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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)

**UPDATE ANNOUNCEMENT ON
(1) MAJOR AND CONNECTED TRANSACTION –
PROPOSED ACQUISITION
(2) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO
RAISE ANCILLARY FUNDS
AND
(3) APPLICATION FOR WHITEWASH WAIVER**

Financial Adviser to the Company



MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION

Supplemental Agreement

The Board is pleased to announce that on 20 June 2023, the Company and Anhui Transportation Holding Group entered into the Supplemental Agreement, pursuant to which, among other things, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued have been determined by the parties.

According to the Asset Valuation Report issued by China United, which have been approved by and filed with the authorised entity of the competent state-owned assets supervision and administrative authorities, the appraised value of the Target Assets as at the Valuation Benchmark Date, which were primarily determined based on the income approach, is RMB3,661,003,900. In appraising the value of the Target Assets, China United has also taken into consideration, among others, the traffic volume and toll fee rates of the Target Assets assessed by the PRC Qualified Traffic Consultant.

Upon arms' length negotiations between the parties taking into account the appraised value of the Target Assets under the Asset Valuation Report of RMB3,661,003,900 and the paid-up registered capital of the Target Company of RMB5,000,000 which was paid by Anhui Transportation Holding Group to the Target Company subsequent to the Valuation Benchmark Date, the parties have agreed that the final Total Consideration shall be RMB3,666,003,900, among which RMB3,116,103,315 (being 85% of the Total Consideration) shall be settled by the allotment and issuance of the Consideration Shares and RMB549,900,585 (being 15% of the Total Consideration) shall be settled by the payment of the Cash Consideration, by the Company to Anhui Transportation Holding Group.

Compensation Agreement

The Board is pleased to announce that on 20 June 2023, the Company and Anhui Transportation Holding Group entered into the Compensation Agreement, pursuant to which, Anhui Transportation Holding Group undertakes to provide performance guarantees and related compensation in respect of the Target Assets.

The compensation arrangement under the Compensation Agreement is made pursuant to the requirements of the Administrative Measures for Material Asset Restructuring and other relevant PRC laws and regulations, since the appraised values of the Target Assets in the Asset Valuation Report were determined based on the income approach.

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS

The Board is pleased to announce that on 20 June 2023, the Board has approved the additional terms of the Proposed Non-public Issuance of A Shares to raise ancillary funds after the determination of the final consideration for the Proposed Acquisition.

EGM AND (IF APPLICABLE) CLASS MEETINGS AND CIRCULAR

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver.

If applicable, the A Shares Class Meeting will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; and (iii) the Specific Mandates.

If applicable, the H Shares Class Meeting will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; and (iii) the Specific Mandates.

The Circular containing, among other things, (i) further details of the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iv) the financial information of the Target Company; (v) the Asset Valuation Report; (vi) certain other information required under the Listing Rules and the Takeovers Code; and (vii) the notice of the EGM and (if applicable) the Class Meetings is expected to be despatched to the Shareholders.

As disclosed in the announcement of the Company dated 5 May 2023, the Company has applied to the Executive under Rule 8.2 of the Takeovers Code, and the Executive has granted, the consent to extend the latest date of despatch of the Circular to a date no later than 31 August 2023. The Company will despatch the Circular to the Shareholders as soon as practicable and will make further announcement in respect of despatch of the Circular if and when appropriate.

Pursuant to the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” (《國務院關於廢止部分行政法規和文件的決定(中華人民共和國國務院令第758號)》) issued by the State Council of the PRC on 14 February 2023 and the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (《境內企業境外發行證券和上市管理試行辦法》) and related guidelines issued by the CSRC on 17 February 2023, the Company is required to conform its articles of association to a new set of standard. In the event that the Hong Kong Stock Exchange has effected the required amendments to the Listing Rules and the articles of association of the Company has been amended in accordance with the changes in the PRC laws and regulations and/or the applicable listing rules prior to the holding of the EGM and (if applicable) Class Meetings, it is expected that the Class Meetings will no longer be required for the purposes of considering and approving the Proposed Acquisition, the Specific Mandates, the Whitewash Waiver and/or the Proposed Non-public Issuance of A Shares. The Company will update its Shareholders and potential investors once the amendment is effective as and when appropriate.

Completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares are subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Acquisition, respectively, at the EGM. Completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders, and completion of the Proposed Non-public Issuance of A Shares is subject to the completion of the Proposed Acquisition. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

References are made to the announcements of the Company dated 3 April 2023 and 17 April 2023 in relation to, among other things, (a) the Proposed Acquisition; (b) the Proposed Non-public Issuance of A Shares; and (c) the Whitewash Waiver.

The Board is pleased to announce that on 20 June 2023, the Company and Anhui Transportation Holding Group entered into the Supplemental Agreement and the Compensation Agreement, pursuant to which, among other things, the parties have determined the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued.

In addition, on 20 June 2023, the Board has approved the additional terms of the Proposed Non-public Issuance of A Shares to raise ancillary funds after the determination of the final consideration for the Proposed Acquisition.

I. MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION

Supplemental Agreement

On 20 June 2023, the Company and Anhui Transportation Holding Group entered into the Supplemental Agreement, pursuant to which, among other things, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued have been determined by the parties.

The principal terms of the Supplemental Agreement are as follows:

Date: 20 June 2023

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

Total Consideration: According to the Asset Valuation Report issued by China United, which have been approved by and filed with the authorised entity of the competent state-owned assets supervision and administrative authorities, the appraised value of the Target Assets as at the Valuation Benchmark Date, which were primarily determined based on the income approach, is RMB3,661,003,900. In appraising the value of the Target Assets, China United has also taken into consideration, among others, the traffic volume and toll fee rates of the Target Assets assessed by the PRC Qualified Traffic Consultant.

Upon arms' length negotiations between the parties taking into account the appraised value of the Target Assets under the Asset Valuation Report of RMB3,661,003,900 and the paid-up registered capital of the Target Company of RMB5,000,000 which was paid by Anhui Transportation Holding Group to the Target Company subsequent to the Valuation Benchmark Date, the parties have agreed that the final Total Consideration shall be RMB3,666,003,900.

As set out in the Announcement, the Total Consideration shall be settled: (i) 85% by the allotment and issuance of the Consideration Shares; and (ii) 15% by the payment of the Cash Consideration, by the Company to Anhui Transportation Holding Group. Accordingly, on the basis that the Total Consideration is RMB3,666,003,900, RMB3,116,103,315 shall be settled by way of allotment and issuance of the Consideration Shares while RMB549,900,585 shall be settled by way of payment of Cash Consideration.

Please refer to Appendix I to this announcement for the full text of the Asset Valuation Report and Appendix II for the letter of confirmation issued by China United confirming that there was no material change in the appraised value of the Target Assets as at 31 March 2023 as compared to that set out in the Asset Valuation Report. In addition, pursuant to Rule 11.1(b) of the Takeovers Code, the Financial Adviser has confirmed that China United is suitably qualified and experienced to undertake the valuation of the Target Assets. Please refer to Appendix III to this announcement for the letter of confirmation issued by the Financial Adviser in this regard.

**Issue of Consideration
Shares:**

As set out in the Announcement, it was agreed that:

- (a) the initial issue price of the Consideration Shares shall be RMB7.19 per Consideration Share, representing not less than 80% of the average trading prices of the A Shares for the 20, 60 or 120 trading days prior to the Pricing Benchmark Date of 18 April 2023 (rounded up to the nearest two decimal places); and
- (b) during the period between the Pricing Benchmark Date and the date of issue of the Consideration Shares, in case of any ex-rights or ex-dividends events of the Company such as distribution of cash dividends, bonus issues, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues, the issue price of the Consideration Shares will be adjusted in accordance with the relevant PRC laws and regulations. Please refer to the Announcement for the formulae for the adjustments as agreed under the Acquisition Agreement.

As set out in the Announcement, the Company has declared its final dividend for the year ended 31 December 2022 on 31 March 2023, which was then subject to shareholders' approval at the annual general meeting of the Company which was held on 9 June 2023. Given that such dividend declaration has been approved by the Shareholders as at the date of this announcement, Anhui Transportation Holding Group and the Company has agreed that the issue price of the Consideration Shares shall be adjusted to RMB6.64 per Consideration Share (the "**Adjusted Issue Price**") in accordance with the formula for distribution of cash dividend as set out the Announcement.

Accordingly, the number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group shall be calculated by dividing (i) the portion of the final Total Consideration to be settled by the issuance of Consideration Shares (being RMB3,116,103,315, 85% of the final Total Consideration) by (ii) the final issue price of the Consideration Shares (being the Adjusted Issue Price of RMB6.64 per Consideration Share, subject to any further adjustment in accordance with the formulae as set out in the Announcement). In the event of fractional shares, Anhui Transportation Holding Group shall waive such fractional shares.

On the basis that the portion of the final Total Consideration for the Proposed Acquisition to be settled by the Consideration Shares Issuance is RMB3,116,103,315 and assuming the final issue price of the Consideration Shares is the Adjusted Issue Price (being RMB6.64 per Consideration Share), the number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group is 469,292,667 A Shares.

**Effectiveness of the
Supplemental
Agreement:**

The Supplemental Agreement shall become effective upon the Acquisition Agreement becoming effective.

As disclosed in the Announcement, the effectiveness of the Acquisition Agreement is conditional upon the fulfilment of all of the following conditions:

- (i) the approval of the Acquisition Agreement and the Proposed Acquisition by the internal governing bodies of Anhui Transportation Holding Group;
- (ii) the approval of the Acquisition Agreement and the Proposed Acquisition by the Board, the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders at the EGM and (if applicable and as the case may be) the Class Meetings;

- (iii) the Asset Valuation Report having been filed with or confirmed by the competent state-owned assets supervision and administration authorities or its authorised entities;
- (iv) the approval of the Proposed Acquisition by the state-owned assets supervision and administration authorities or its authorised entities;
- (v) (if applicable) the obtaining of any necessary approval or decision not to review by the Anti-monopoly Bureau of the State Administration for Market Regulation on concentration of undertakings in respect of the Proposed Acquisition;
- (vi) the approval of the Proposed Acquisition by the Shanghai Stock Exchange and registration of the Proposed Acquisition by the CSRC;
- (vii) the obtaining of the Whitewash Waiver from the Executive;
- (viii) the obtaining of the requisite approval by the Takeovers Code Independent Shareholders at the EGM in respect of the grant of the Whitewash Waiver;
- (ix) the obtaining of the requisite approval by the Shareholders at the EGM in respect of the waiver of general offer obligation by Anhui Transportation Holding Group arising in connection with the Proposed Acquisition under the applicable PRC laws and regulations; and
- (x) the obtaining of any other necessary approval and/or filings in respect of the Proposed Acquisition from any applicable regulatory authorities.

