Class-A subgrade and pavement maintenance, Class-A tunnel maintenance, Class-A bridge maintenance and traffic safety facilities maintenance. During the bidding process, the Company has considered the aforementioned factors in this announcement and the qualifications of the Consortium, and has decided to accept the tenders of the Consortium and engage it to provide the abovementioned maintenance work services.

Implications Under the Listing Rules

Anhui Transportation Holding Group currently holds approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute and Research Centre are subsidiaries of Anhui Transportation Holding Group and both ATEGC and ATRMC are wholly-owned subsidiaries of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, Research Centre, ATEGC and ATRMC are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transaction under the Bridge Maintenance Work Contract constitute continuing connected transaction.

As the continuing connected transaction under the Bridge Maintenance Work Contract is conducted with substantially the same connected persons as the transactions under the Previous Maintenance Work Contracts (Design Institute, ATEGC and ATRMC), pursuant to the requirements under Rule 14A.83 of the Listing Rules, the above continuing connected transactions may be aggregated and regarded as a single transaction.

As the highest applicable percentage ratio in respect of the continuing connected transaction under the Bridge Maintenance Work Contract, after having been aggregated with the Previous Maintenance Work Contracts, on an annual basis is more than 0.1% but less than 5%, and the transaction is conducted on normal commercial terms, the transaction is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

Confirmation by the Board

At the twenty-ninth meeting of the ninth session of the Board of the Company held on 30 March 2023, the resolution in relation to the approval of the transaction under the Bridge Maintenance Work Contract was considered and approved. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interests in the transaction under the Bridge Maintenance Work Contract, and have abstained from voting on the resolution in relation to the continuing connected transaction under the Bridge Maintenance Work Contract under the Listing Rules.

Save as aforesaid, none of the directors have any material interests in the transaction under the Bridge Maintenance Work Contract and are required to abstain from voting on the relevant Board resolution.

After considering the abovementioned reasons and benefits, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Maintenance Work Contracts and the Annual Caps are fair and reasonable and are on normal commercial terms, and such continuing connected transaction under the Maintenance Work Contracts is conducted in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole.

Information of the Relevant Parties

Anqing Bridge Company is principally engaged in bridge construction and fund raising, material supply, tertiary industry operation, and bridge operation and management services.

Design Institute is principally engaged in investment, planning, consulting, project management, survey, design, supervision, testing, construction, operation and maintenance, technology, equipment and building materials development, agent, general contracting and external contracting of the transportation and urban and rural infrastructure (such as road, bridge, tunnel, port, channel, rail, transportation works, geotechnical, landscaping, water supply and drainage, architecture, structures, etc.), resources and ecology and environment (such as protection, restoration, disaster prevention, governance and development and utilization) and the intelligence and information system.

Research Centre is principally engaged in inspection, monitoring and technical research of highway engineering, water transportation engineering, construction engineering, municipal engineering, civil defense engineering, water conservancy and hydropower engineering, environmental engineering, geotechnical engineering, construction materials and intelligent and information system; traffic safety assessment; safety structure identification; project consultation and project management; engineering technical data compilation; and instrument and equipment rental.

ATEGC is principally engaged in construction work; professional operations of construction; prestressed concrete railway bridge simple supported beam products production; production of steel reinforcement products for construction; landscaping engineering construction; manufacturing of concrete structure components; sales of concrete structural components; manufacturing of cement products; sales of cement products, etc..

ATRCM is principally engaged in highway management and maintenance; roadbed and pavement maintenance works; construction works; professional operations of construction; technical services, technical development, technical consulting, technical exchange, technical transfer and technical promotion; engineering and technology research and experimental development; new material technology research and development; new material technology promotion services; engineering management services, etc..

(2) SUPPLEMENTAL ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS

Reference is made to the announcement published by the Company on 8 June 2023 (the “**Announcement**”) in relation to (among others) the Previous Maintenance Work Contracts.

The Company would like to provide the following supplemental information in respect of the determination of annual caps for Maintenance Work Contract I (as defined in the Agreement) for the years ending 31 December 2023 and 31 December 2024:

As stated in the Announcement, the Company determined the annual caps for Maintenance Work Contract I with reference to factors including (1) the expected workload; (2) the total contractual amount under each contract and (3) the expected payment schedule. Based on the current estimates, certain maintenance works under Maintenance Work Contract I with an amount not exceeding RMB20,000,000 may be conducted in either 2023 or 2024. In order to accommodate the aforesaid uncertainty, the fees for such works have been included in both the annual cap of Maintenance Work Contract I for the year ending 31 December 2023 and that for the year ending 31 December 2024. As a result, the total annual caps for Maintenance Work Contract I exceeds its total contractual amount. For the avoidance of doubt, the Company confirms that the total amount for the transaction under Maintenance Work Contract I in 2023 and 2024 will not exceed its total contractual amount (i.e. RMB66,054,209.47).

Save as supplemented above, other information contained in the Announcement remains unchanged.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated under the PRC law
“Annual Cap(s)”	the maximum aggregate annual amount(s) for the continuing connected transactions contemplated under the Bridge Maintenance Work Contract
“Anqing Bridge Company”	Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company* (安徽安慶長江公路大橋有限責任公司), a limited company established in the PRC and a wholly-owned subsidiary of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd. (安徽交控工程集團有限公司), a company incorporated under the PRC laws with limited liability
“ATRCM”	Anhui Transportation Road Maintenance Co., Ltd. (安徽交控道路養護有限公司), a company incorporated under the PRC laws with limited liability
“Board”	the board of directors of the Company
“Bridge Maintenance Work Contract”	the 2023 General Contracting Contract for Long Bridge Integrated Maintenance entered into between Anqing Bridge Company and the Consortium on 19 June 2023
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on the Stock Exchange, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consortium”	the consortium formed by Design Institute, Research Centre, ATEGC and ATRMC to provide transactions under the Bridge Maintenance Work Contract
“Design Institute”	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in the PRC
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	the percentage ratio(s) (other than the profits ratio and equity capital ratio) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement only, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Previous Maintenance Work Contracts”	5 general contracts for integrated maintenance of roads and daily maintenance of expressways dated 8 June 2023 entered into by the Company and the Company's subsidiaries with a consortium comprising the Design Institute, ATEGC and ATRMC, details of which are set out in the Company's announcement dated 8 June 2023 entitled “Continuing Connected Transactions: Maintenance Work Contracts”
“Research Centre”	Anhui Expressway Experiment Research Centre Co., Ltd., a company incorporated in the PRC with limited liability, being a subsidiary of Anhui Transportation Holding Group

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hefei, Anhui, the PRC
19 June 2023

As of the date of this announcement, the board of directors of the Company comprises: Xiang Xiaolong (chairman), Yang Xiaoguang, Tao Wensheng and Chen Jiping, being the executive directors; Yang Xudong and Du Jian, being the non-executive directors; and Liu Hao, Zhang Jianping and Fang Fang, being the independent non-executive directors.

This announcement is originally prepared in Chinese. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

* *For identification purpose only*