None of the above conditions may be waived by any party to the Acquisition Agreement. If any of the conditions is not fulfilled, the Acquisition Agreement will not become effective and according to the PRC Legal Advisers, the parties will not have any rights, obligations and liabilities under the Acquisition Agreement.

As at the date of this announcement, the conditions set out in paragraph (i), (ii) (in respect of the approval by the Board only) and (iii) above have been fulfilled.

As disclosed in the Announcement, the condition set out in paragraph (iv) above in respect of the approval of the Proposed Acquisition by the competent state-owned assets supervision and administrative authorities or its authorised entities will be fulfilled prior to the EGM and (if applicable) the Class Meetings, while the condition in respect of the approval of the Acquisition Agreement and the Proposed Acquisition by the Shanghai Stock Exchange and the CSRC as set out in paragraph (vi) above will only be fulfilled after the EGM and (if applicable) the Class Meetings in accordance with the relevant PRC laws and regulations.

In respect of the condition set out in paragraph (v) above, as at the date of this announcement, the Company has received preliminary feedback from the Shanghai Municipal Administration for Market Regulation indicating that no filing on concentration of undertakings in respect of the Proposed Acquisition shall be required. However, as at the date of this announcement, the Shanghai Municipal Administration for Market Regulation has not yet issued its formal response to the Company in this regard. Further updates in respect of the condition set out in paragraph (v) above will be provided in the Circular.

In respect of the condition set out in paragraph (x) above, as at the date of this announcement, each of Anhui Transportation Holding Group and the Company is not aware of any other approval and/or filings which are required to be obtained by it in respect of the Proposed Acquisition.

Save as disclosed above, all other terms and conditions under the Acquisition Agreement shall remain unchanged.

Compensation Agreement

On 20 June 2023, the Company and Anhui Transportation Holding Group entered into the Compensation Agreement, pursuant to which, Anhui Transportation Holding Group undertakes to provide performance guarantees and related compensation in respect of the Target Assets.

The compensation arrangement under the Compensation Agreement is made pursuant to the requirements of the Administrative Measures for Material Asset Restructuring and other relevant PRC laws and regulations, since the appraised values of the Target Assets in the Asset Valuation Report were determined based on the income approach.

The principal terms of the Compensation Agreement are as follows:

Date: 20 June 2023

Parties: (1) the Company; and
(2) Anhui Transportation Holding Group.

Performance Compensation Assets: According to the Asset Valuation Report, the appraised values of the Target Assets, being the Performance Compensation Assets, were determined based on the income approach with reference to the discounted cash flow method which involves projection of future cash flow attributable to such Performance Compensation Assets from 1 January 2023 to 27 December 2039 (being the end date of the concession right of the Liuwu Expressway owned by the Target Company).

Pursuant to the requirements of the Administrative Measures for Material Asset Restructuring and other relevant PRC laws and regulations, Anhui Transportation Holding Group undertakes to provide performance guarantees and related compensation in respect of the Performance Compensation Assets based on the future estimated profit attributable to such Performance Compensation Assets in the Asset Valuation Report.

Performance Compensation Period: The Performance Compensation Period shall be three consecutive financial years commencing from (and including) the year in which the Completion takes place.

Accordingly, if the Proposed Acquisition is completed during the year ending 31 December 2023, the Performance Compensation Period shall be the years of 2023, 2024 and 2025. On the other hand, if the Proposed Acquisition is completed during the year ending 31 December 2024, the Performance Compensation Period shall be the years of 2024, 2025 and 2026.

Compensation arrangements:

Compensation for performance guarantees

Anhui Transportation Holding Group undertakes that the future realised net profit of the Performance Compensation Assets during each year of the Performance Compensation Period shall not be lower than the respective estimated net profit for that relevant year as set out in the Asset Valuation Report, the details of which are set out below:

- (i) if the Proposed Acquisition is completed during the year ending 31 December 2023, the net profit of the Target Company shall not be lower than RMB224,993,000 for the year of 2023, RMB212,843,300 for the year of 2024 and RMB222,480,400 for the year of 2025 respectively; and
- (ii) if the Proposed Acquisition is completed during the year ending 31 December 2024, the net profit of the Target Company shall not be lower than RMB212,843,300 for the year of 2024, RMB222,480,400 for the year of 2025 and RMB226,196,600 for the year of 2026 respectively,

where “net profit” for such purposes shall be the lower of (i) audited net profit attributable to owners of the Target Company before deducting non-recurring gain or loss or (ii) audited net profit attributable to owners of the Target Company after deducting non-recurring gain or loss for the relevant year.

Upon the expiry of each financial year during the Performance Compensation Period, the Company shall select and engage a qualified accounting firm to conduct audit on the Target Company and issue a specific audit opinion.

If the aggregate audited net profit of the Performance Compensation Assets as of the end of a financial year is lower than the aggregate guaranteed amount as set out above as of the end of that financial year, Anhui Transportation Holding Group shall compensate the Company for an amount to be calculated in accordance with the formula below:

$$A = \frac{(B-C)}{D} \times E - F$$

where:

A = amount of performance compensation payable by Anhui Transportation Holding Group to the Company for such financial year

B = the aggregate guaranteed amount of net profit of the Target Company as of the end of such financial year

C = the aggregate amount of actual net profit of the Target Company realised as of the end of such financial year

D = total guaranteed amount of net profit of the Target Company for the Performance Compensation Period, being RMB660,316,700 (in the event that the Proposed Acquisition is completed during the year ending 31 December 2023) or RMB661,520,300 (in the event that the Proposed Acquisition is completed during the year ending 31 December 2024)

E = the Total Consideration

F = the aggregate amount of performance compensation previously paid by Anhui Transportation Holding Group to the Company (if any)

For the avoidance of doubt, where the amount of performance compensation payable by Anhui Transportation Holding Group for a financial year is a negative amount (i.e. $A < 0$), no refund of the compensation previously paid by Anhui Transportation Holding Group to the Company (if any) will be made to Anhui Transportation Holding Group.

Compensation for impairment

Upon the expiry of the Performance Compensation Period, the Company shall select and engage a qualified accounting firm to carry out impairment test on the Performance Compensation Assets and issue a corresponding impairment test report.

If the amount of impairment of the Performance Compensation Assets as at the end of the Performance Compensation Period is larger than the total amount of performance compensation paid by Anhui Transportation Holding Group to the Company during the Performance Compensation Period (if any), Anhui Transportation Holding Group shall compensate the Company for an amount to be calculated in accordance with the formula below:

$$G = H - I$$

where:

G = amount of impairment compensation payable by Anhui Transportation Holding Group to the Company

H = the amount of impairment of the Performance Compensation Assets as at the end of the Performance Compensation Period, which shall be (i) the Total Consideration deducted by (ii) the appraised value of the Performance Compensation Assets as at the end of the Performance Compensation Period. The impact of any ex-rights or ex-dividends event of the Target Company (including but not limited to capital increase, capital reduction, the acceptance of gift, profit distribution, bonus issue or conversion of share premium into share capital) shall also be excluded in the calculation of the amount of impairment of the Performance Compensation Assets.

I = total amount of performance compensation paid by Anhui Transportation Holding Group to the Company during the Performance Compensation Period (if any)

For the avoidance of doubt, where the amount of impairment compensation payable by Anhui Transportation Holding Group is a negative amount (i.e. $G < 0$), no refund of the compensation previously paid by Anhui Transportation Holding Group to the Company (if any) will be made to Anhui Transportation Holding Group.

Settlement of any compensation payable by Anhui Transportation Holding Group

Compensation Shares

In the event that any performance compensation or impairment compensation is payable by Anhui Transportation Holding Group to the Company, such compensation payable shall first be settled by way of return of the Consideration Shares to the Company.

The number of Consideration Shares to be returned (the “**Compensation Shares**”) shall be determined in accordance with the following formula:

$$J = \frac{K}{L}$$

where:

J = number of Compensation Shares, provided that any fractional share shall be rounded up to the nearest whole share

K = amount of performance compensation for the relevant financial year or impairment compensation (as the case may be) payable by Anhui Transportation Holding Group to the Company

L = the final issue price per Consideration Share

For the avoidance of doubt, where the number of Compensation Shares is a negative amount (i.e. $J < 0$), no return of the Compensation Shares previously returned by Anhui Transportation Holding Group to the Company (if any) will be made to Anhui Transportation Holding Group.

In the event that during the Performance Compensation Period, the Company has conducted bonus issues or conversion of share premium into share capital, the number of Compensation Shares shall be adjusted in accordance with the formula below:

$$M = J \times (1+N)$$

where:

M = the adjusted number of Compensation Shares

J = the number of Compensation Shares before taking into account such bonus issues or conversion of share premium into share capital, as determined under the formula set out above

N = the ratio of such bonus issues or conversion of share premium into share capital

In addition, Anhui Transportation Holding Group shall return to the Company any cash dividend made on the Compensation Shares during the relevant financial year in the Performance Compensation Period.

The aggregate amount of Compensation Shares to be returned by Anhui Transportation Holding Group under the Compensation Agreement shall not exceed the sum of (i) the amount of Consideration Shares allotted and issued to Anhui Transportation Holding Group and (ii) any bonus shares or share issued to Anhui Transportation Holding Group as a result of conversion of share premium into share capital by the Company in respect of the Consideration Shares.

The Compensation Shares to be returned to the Company shall be bought back by the Company at the consideration of RMB1.00 and cancelled thereafter. In the event of such buy-back and cancellation of the Compensation Shares by the Company, the Company shall comply with all relevant requirements under the Articles of Association and the applicable laws and regulations including the Listing Rules, the Takeovers Code, the Hong Kong Code on Share Buy-backs and the PRC laws and regulations.

Cash Compensation

In the event that the Consideration Shares is insufficient to settle the compensation payable to the Company under the Compensation Agreement, Anhui Transportation Holding Group shall pay such shortfall in cash. The cash amount to be paid to the Company shall be determined in accordance with the formula below:

$$O = P - (Q \times R)$$

where:

O = amount of cash compensation payable by Anhui Transportation Holding Group

P = amount of performance compensation for the relevant financial year or impairment compensation (as the case may be) payable by Anhui Transportation Holding Group to the Company

Q = the number of Compensation Shares to be returned in respect of the performance compensation for the relevant financial year or impairment compensation (as the case may be) payable by Anhui Transportation Holding Group to the Company

R = the final issue price per Consideration Share

Such cash compensation shall be paid by Anhui Transportation Holding Group to the Company within 30 business days after the date of approval by the Shareholders of the buy-back of the Compensation Shares in respect of the performance compensation for the relevant financial year or impairment compensation (as the case may be).

Maximum amount of compensation:

The parties agree that the maximum amount of compensation to be made by Anhui Transportation Holding Group to the Company under the Compensation Agreement shall not exceed the Total Consideration of the Proposed Acquisition (being RMB3,666,003,900).

Other undertaking:

In order to ensure that the compensation arrangements under the Compensation Agreement can be implemented, Anhui Transportation Holding Group has undertaken that, other than any arrangements to give effect to the lock-up undertakings given by it under the Acquisition Agreement, Anhui Transportation Holding Group shall not create any encumbrances, third party rights or other rights which may adversely affect the implementation of the compensation arrangement under the Compensation Agreement over the Consideration Shares (or any shares derived from the Consideration Shares as a result of bonus issue or conversion of share premium into share capital by the Company), unless with the prior written consent of the Company.

**Effectiveness of the
Compensation
Agreement:**

The Compensation Agreement shall become effective upon the Acquisition Agreement becoming effective.

**Amendment and
termination of
the Compensation
Agreement:**

If any terms under the Acquisition Agreement which relates to the Compensation Agreement is amended, the terms of the Compensation Agreement shall be deemed to have been correspondingly amended.

The Compensation Agreement shall be automatically terminated if the Acquisition Agreement is terminated for any reason.

Profit forecasts

As the appraised values of the Target Assets were determined primarily based on the income approach, which involved the calculation of discounted future estimated cash flows, the aforementioned valuation of the Target Assets and the appraised value of the Target Assets based on the income approach constitute profit forecasts (the “**Target Company Profit Forecasts**”) under Rule 14.61 of the Listing Rules and Rules 10 and 11.1(a) of the Takeovers Code, and the Company is required to comply with Rules 14.62 and 14A.68(7) of the Listing Rules and Rules 10 and 11 of the Takeovers Code.

For the purpose of complying with the requirements under Rules 14.62 and 14A.68(7) of the Listing Rules and Rules 10 and 11 of the Takeovers Code, the Target Company Profit Forecasts have been reported on in accordance with the Listing Rules and the Takeovers Code by BOCOM International (Asia) Limited, the Financial Adviser, confirming that the Target Company Profit Forecasts have been made by the Directors after due care and consideration, and Ernst & Young, the auditor of the Company, examining the calculations of the discounted future estimated cash flows used in connection with the Target Company Profit Forecasts. The reports of the Financial Adviser and Ernst & Young are set out in Appendices III and IV to this announcement, respectively.

The principal assumptions upon which the valuation of the Target Assets was based are set out below:

1. Basic assumptions

- (a) Transaction assumption. The transaction assumption is that all assets to be appraised are already the subject of a transaction, and China United will make estimation based on a simulated market according to (among others) the transaction conditions of assets to be appraised. Transaction assumption is a fundamental premise for asset valuation to be carried out.
- (b) Open market assumption. The open market assumption is that the parties to a transaction are on an equal footing with each other and have access to sufficient market information and time to make a rational judgment on the function and use of the assets and their transaction price. The open market assumption is based on the assumption that assets may be publicly traded in the market.
- (c) Going concern assumption. The going concern assumption refers to such an assumption that, the subject assets will continue to be used as per its current purpose and the manner, scale, frequency and environment of use, or continue to be used on the basis of certain change therein, and China United determines the method, parameters and basis for appraisal accordingly.

2. Specific assumptions

- (a) There will be no significant changes in the current macro-economic, financial and industrial policies in the PRC.
- (b) There are no significant changes in the socio-economic environment in which the Target Company operates, and there are no significant changes in the policies on taxation, tax rates, and adjustment of taxable income implemented in the future operation period.
- (c) The management of the Target Company will perform its duty conscientiously in the future operating period and continue to maintain the existing business management model as at the Valuation Benchmark Date.
- (d) In view of the frequent changes or significant changes in the production and operation process of the enterprise's monetary funds or its bank deposits, interest income generated from the deposits and other uncertain gains and losses (such as exchange gains or losses) were not considered in the valuation.

- (e) This valuation assumes that the underlying information and financial information provided by the Company, Anhui Transportation Holding Group and the Target Company are true, accurate and complete.
- (f) This valuation assumes that the operational assets and operational liabilities as set out in the financial information of the Target Company are complete, and the operating results as set out in the financial information of the Target Company is correct and accurate.
- (g) The scope of the valuation is based on the valuation return provided by the Target Company. Contingent assets and contingent liabilities that may exist outside the list provided by the Target Company have not been considered.
- (h) The parameters measured in this valuation have not taken into account the impact of inflation.
- (i) There are no force majeure and unforeseen factors that would have a material adverse impact on the Target Company.
- (j) It is assumed that the cash inflow from the income obtained by the Target Company subsequent to the Valuation Benchmark Date inflow evenly and cash outflow of the Target Company subsequent to the Valuation Benchmark Date outflow evenly.
- (k) This valuation assumed that there are no material changes in the transportation industry policies, pricing principles and market conditions during the concession period of the Liuwu Expressway.
- (l) This valuation assumed the discount policy for ETC users (which are provided by all expressways within the Anhui province) will continue.
- (m) During the forecast period, the effective charging rate for passenger cars utilising the Liuwu Expressway is 95.5% and effective charging rate for trucks utilising the Liuwu Expressway is 91%.
- (n) The office premises currently leased by the Liuwu Expressway are continuously leased for use.

- (o) This valuation assumed that there is no unforeseen material expansion or reconstruction of the connecting highways of Liuwu Expressway during the concession period, and there are no factors leading to material diversion impact from the Liuwu Expressway (such as any unforeseen new construction of expressway outside of the current planning by the PRC government).
- (p) This valuation assumed that there is no unforeseen material capital expenditure as a result of any material expansion or reconstruction.

China United has confirmed that nothing has come to its attention that the abovementioned assumptions will prove to be incorrect or invalid in respect of the Target Company. In addition, as the Valuation Benchmark Date is more than 3 months from the date of this announcement, China United has issued a letter of confirmation confirming that there was no material change in the appraised value of the Target Assets as at 31 March 2023 as compared to that set out in the Asset Valuation Report. The letter of confirmation issued by China United is set out in Appendix II of this announcement.

In addition, set out below is the traffic volume and revenue forecast projection in relation to the Liuwu Expressway as extracted from the traffic study report prepared by the PRC Qualified Traffic Consultant:

Average traffic volume forecast results in relation to the Liuwu Expressway

Year	2023	2024	2025	2026	2027	2030	2034	2035	2039
									<i>(Note 1)</i>
Average Traffic Volume <i>(vehicles/day)</i>	18,431	18,033	18,623	18,929	18,901	20,474	23,148	24,201	26,867
Rate of growth/loss compared with the previous year	-	-2.16%	3.27%	1.65%	-0.15%	2.70%	3.12%	4.55%	2.65%

Estimation of toll income of the Liuwu Expressway

Year	Toll income forecast results (RMB)	Rate of growth/loss compared with the previous year
2023	559,405,181	3.62% (Note 1)
2024	547,241,380	-2.17%
2025	565,059,568	3.26%
2026	574,581,466	1.69%
2027	573,646,200	-0.16%
2028	583,119,628	1.65%
2029	600,296,207	2.95%
2030	621,109,451	3.47%
2031	642,179,351	3.39%
2032	662,998,759	3.24%
2033	682,992,587	3.02%
2034	702,562,651	2.87%
2035	734,420,391	4.53%
2036	759,715,903	3.44%
2037	780,176,436	2.69%
2038	798,076,085	2.29%
2039 (Note 2)	815,319,127	2.16%
Total of 2023–2039	11,202,900,371	

Notes:

- (1) Compared with the toll income of RMB539,876,096 during the year of 2022.
- (2) Until 27 December 2039 only, being the date on which the concession period of the Liuwu Expressway will end.

The traffic volume forecast and the toll income estimation were prepared by the PRC Qualified Traffic Consultant using the following methodology: (a) the transportation characteristics of the relevant area are first evaluated through collection of the traffic volume of the road network of Liuwu Expressway and the relevant expressway within the area in 2021 (as the data in 2022 are affected by relevant COVID-19 restriction measures). The traffic volume data collected will be considered together with the data of the expressway network within the Anhui Province to produce the basic origin-destination (OD) data for the traffic volume projection for the current study; (b) based on the traffic flow and volume data, the socio-economic and traffic conditions of the major areas attracting traffic flow were investigated, and the elastic coefficient attached to such conditions were analysed. The traffic volume growth was then projected using the elastic coefficient method; (c) the “four-stage method” were then utilised. A model of the relationship between the socio-economic condition and the traffic were established, and the traffic distribution were projected applying the OD data and taking into account the impact of other means of transportation on road transportation; (d) the means of transportation within the area were studied and a projection of the traffic distribution of the relevant area was then prepared. The traffic volume of the areas near the Liuwu Expressway, and in turn of the Liuwu Expressway were then

projected; (e) the toll rate were determined based on the standards as set out in “Notice on the adjustment plan of vehicle toll rates of toll expressways within the Anhui Province published by the Department of Transportation of Anhui Province, the Anhui Province Development and Reform Commission and the Department of Finance of Anhui Province) (《安徽省交通運輸廳、安徽省發展改革委、安徽省財政廳關於印發安徽省收費公路車輛通行費計費方式調整方案的通知》(皖交路〔2019〕144號) and as adjusted in accordance with the requirements under the “Adjustment plan of vehicle toll rates of toll expressways within the Anhui Province (安徽省收費公路車輛通行費計費方式調整方案)” (i.e. passenger vehicles are charged based on vehicle types and goods vehicle and specialized vehicle are charged based on number of axles) and the related discount policy; and (f) the toll income projection were then prepared based on the adjusted toll rate standard and the projected traffic volume. The traffic volume projection has taken into account the PRC national policies that (a) no toll shall be charged on toll expressway users during PRC statutory holidays; and (b) specialized vehicles which are not required to pay any toll, such as fire engines, ambulance, and military and police vehicles. The toll income projection also assumes that the effective charging rate for passenger cars utilising the Liuwu Expressway is 95.5% and effective charging rate for trucks utilising the Liuwu Expressway is 91% during the forecast period.

The following are the qualifications of the experts who have given opinion or advice contained in this announcement:

Name	Qualification	Date of opinion or advice given
China United	Qualified PRC valuer	20 June 2023
CHELBI Engineering Consultants, Inc* (華傑工程諮詢有限公司)	PRC Qualified Traffic Consultant	20 June 2023
BOCOM International (Asia) Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO	20 June 2023
Ernst & Young	Certified Public Accountants, Hong Kong	20 June 2023
Ernst & Young Hua Ming LLP	PRC Certified Public Accountants	20 June 2023

As at the date of this announcement, each of the abovementioned experts had given and had not withdrawn its written consent to the issue of this announcement with the inclusion of its letter or opinion and/or the reference to its name and opinions in the form and context in which they respectively appear. As at the date of this announcement, each of the abovementioned experts did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

Information on the Target Company

As at the date of this announcement, the Target Company is a wholly-owned subsidiary of Anhui Transportation Holding Group. Upon completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

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. For further details of the Liuwu Expressway, please refer to the Announcement.

The audited financial information of the Target Company for the two financial years ended 31 December 2021 and 2022 and for the two months ended 28 February 2023, prepared in accordance with Generally Accepted Accounting Principles of the PRC, was as follows:

	For the two months ended 28 February 2023 (audited) RMB million	For the year ended 31 December 2021 (audited) RMB million	For the year ended 31 December 2022 (audited) RMB million
Net profit before taxation	57.0	344.8	289.3
Net profit after taxation	42.8	258.6	216.9

The audited net asset value of the Target Company attributable to the owner of the equity as at 31 December 2022 was RMB2,737.51 million and as at 28 February 2023 was RMB2,785.27 million.

Information on the parties to the Supplemental Agreement

For information on the Company and Anhui Transportation Holding Group, please refer to the Announcement.

II. PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS

On 20 June 2023, the Board has approved the additional terms of the Proposed Non-public Issuance of A Shares to raise ancillary funds after the determination of the final consideration for the Proposed Acquisition.

The details of the additional terms of the Proposed Non-public Issuance of A Shares are set out below:

Amount of funds to be raised	The total amount of ancillary funds to be raised under the Proposed Non-public Issuance of A Shares shall be not more than RMB1,466,401,560.
Use of proceeds:	The gross proceeds to be raised from the Proposed Non-public Issuance of A Shares will be not more than RMB1,466,401,560 and are intended to be used in the following manner:

Use of proceeds	Intended allocation of proceeds (RMB)	Intended percentage of proceeds from the Proposed Non-public Issuance of A Shares allocated for such purposes (%)
Refinance the Cash Consideration for the Proposed Acquisition	549,900,585	37.50
Replenish the working capital of the Group and repay the debts of the Group (Note)	<u>916,500,975</u>	<u>62.50</u>
Total	<u><u>1,466,401,560</u></u>	<u><u>100.00</u></u>

Note: among the 62.50% proceeds allocated for this purpose, the Company currently intends that not more than 10% of the proceeds from the Proposed Non-public Issuance of A Shares will be used for replenishing working capital of the Group.

Save as disclosed above, the terms and conditions of the Proposed Non-public Issuance of A Shares as set out in the Announcement shall remain unchanged.

As disclosed in the Announcement, the Proposed Non-public Issuance of A Shares is conditional upon the satisfaction of certain conditions precedent, including (a) the completion of the Proposed Acquisition; (b) the approval of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares by the Board and the Non-public Issuance Independent Shareholders at the EGM and (if applicable) the Class Meetings; (c) the approval of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares by the competent state-owned assets supervision and administrative authorities and its authorised entities; (d) the approval of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares by the Shanghai Stock Exchange and the registration of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares by the CSRC; and (e) the obtaining of any other necessary approval and/or filings in respect of the Proposed Non-public Issuance of A Shares from any applicable regulatory authorities. As at the date of this announcement, the approval of the Proposed Non-public Issuance of A Shares by the Board as set out in paragraph (b) above has been obtained.

Possible Connected Transaction

In the event that after the book building process for the Proposed Non-public Issuance of A Shares, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Non-public Issuance of A Shares, such participation in the Proposed Non-public Issuance of A Shares will constitute a connected transaction of the Company, which is subject to the report, announcement and Non-public Issuance Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Since participation by any connected person(s) in the Proposed Non-public Issuance of A Shares can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Non-public Issuance of A Shares, the Company will comply with the connected transaction requirements.

In the event the requisite independent shareholders' approval for any connected person(s) participating in the Proposed Non-public Issuance of A Shares is not successfully obtained, it is envisaged that such connected person(s) will not participate in the Proposed Non-public Issuance of A Shares.

III. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total issued share capital of the Company is 1,658,610,000 Shares, which comprises 1,165,600,000 A Shares and 493,010,000 H Shares.

For illustration purpose, set out below is the shareholding structure of the Company:

- (i) as at the date of this announcement;
- (ii) immediately after completion of the Proposed Acquisition (on the basis that the Total Consideration to be settled by way of issuance of Consideration Shares is RMB3,116,103,315, and assuming that (a) there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; and (b) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement)); and

(iii) immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (assuming that (a) the total amount of ancillary funds to be raised under the Proposed Non-public Issuance of A Shares is RMB1,466,401,560; (b) there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; (c) the issue price of the Proposed Non-public Issuance of A Shares is the same as the issue price of the Consideration Shares; (d) the subscribers of the Proposed Non-public Issuance of A Shares are and remain as public Shareholders of the Company; and (e) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement) and under the Proposed Non-public Issuance of A Shares):

Name of Shareholder	Class of Shares	Shareholding as at the date of this announcement			Shareholding immediately after completion of the Proposed Acquisition			Shareholding immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares		
		Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares
Anhui Transportation Holding Group	A	524,644,220	45.01	31.63	993,936,887	60.80	46.71	993,936,887	53.56	42.32
China Merchants Highway Network Technology Holding Company Limited	A	404,191,501	34.68	24.37	404,191,501	24.72	18.99	404,191,501	21.78	17.21
(Note 1)	H	92,396,000	18.74	5.57	92,396,000	18.74	4.34	92,396,000	18.74	3.93
Anhui Transportation Holding Group and its concert parties	A	928,835,721	79.69	56.00	1,398,128,388	85.52	65.70	1,398,128,388	75.34	59.53
	H	92,396,000	18.74	5.57	92,396,000	18.74	4.34	92,396,000	18.74	3.93
	Total A and H	1,021,231,721	-	61.57	1,490,524,388	-	70.05	1,490,524,388	-	63.46
Public A Shareholders	A	236,764,279	20.31	14.27	236,764,279	14.48	11.13	457,607,887	24.66	19.48
Public H Shareholders	H	400,614,000	81.26	24.15	400,614,000	81.26	18.83	400,614,000	81.26	17.06
Total		1,658,610,000	100.00	100.00	2,127,902,667	100.00	100.00	2,348,746,275	100.00	100.00

Notes:

1. China Merchants Highway Network Technology Holding Company Limited is presumed to be acting in concert with Anhui Transportation Holding Group in respect of the Company under class (1) of the definition of “acting in concert” under the Takeovers Code.
2. The approximate percentage figures are rounded to the nearest two decimal places and therefore, may not add up to 100% due to rounding.

The Company will ensure the compliance with the applicable public float requirement under the Listing Rules upon the completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares, and will scale down the number of A Shares to be issued under the Proposed Non-public Issuance of A Shares to the extent such issuance will result in non-compliance of the applicable public float requirement under the Listing Rules.

IV. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Other than the Proposed Non-public Issuance of A Shares which was first announced in the announcement of the Company dated 17 April 2023, the Company has not conducted any equity fund raising exercises during the 12 months immediately preceding the date of this announcement.

V. REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

For the reasons for and benefits of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares, please refer to the Announcement.

The terms of the Acquisition Agreement, the Supplemental Agreement and the Compensation Agreement and the transactions contemplated thereunder were agreed after arm’s length negotiations between the parties thereto. The Directors (other than the Independent Board Committee, who will express its views after considering the advice from the Independent Financial Adviser) consider that the Acquisition Agreement, the Supplemental Agreement and the Compensation Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

VI. IMPLICATIONS UNDER THE LISTING RULES

Proposed Acquisition

As one or more of the applicable percentage ratios in respect of the Proposed Acquisition in accordance with the Listing Rules exceed 25% but are less than 100%, the Proposed Acquisition constitutes a major transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of 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 constitutes a connected transaction of the Company which is subject to the reporting, announcement and Proposed Acquisition LR Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Proposed Non-public Issuance of A Shares

In the event that after the book building process for the Proposed Non-public Issuance of A Shares, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Non-public Issuance of A Shares, such participation in the Proposed Non-public Issuance of A Shares will constitute a connected transaction of the Company, which is subject to the report, announcement and Non-public Issuance Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Since participation by any connected person(s) in the Proposed Non-public Issuance of A Shares can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Non-public Issuance of A Shares, the Company will comply with the connected transaction requirements.

In the event the requisite independent shareholders' approval for any connected person(s) participating in the Proposed Non-public Issuance of A Shares is not successfully obtained, it is envisaged that such connected person(s) will not participate in the Proposed Non-public Issuance of A Shares.

VII. IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement,

- (i) Anhui Transportation Holding Group holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company; and
- (ii) Anhui Transportation Holding Group and parties acting in concert with it hold in aggregate 1,021,231,721 Shares (comprising 928,835,721 A Shares and 92,396,000 H Shares), representing approximately 61.57% of the total issued share capital of the Company.

Immediately following completion of the Proposed Acquisition, on the basis that the Total Consideration to be settled by way of issuance of Consideration Shares is RMB3,116,103,315, and assuming that (i) the issue price is the Adjusted Issue Price and there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; and (ii) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement),

- (i) the shareholding of Anhui Transportation Holding Group in the Company will increase to approximately 46.71%; and
- (ii) the aggregate shareholding of Anhui Transportation Holding Group and parties acting in concert with it in the Company will increase to approximately 70.05%.

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 securities of the Company 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, completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. An application will be made by Anhui Transportation Holding Group (on behalf of itself and parties acting in concert with it) to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. 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 votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Acquisition by more than 50% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM 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 the Takeovers Code Independent Shareholders.

As at the date of this announcement, the Company does not believe that the Proposed Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavor to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in relation to, among other things, the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Acquisition does not comply with other applicable rules and regulations.

As at the date of this announcement, other than holding of voting rights as disclosed in the paragraph headed “III. Effects on the Shareholding Structure of the Company”, the Acquisition Agreement, the Supplemental Agreement, the Compensation Agreement and the Proposed Acquisition contemplated thereunder, neither Anhui Transportation Holding Group nor parties acting in concert with it:

- (i) holds, owns, controls or directs any shares, convertible securities, warrants, options or has entered into any derivatives in respect of the securities in the Company;
- (ii) has received an irrevocable commitment to vote in favor of or against the Proposed Acquisition and the Whitewash Waiver;
- (iii) has any arrangement (whether by way of option, indemnity or otherwise) or contracts in relation to the Shares or Anhui Transportation Holding Group which might be material to the Proposed Acquisition and the Whitewash Waiver;
- (iv) has any agreement or arrangement to which Anhui Transportation Holding Group or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposed Acquisition and the Whitewash Waiver;
- (v) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) there is no other consideration or benefit in whatever form paid or to be paid by Anhui Transportation Holding Group and parties acting in concert with it to the Company or any party acting in concert with it in connection with the Proposed Acquisition;
- (vii) save for the Consideration Shares to be issued by the Company to Anhui Transportation Holding Group under the Proposed Acquisition and the Cash Consideration, there is no other consideration or benefit in whatever form paid or to be paid by the Company and parties acting in concert with it to Anhui Transportation Holding Group or any party acting in concert with it in connection with the Proposed Acquisition; and

(viii) there is no understanding, arrangement, agreement which constitutes special deal between (1) any Shareholder; and (2) (a) Anhui Transportation Holding Group and parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

Save for the Acquisition Agreement and the Supplemental Agreement, neither Anhui Transportation Holding Group nor any parties acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights of the Company or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company within the six months period prior to and including 3 April 2023 (being the date on which the Company first made an announcement in respect of the Proposed Acquisition) and up to and including the date of this announcement. Other than pursuant to the Acquisition Agreement and the Supplemental Agreement, Anhui Transportation Holding Group and parties acting in concert with it will not acquire or dispose of any voting rights of the Company after the date of this announcement until completion of the Proposed Acquisition.

VIII. EGM AND (IF APPLICABLE) CLASS MEETINGS AND CIRCULAR

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver.

If applicable, the A Shares Class Meeting will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; and (iii) the Specific Mandates.

If applicable, the H Shares Class Meeting will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; and (iii) the Specific Mandates.

The voting in relation to the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver at the EGM and/or (if applicable) the Class Meetings will be conducted by way of poll.

In respect of the Proposed Acquisition, (i) with respect to the approvals required under the Listing Rules, Anhui Transportation Holding Group and its associates and any Shareholders which have a material interest in the Proposed Acquisition and the Proposed Acquisition Specific Mandate will be required to abstain from voting on the relevant resolutions to be proposed at the EGM (and if applicable, the A Shares Class Meeting and/or the H Shares Class Meeting); and (ii) with respect to the approvals required under the Takeovers Code, Anhui Transportation Holding Group and parties acting in concert with it (including China Merchants Highway Network Technology Holding Company Limited (being a party presumed to be acting in concert with Anhui Transportation Holding Group)) and those who are involved in or interested in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

In respect of the Proposed Non-public Issuance of A Shares, in the event that a Shareholder has indicated to participate in the Proposed Non-public Issuance of A Shares before the EGM and (if applicable) Class Meetings, such Shareholder and his/her/its close associates (as defined under the Listing Rules) will be required to abstain from voting on the relevant resolutions to be proposed at the EGM (and if applicable, the A Shares Class Meeting and/or the H Shares Class Meeting).

Save as aforementioned, no other Shareholder has a material interest in the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver and therefore no other Shareholder is required to abstain from voting at the EGM and/or (if applicable) the Class Meetings.

The Circular containing, among other things, (i) further details of the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iv) the financial information of the Target Company; (v) the Asset Valuation Report; (vi) certain other information required under the Listing Rules and the Takeovers Code; and (vii) the notice of the EGM and (if applicable) the Class Meetings is expected to be despatched to the Shareholders.

As disclosed in the announcement of the Company dated 5 May 2023, the Company has applied to the Executive under Rule 8.2 of the Takeovers Code, and the Executive has granted, the consent to extend the latest date of despatch of the Circular to a date no later than 31 August 2023. The Company will despatch the Circular to the Shareholders as soon as practicable and will make further announcement in respect of despatch of the Circular if and when appropriate.

Pursuant to the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” (《國務院關於廢止部分行政法規和文件的決定(中華人民共和國國務院令 第758號)》) issued by the State Council of the PRC on 14 February 2023 and the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (《境內企業境外發行證券和上市管理試行辦法》) and related guidelines issued by the CSRC on 17 February 2023, the Company is required to conform its articles of association to a new set of standard. In the event that the Hong Kong Stock Exchange has effected the required amendments to the Listing Rules and the articles of association of the Company has been amended in accordance with the changes in the PRC laws and regulations and/or the applicable listing rules prior to the holding of the EGM and (if applicable) Class Meetings, it is expected that the Class Meetings will no longer be required for the purposes of considering and approving the Proposed Acquisition, the Specific Mandates, the Whitewash Waiver and/or the Proposed Non-public Issuance of A Shares. The Company will update its Shareholders and potential investors once the amendment is effective as and when appropriate.

IX. OTHER INFORMATION

Shareholders’ attention is also drawn to the overseas regulatory announcement of the Company setting out the announcements published on 20 June 2023 by the Company in relation to the Proposed Acquisition and the Proposed Non-public Issuance of A Shares on the Shanghai Stock Exchange (the “**A Share Announcements**”).

In addition, English translation and the Chinese version of the relevant parts of the following A Share Announcements containing material information with Takeovers Code implications are attached to this announcement as Appendix VII:

- (i) the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions (發行股份及支付現金購買資產並募集配套資金暨關聯交易報告書(草案)) (the “**Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions**”);
- (ii) the announcement on the independent opinion of the Independent Non-executive Director on the matters considered at the 32nd board meeting of the ninth session of the Board of Directors (獨立董事關於公司九屆三十二次董事會審議事項的獨立意見)(the “**Independent Director Opinion Announcement**”);

- (iii) the inspection opinion of the A share independent financial adviser on the dilution of immediate returns as a result of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and the relevant remedial measures taken by the Company (中國國際金融股份有限公司關於安徽皖通高速公路股份有限公司本次交易攤薄即期回報及採取措施的核查意見)(the “**A Share Independent Financial Adviser Inspection Opinion Announcement**”);
- (iv) the Report of the A share independent financial adviser on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions (中國國際金融股份有限公司關於安徽皖通高速公路股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易之獨立財務顧問報告)(the “**A Share Independent Financial Adviser Opinion Announcement**”);
- (v) the announcement on the dilution of immediate returns as a result of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and the relevant remedial measures (關於本次交易攤薄即期回報及採取填補相關措施的公告)(the “**Dilution of Immediate Returns Announcement**”); and
- (vi) the Review report on the Pro Forma Consolidated Financial Information for the year ended 31 December 2022 and the two months ended 28 February 2023 (截至2022年12月31日止年度及截至2023年2月28日止兩個月備考合併財務報表之審閱報告)(the “**Review Report on Pro Forma Financial Information**”).

Reference is made to the disclosure of unaudited financial information relating to the profit of the Group and the Enlarged Group for the two months ended 28 February 2023 (the “**Relevant Profit Forecast Information**”) disclosed in the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions, the A Share Independent Financial Adviser Inspection Opinion Announcement, the Dilution of Immediate Return Announcement and the Review Report on Pro Forma Financial Information, detail of which are set out in the Appendix VII of this announcement. The Relevant Profit Forecast Information constitutes profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by both the Financial Adviser and Company’s auditors in accordance with Rule 10.4 of the Takeovers Code. Please refer to Appendix V for the report issued by the Financial Adviser and Appendix VI for the letter issued by the Company’s auditors, Ernst & Young Hua Ming LLP, each in respect of the Relevant Profit Forecast Information respectively.

Completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares are subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Acquisition, respectively, at the EGM. Completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders, and completion of the Proposed Non-public Issuance of A Shares is subject to the completion of the Proposed Acquisition. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

X. DEFINITIONS

“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
“A Shares Class Meeting”	the class meeting of the A Shareholders
“A Shareholder(s)”	holder(s) of A Share(s)
“Acquisition Agreement”	the agreement dated 17 April 2023 entered into between the Company and Anhui Transportation Holding Group in relation to the Proposed Acquisition
“Adjusted Issue Price”	has the meaning ascribed to it under the paragraph headed “Issue of Consideration Shares” in the section headed “I. Major and Connected Transaction – Proposed Acquisition – Supplemental Agreement” of this announcement

“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 total issued share capital as at the date of this announcement
“Administrative Measures for Material Asset Restructuring”	Administrative Measures for the Material Asset Restructuring of Listed Companies (上市公司重大資產重組管理辦法) promulgated by the CSRC
“Announcement”	the announcement of the Company dated 17 April 2023 in relation to, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; and (iii) the Whitewash Waiver
“Articles of Association”	the articles of association of the Company from time to time
“Asset Valuation Report”	the asset valuation report dated 20 June 2023 in respect of the Target Assets issued by China United, the full text of which are set out in Appendix I to this announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“China United”	China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司), a qualified asset appraisal agency in the PRC
“Cash Consideration”	the cash consideration in the amount of 15% of the Total Consideration payable by the Company to Anhui Transportation Holding Group pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement) as part of the Total Consideration payable to Anhui Transportation Holding Group for the Proposed Acquisition, being RMB549,900,585
“Circular”	the circular to be issued by the Company in relation to, among other things, the (i) Proposed Acquisition, (ii) the Proposed Non-public Issuance of A Shares, (iii) the Specific Mandates, and (iv) the Whitewash Waiver
“Class Meetings”	the A Shares Class Meeting and the H Shares Class Meeting

“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)
“Compensation Agreement”	the performance compensation agreement dated 20 June 2023 entered into between the Company and Anhui Transportation Holding Group in relation to the performance guarantees and related compensation provided by Anhui Transportation Holding Group in respect of the Target Assets
“Compensation Share(s)”	the Consideration Share(s) to be returned by Anhui Transportation Holding Group to the Company under the Compensation Agreement
“Completion”	completion of the Proposed Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Share(s)”	the new A Share(s) to be allotted and issued by the Company to Anhui Transportation Holding Group pursuant to the Acquisition Agreement as part of the Total Consideration payable to Anhui Transportation Holding Group for the Proposed Acquisition
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver
“Enlarged Group”	the Group as enlarged by the Proposed Acquisition

“ETC”	Electronic Toll Collection System
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Financial Adviser”	BOCOM International (Asia) Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Proposed Acquisition and the application of the Whitewash Waiver
“Group”	the Company and its subsidiaries
“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
“H Shares Class Meeting”	the class meeting of the H Shareholders
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver, namely Mr. Liu Hao, Mr. Zhang Jianping and Ms. Fang Fang, established pursuant to the requirements of the Listing Rules and the Takeovers Code to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including, amongst others, the grant of the Proposed Acquisition Specific Mandate) and the Whitewash Waiver

“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
“Non-public Issuance Independent Shareholders”	Shareholders other than Shareholders who have indicated to participate in the Non-public Issuance of A Shares before the EGM and (if applicable) the Class Meetings and their close associates (as defined under the Listing Rules)
“Non-public Issuance Specific Mandate”	the specific mandate to be sought from the Non-public Issuance Independent Shareholders at the EGM and (if applicable) Class Meetings to issue the A Shares under the Proposed Non-public Issuance of A Shares
“Performance Compensation Assets”	the Target Assets for which Anhui Transportation Holding Group undertakes to provide performance guarantees and related compensation under the Compensation Agreement
“Performance Compensation Period”	three financial years commencing from (and including) the year in which Completion takes place, being (i) 2023, 2024 and 2025 if the Proposed Acquisition is completed during the year ending 31 December 2023; or (ii) 2024, 2025 and 2026 if the Proposed Acquisition is completed during the year ending 31 December 2024
“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
“PRC Legal Advisers”	Grandall Law Firm (Hefei), the PRC legal advisers to the Company
“PRC Qualified Traffic Consultant”	CHELBI Engineering Consultants, Inc* (華傑工程諮詢有限公司), a PRC qualified traffic consultant
“Pricing Benchmark Date”	the date of the announcement of the resolutions of the Board in respect of the Proposed Acquisition, being 18 April 2023

“Proposed Acquisition”	the proposed acquisition of the Target Assets from Anhui Transportation Holding Group pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement)
“Proposed Acquisition LR Independent Shareholders”	Shareholders, other than Anhui Transportation Holding Group and its associates, which do not have a material interest in the Proposed Acquisition and the Proposed Acquisition Specific Mandate under the Listing Rules and the relevant PRC laws and regulations
“Proposed Acquisition Specific Mandate”	the specific mandate to be sought at the EGM and (if applicable) the Class Meetings to issue the Consideration Shares pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement)
“Proposed Non-public Issuance of A Shares”	the proposed non-public issuance of A Shares to not more than 35 specific target subscribers
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate(s)”	the Proposed Acquisition Specific Mandate and the Non-Public Issuance Specific Mandate
“Supplemental Agreement”	the supplemental agreement to the Acquisition Agreement dated 20 June 2023 entered into between the Company and Anhui Transportation Holding Group
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Takeovers Code Independent Shareholders”	Shareholders other than (i) Anhui Transportation Holding Group and parties acting in concert with it (including China Merchants Highway Network Technology Holding Company Limited, being a party presumed to be acting in concert with Anhui Transportation Holding Group); and (ii) those who are interested in or involved in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver
“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
“Target Company Profit Forecasts”	has the meaning ascribed to it in the section headed “I. MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION – Profit Forecasts” of this announcement
“Total Consideration”	the consideration payable by the Company to Anhui Transportation Holding Group for the Proposed Acquisition pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement) with reference to the Asset Valuation Report, being RMB3,666,003,900
“trading day(s)”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“Valuation Benchmark Date”	31 December 2022
“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 of the Consideration Shares under the Proposed Acquisition

“%”

per cent

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

Hefei, Anhui, the PRC
20 June 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.*

APPENDIX I
FULL TEXT OF THE ASSET VALUATION REPORT

The Asset Valuation Report is originally prepared by China United in Chinese and the English translation is prepared for reference only. In the event of any inconsistencies, the Chinese version of the Asset Valuation Report shall prevail.

This Asset Valuation Report is prepared in accordance with the Asset
Valuation Standards of the PRC

**VALUATION OF THE ENTIRE
SHAREHOLDERS' EQUITY INTERESTS OF
THE TARGET COMPANY IN RELATION TO THE PROPOSED
ACQUISITION OF EQUITY INTERESTS IN
THE TARGET COMPANY BY ANHUI EXPRESSWAY COMPANY
LIMITED IN CONSIDERATION OF ISSUANCE OF
CONSIDERATION SHARES AND
PAYMENT OF CASH CONSIDERATION**

ASSET VALUATION REPORT

Zhong Lian Ping Bao Zi [2023] No. 1418

China United Assets Appraisal Group Co., Ltd.

20 June 2023

STATEMENT

- I. This Asset Valuation Report is prepared in accordance with the Basic Standards for Asset Valuation (資產評估基本準則) issued by the Ministry of Finance of the PRC and the Practicing Standards for Asset Valuation and the Code of Ethics for Asset Valuation (資產評估執業準則和職業道德準則) issued by the China Appraisal Society (the “**Asset Valuation Standards**”).
- II. The client or other users of the Asset Valuation Report shall use the Asset Valuation Report in accordance with the provisions of laws and administrative regulations as well as the scope of use indicated herein. Where the client or other users of the Asset Valuation Report use the Asset Valuation Report in violation of the preceding provisions, the asset valuation agency and asset valuers shall bear no liability thereof.

This Asset Valuation Report shall be used only by the client, any other users of the Asset Valuation Report as agreed in the asset valuation engagement and any users of the Asset Valuation Report as prescribed by laws and administrative regulations. Save for the above, any other agencies or individuals shall not become the users of the Asset Valuation Report.

The asset valuation agency and asset valuers remind the users of the Asset Valuation Report to correctly understand and use the valuation conclusion, which does not equal to the realizable price of the Target Assets. The valuation conclusion shall not be considered as a guarantee for the realizable price of the Target Assets.

- III. The valuation conclusion is premised upon the authenticity, legality and completeness of the information provided by the client and other parties concerned. The list of assets and liabilities included in the scope of valuation, as well as the forward-looking financial information, ownership certificates and other materials required for the valuation, have been provided by and confirmed with seals or other ways by the client and the Target Company.

- IV. The asset valuation agency and asset valuers do not have any existing or potential interests in the Target Assets involved in the Asset Valuation Report, not interested, either presently or expectedly, in relevant concerned parties, and not biased against relevant concerned parties.
- V. The asset valuation valuers have carried out on-site inspection on the Target Assets and its assets involved in the Asset Valuation Report, attended to the legal titles of the Target Assets and its assets involved as necessary, verified the information related to the legal titles of the Target Assets and its assets involved, and truthfully disclosed the issues identified in the process, and requested the client and other parties concerned to perfect their ownership so as to meet the requirements for issuing an Asset Valuation Report.
- VI. The analysis, judgment and conclusion in the Asset Valuation Report issued by the asset valuation agency are subject to the assumptions and limitations set out in the Asset Valuation Report. The users of the Asset Valuation Report shall give due consideration to the assumptions, limitations, explanation on special issues and their impact on the valuation conclusions set out herein.
- VII. The asset valuation agency and asset valuation valuers shall abide by the laws, administrative regulations and the Asset Valuation Standards, adhere to the principles of independence, objectivity and impartiality, and bear the liability for this Asset Valuation Report in accordance with the laws and regulations.

**VALUATION OF THE ENTIRE
SHAREHOLDERS' EQUITY INTERESTS OF
THE TARGET COMPANY IN RELATION TO THE PROPOSED
ACQUISITION OF EQUITY INTERESTS IN
THE TARGET COMPANY BY ANHUI EXPRESSWAY COMPANY
LIMITED IN CONSIDERATION OF ISSUANCE OF
CONSIDERATION SHARES AND PAYMENT OF
CASH CONSIDERATION**

ASSET VALUATION REPORT

Zhong Lian Ping Bao Zi [2023] No. 1418

SUMMARY

China United Assets Appraisal Group Co., Ltd. accepted the engagement of Anhui Transportation Holding Group Company Limited and Anhui Expressway Company Limited to assess the market value of the entire shareholders' equity interests of Anhui Province Liuwu Expressway Co., Ltd. as at the Valuation Benchmark Date (i.e. 31 December 2022) in relation to the Proposed Acquisition of 100% equity interests in the Target Company in consideration of the issuance of Consideration Shares and the payment of Cash Consideration.

The Target Assets is the value of entire shareholders' equity interests of the Target Company, and the scope of valuation covers audited assets and liabilities corresponding to the pro forma statements of the Target Company, including current assets, non-current assets and corresponding liabilities.

The Valuation Benchmark Date is 31 December 2022.

The type of value under the valuation is market value.

The valuation is conducted on the premise of continued use and open market. Taking into account the applicable premise of the valuation approaches and the need to satisfy the valuation purpose, taking into account the actual conditions of the Target Assets and comprehensively considering various influencing factors, we conducted an overall evaluation of Target Assets using the asset-based approach and the income approach.

Based on the estimated traffic volume and revenue projections of the Anhui section of the Target Company by CHELBI Engineering Consultants, Inc., the PRC Traffic Consultant, and the future operation plans of the Target Company and the management of the enterprise, the market value of the entire shareholders' equity interests of the Target Company on the Valuation Benchmark Date of 31 December 2022 amounts to RMB3,661.0039 million, representing an increase of RMB923.4952 million with an appreciation rate of 33.73%.

The valuation conclusion has been drawn based on the income approach.

When using the valuation conclusion, the users of this report are hereby reminded to pay attention to the special notes and material subsequent events set out herein.

According to the laws and regulations related to asset valuation, asset valuation reports involving valuation of business for legal compliance purposes shall only be used upon the client has performed the supervisory and administrative procedures regarding asset valuation as required by law and regulations. The valuation conclusions shall be effective from Valuation Benchmark Date, i.e. 31 December 2022, to 30 December 2023 for a term of one year.

The above content is extracted from the full text of the Asset Valuation Report. For details of the valuation and correct understanding of the valuation conclusion, please read the full text of the Asset Valuation Report.

VALUATION OF THE ENTIRE
SHAREHOLDERS' EQUITY INTERESTS OF
THE TARGET COMPANY IN RELATION TO THE PROPOSED
ACQUISITION OF EQUITY INTERESTS IN
THE TARGET COMPANY BY ANHUI EXPRESSWAY COMPANY
LIMITED IN CONSIDERATION OF ISSUANCE OF
CONSIDERATION SHARES AND PAYMENT OF
CASH CONSIDERATION

ASSET VALUATION REPORT

Zhong Lian Ping Bao Zi [2023] No. 1418

Anhui Transportation Holding Group Company Limited,

Anhui Expressway Company Limited,

China United Assets Appraisal Group Co., Ltd. accepted the engagement of both parties, adhered to the principles of independence, objectivity and impartiality in accordance with the laws, administrative regulations and Asset Valuation Standards, adopted the asset-based approach and the income approach, and followed the necessary valuation procedures to assess the market value of the entire shareholders' equity interests of Anhui Province Liuwu Expressway Co., Ltd. as at the Valuation Benchmark Date (i.e. 31 December 2022) in relation to the Proposed Acquisition of 100% equity interests in the Target Company in consideration of issuance of Consideration Shares and Cash Consideration. The Asset Valuation Report is presented as follows:

I. CLIENT, APPRAISED ENTITY AND OTHER USERS OF ASSET VALUATION REPORT AGREED IN THE ASSET VALUATION ENGAGEMENT CONTRACT

The clients of the asset valuation are Anhui Transportation Holding Group Company Limited (“**Anhui Transportation Holding Group**”) and Anhui Expressway Company Limited (the “**Company**”) (each a “**Client**”, collectively the “**Clients**”) while the Target Company is Anhui Province Liuwu Expressway Co., Ltd. (the “**Target Company**”).

(I) Client I – Anhui Transportation Holding Group

Company name: Anhui Transportation Holding Group Company Limited
Company domicile: No.1666, Xizang Road, Baohe District, Hefei, Anhui Province
Legal representative: Xiang Xiaolong
Registered capital: RMB16,000 million
Company type: limited liability company (wholly state-owned)
Date of establishment: 27 April 1993
Unified social credit code: 91340000MA2MT9QA0T
Scope of business: General projects: business management; investment activities with own funds; asset management services for investment with own funds; engineering management services; maintenance of transportation facilities; automobile trailers, rescue, obstacle clearance services; housing leasing; non-residential real estate leasing. Licensed projects: road management and maintenance.

(II) Client II – The Company

Company name: Anhui Expressway Company Limited
Company domicile: 520 Wangjiang West Road, Hefei City, Anhui Province
Legal representative: Xiang Xiaolong
Registered capital: RMB1,658.61 million
Company type: limited liability company (Taiwan, Hong Kong or Macau and domestic joint stock company and listed)
Date of establishment: 15 August 1996
Unified social credit code: 91340000148973087E
Scope of business: design, construction, supervision, toll collection, maintenance, emergency repairing, management of road assets and road right of high grade highways; storage; consultation services of expressway construction and operation, housing leasing, development, production and sales of automobiles and spare parts as well as high-tech products.

(III) Overview of the Target Company

1. *Basic Company Information*

Company name: Anhui Province Liuwu Expressway Co., Ltd.

Company domicile: Lu'an North Expressway Management Center, North
20th Shop, Chengbei Township, Jin'an District, Lu'an
City, Anhui Province

Legal representative: Liu Jun

Registered capital: RMB5 million

Company type: limited liability company (solely owned by legal person
invested or controlled by a non-natural person)

Date of establishment: 15 December 2022

Unified social credit code: 91341500MA8PU3NK68

Scope of business: licensing items: highway management and maintenance.

General items: engineering management services;
maintenance of transportation facilities.

2. *Historical Development*

The Target Company was established in December 2022 with a registered capital of RMB5 million, which has not been fully paid yet. Anhui Transportation Holding Group holds a 100% equity interests in the Target Company. In December 2022, the Anhui Transportation Holding Group transferred its assets of the Lu'an -Wuhan Expressway Anhui section project (including the highway toll rights, highway assets and liabilities involved in the project, but excluding service areas and gas stations) to the Target Company for nil consideration.

3. *Principal Business Operations*

The Target Company is managing the property of the Anhui Section of the Lu'an-Wuhan Expressway ("**Anhui Section**"), and is mainly responsible for the daily operation and management of the Anhui Section of the Target Company.

(1) *Project description*

The Anhui Section of the Target Company commenced construction in February 2006 and was opened to traffic on 28 December 2009. It starts from Dagudian (大顧店) of Yeji District, Lu'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 Lu'an-Wuhan Expressway (六安至武漢高速公路湖北段). The total chargeable mileage of the Liuwu Expressway is 92.7 kilometers. There are two-way four lanes with a designated speed of 100km/h. There are two extra-large bridges, 86 large bridges, seven medium and small bridges, two pedestrian overpasses, 22 overpasses, and eight tunnels (up and down).

(2) *Concession period*

On 4 December 2012, the People's Government of Anhui Province issued the "Reply of the People's Government of Anhui Province on the Toll Operation Period of the Anhui Section of the Lu'an-Wuhan Expressway" (Anhui Zheng Mi [2012] No. 545), approving that the toll operation period of the Anhui Section of the Lu'an-Wuhan Expressway shall be 30 years, i.e. from 28 December 2009 to 27 December 2039.

(3) *Toll rates*

According to the toll standard prescribed under the "Notices on Adjusting the Toll Rates Method of Toll Road in Anhui Province" (Anhui Jiao Lu [2019] No. 144) issued by the Department of Transportation of Anhui Province, Anhui Provincial Development and Reform Committee and Anhui Provincial Finance Department, the toll rates for expressways were adjusted in accordance with the relevant requirements of Adjusting Plan on the Toll Rates Method of Toll Road in Anhui Province. Specifically, the passenger vehicles are charged by vehicle type and goods vehicles are charged by axle.

Table 1 Toll rates for passenger vehicles for the Anhui Section of the Target Company

Class	Vehicle Type	Approved Passenger Capacity	Toll Rate (RMB/car kilometre)
Class 1 Passenger Vehicle	Micro/Small	≤9	0.45
Class 2 Passenger Medium	Medium Passenger car train	10-19 –	0.8
Class 3 Passenger Vehicle	Large	≤39	1.1
Class 4 Passenger Vehicle		≥40	1.3

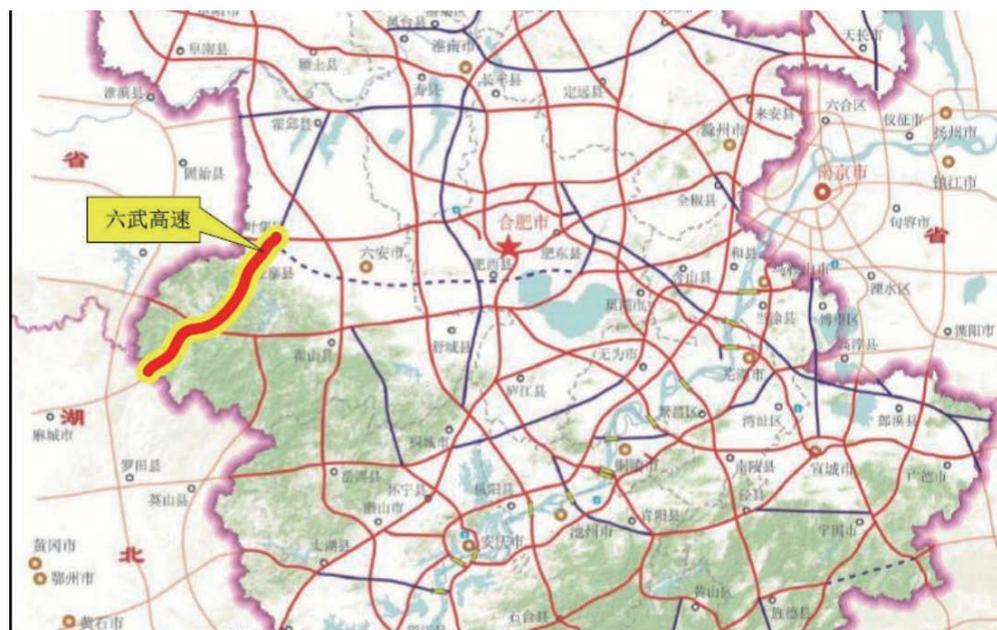
Table 2 Toll rates for goods vehicles for the Anhui Section of the Target Company

Class of Vehicle	JT/T489–2019 Classification Standard	Toll Rate (RMB/kilometre)
Class 1	2 axles, the length of the vehicle is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	0.45
Class 2	2 axles, the length of the vehicle is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	0.9
Class 3	3 axles	1.35
Class 4	4 axles	1.7
Class 5	5 axles	1.85
Class 6	6 axles	2.2

For goods vehicles with more than six axles: based on the charging standard for Class 6 goods vehicles, for each additional axle, the charging standard is determined by a factor of 1.1; For goods vehicles with 10 axles and above, the toll rate shall be the same with the toll rate for goods vehicle with 10 axles.

Based on the actual toll approvals for the Liuwu Expressway, there is no additional toll fee for extra-large bridge and tunnel in the project.

(4) Location



4. Major Operating Conditions of the Target Company in Recent Years

According to the audited pro forma financial statements, as of the Valuation Benchmark Date, the carrying amount of total assets of Target Company was RMB2,762,227,000, the carrying amount of total liabilities was RMB24,718,300 and the carrying amount of net assets was RMB2,737,508,700. The Target Company achieved an operating revenue of RMB524,151,600 and a net profit of RMB216,852,700 in 2022.

Financial position and results of operations

Unit: RMB'0,000

Item	31 December 2022	31 December 2021
Total assets	276,222.70	276,268.56
Liabilities	2,471.83	4,441.76
Net assets	273,750.87	271,826.80
Item	2022	2021
Operating income	52,415.16	55,998.19
Operating profit	28,929.24	34,483.07
Total profit	28,929.24	34,483.07
Net profit	21,685.27	25,862.30

The above data from the financial statements for the years 2021 and 2022 have been audited by the Shanghai branch of Ernst & Young Hua Ming LLP, which has issued an audit report with unqualified opinion (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999_B04) (the “**Pro Forma Financial Statements**”).

5. *Principal Accounting Policies Adopted by the Target Company*

The Accounting Standards for Business Enterprises – General Standards and 38 concrete accounting standards, and the subsequent application guides to the accounting standards for enterprises, interpretations of the accounting standards for enterprises and other provisions issued by the Ministry of Finance on 15 February 2006 (together, the “**Accounting Standards**”) are adopted by the Target Company.

The Pro Forma Financial Statements of the Target Company have been prepared in accordance with the relevant provisions of the Administrative Measures for the Significant Asset Restructurings of Listed Companies, Rules No. 26 on Contents and Format of Information Disclosure by Companies Publicly Issuing Securities – Significant Asset Restructuring of Listed Companies (Revised on 17 February 2023) (the “**Rules No. 26 on Format**”) of the CSRC.

For details, please refer to the audit report issued by the Shanghai branch of Ernst & Young Hua Ming LLP.

(IV) Relationship between the Clients and the Target Company

Anhui Transportation Holding Group, the Client of this engagement, is the controlling shareholder of the Company, and the Target Company, being the appraised entity, is a wholly-owned subsidiary of Anhui Transportation Holding Group. The Company intends to acquire 100% equity interests in the Target Company held by Anhui Transportation Holding Group in consideration of the issuance of Consideration Shares and the payment of Cash Consideration.

(V) The Clients, the Target Company and other users of the Asset Valuation Report as agreed in the asset valuation engagement contract

The users of this valuation report are the Clients. Unless otherwise stipulated by the laws and regulations of the PRC, no organization or individual shall be an user of the valuation report by mere possession of this Asset Valuation Report unless they are confirmed as such by the valuation firm and the Clients.

II. PURPOSE OF VALUATION

The Company intends to acquire 100% equity interests in the Target Company in consideration of the issuance of Consideration Shares and the payment of Cash Consideration to Anhui Transportation Holding Group, which requires an appraisal of the market value of the entire shareholders' equity interests of the Target Company to provide valuation reference for the Proposed Acquisition.

The Proposed Acquisition for which this valuation was prepared has been approved by the resolution on Consideration and Approval of Securitization of Expressway Assets Proposal (《研究審議高速公路資產證券化事宜》) (Issue 4 in 2023) at the Board meeting of Anhui Transportation Holding Group.

III. TARGET AND SCOPE OF VALUATION

The Target Assets is the entire shareholders' equity interests of the Target Company. The scope of valuation covers the assets and liabilities in the Pro Forma Financial Statements of Target Company. As at the Valuation Benchmark Date, i.e. 31 December 2022, the carrying amount of total assets of Target Company was RMB2,762.2270 million, the carrying amount of total liabilities was RMB24.7183 million and the carrying amount of net assets was RMB2,737.5087 million.

Data from the financial statements is set out as follows:

Unit: RMB'0,000

Items	Carrying Amounts
Total current assets	6,580.26
Total non-current assets	269,642.44
Fixed assets	20,852.83
Intangible assets	238,829.80
Deferred income tax assets	9,959.81
Total assets	276,222.70
Total current liabilities	2,471.83
Total liabilities	2,471.83
Owners' equity (Net assets)	273,750.87

The data regarding the abovementioned assets and liabilities was extracted from the balance sheet of the Target Company as at 31 December 2022 audited by the Shanghai branch of Ernst & Young Hua Ming LLP, based on which the valuation was conducted. The Shanghai branch of Ernst & Young Hua Ming LLP has issued an audit report with unqualified opinion (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999_B04) on the Target Company.

The basis for the preparation of the pro forma financial statements has the following specific assumptions: (1) The controlling shareholder of the Company is Anhui Transportation Holding Group. Prior to 15 December 2022 (the date of establishment of the Target Company), the date on which Anhui Transportation Holding Group transferred the assets, liabilities, business and personnel of the Anhui Section to the Target Company at nil consideration, the Anhui Section was controlled by Anhui Transportation Holding Group. In preparing the Pro Forma Financial Statements, the Target Company has assumed that the transfer described above was completed at the beginning of the earliest reporting period presented in the Pro Forma Financial Statements (i.e. 1 January 2021). The Pro Forma Financial Statements was prepared on the basis of the historical accounting records of Anhui Transportation Holding Group for the businesses of the Anhui Section of the Target Company transferred prior to 15 December 2022 (the date of establishment of the Target Company), during which period the Target Company was not established and the differences between the assets and liabilities of the businesses are shown as owners' equity; Since 15 December 2022, the Target Company has prepared the Pro Forma Financial Statements in accordance with the Target Company's accounting records. (2) Prior to 15 December 2022 (the date of establishment of the Target Company), Anhui Transportation Holding Group managed and calculated the cash and cash equivalents of each road section it operates in a unified manner, and did not set up a separate bank account for the businesses of the Anhui Section of the Liuwu Expressway. Anhui Transportation Holding Group transferred the assets, liabilities, businesses and personnel related to the Anhui Section of the Liuwu Expressway to the Target Company at nil consideration, with 30 September 2022 as the benchmark date of the transfer. The assets transferred at nil consideration do not include any cash and cash equivalents and it is agreed that the profit or loss related to the businesses of the Anhui Section of the Liuwu Expressway from 30 September 2022 (the benchmark date of the transfer) shall belong and be borne by the Target Company. Based on the above, in preparing the Pro Forma Financial Statements, the Company assumed that all cash funds generated from operations less net cash and cash equivalents paid for operations prior to 30 September 2022 have been paid to Anhui Transportation Holding Group as if they were distributions to owners, and cash and cash equivalents are accordingly presented in zero; and it is assumed that all cash funds generated and paid for operations from 30 September 2022 (the benchmark date of the transfer) to 15 December 2022 (the date of establishment of the Target Company) are collected and paid by Anhui Transportation Holding Group, and measured accordingly as related party transactions with Anhui Transportation Holding Group; it is assumed that the amount for distributions to owners was RMB381,681,033.20 and RMB198,078,666.90 in 2021 and 2022, respectively. In addition, due to the immateriality of the interest income yielded from the aforementioned cash funds, the interest income was not considered in

preparing the Pro Forma Financial Statements for the use of the Pro Forma Financial Statements. (3) The applicable income tax rate of the Target Company is 25%. Prior to 15 December 2022 (the date of establishment of the Target Company), the income tax expense in the Pro Forma Financial Statements was calculated at an income tax rate of 25% based on the operating results data in the Pro Forma Financial Statements.

The Target Company and the Target Assets which we are engaged to appraise are that of the Proposed Acquisition.

(I) Information of major assets entrusted for valuation

The major assets included in the scope of valuation are fixed assets and intangible assets with a total carrying amount of RMB2,596,826,200, accounting for 94.01% of the carrying amounts of the total assets. Fixed assets mainly include building (structure) assets, equipment assets; intangible assets mainly include land within the expressway and at each toll station, as well as road assets such as bridges and tunnels.

1. Fixed assets – building (structure) assets

The building (structure) assets included in the scope of this valuation include buildings and structures.

The buildings are mainly the toll stations of the Anhui Section of the Lu'an – Wuhan Expressway and the supporting facilities of Jinzhai Maintenance Center, with a total construction area of 22,736.55 square meters, all of which have not obtained property ownership certificates. All of them are well maintained and are able to meet the requirements of normal use based on on-site inspection.

The structures are mainly the toll stations of the Anhui Section of the Lu'an – Wuhan Expressway and the supporting auxiliary facilities of Jinzhai Maintenance Center, as well as the road assets of Xianhua Station, which are well maintained and could be used normally based on on-site inspection.

2. *Fixed assets – equipment assets*

The equipment assets included in the scope of this valuation include machinery and equipments, vehicles and electronic equipments.

Machinery and equipments are mainly communication and monitoring facilities, toll facilities, power supply and distribution lighting facilities used on the highway; vehicles are mainly wreckers, snow removal vehicles, pallet trucks and office vehicles; electronic equipments are mainly office computers, air conditioners, projectors and furniture, etc. Among them: 5 units/sets of machinery and equipment and 54 units/sets of electronic equipments are to be scrapped, and other equipments are well maintained and can meet the requirements for normal use.

3. *Intangible assets*

The intangible assets included in the scope of this valuation – concession intangible assets, are mainly land use rights within the expressway and of the toll stations, as well as road assets such as bridges and tunnels, all of which are subject to transfer upon expiration of the tolls.

The land use rights within the expressway and of the toll stations are as follows:

Series No.	Certificate No.	Name of land parcel	Location	Nature of land use	Land usage	Actual area (m^2)	Area set out in certificate (m^2)
1	Anhui (2023) Yeji District Real Estate Proprietorship No. 0004281	Land within the expressway (Yeji District)	Yaoli Town, Yeji District	Allocation	Highway land	162,195.00	162,195.00
2	Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0007733, Anhui (2023) Jinzhai County Real Estate Proprietorship	Land of Jinzhai Management Center	Baitafan Town, Meishan Town, Huaishuwan Village, Gubei Town, Nanxi Town, and Banzhuyuan Town of Jinzhai County	Allocation	Highway land	4,608,369.48	4,608,369.48
3	No. 0010803, Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0010802	Land within the expressway (Jinzhai)		Allocation	Highway land		
4		Land of Jinzhai toll station		Allocation	Highway land		
5		Land of Gubei toll station		Allocation	Highway land		
6		Land of Dingbu toll station		Allocation	Highway land		
7		Land of Banzhuyuan toll station		Allocation	Highway land		
8		Land of Changlingguan toll station		Allocation	Highway land		
9	Huo Tu Guo Yong (2011) No. 97	Land of Dagudian	Yaoli Town, Yeji District	Allocation	Highway land	102,487.18	102,487.18
10	Yet to obtain proprietorship certificate	Land of Xianhua toll station	Jinzhai County	Allocation	Highway land	232,921.16	
Total						5,105,972.82	4,873,051.66

Road assets include: subgrade earthworks, asphalt pavements, bridges, tunnels, drainage culverts, protection projects, greening of median strips (including interchange area) and other assets, which are well maintained and are able to satisfy normal use.

Other intangible assets included in the scope of this valuation are four purchased software, the carrying amounts of which have been amortized and two of which are no longer in use.

(II) Types and quantities of off-balance sheet assets declared by the Target Company

No off-balance sheet assets were declared by the Target Company.

(III) Type, quantity and carrying amount (or valuation amount) of assets involved in making reference to the conclusions of reports issued by other institutions

The book values of various assets and liabilities on the benchmark date in this Asset Valuation Report are the audit results of the Shanghai branch of Ernst & Young Hua Ming LLP.

The future traffic flow income in this Asset Valuation Report refers to the results of the “Traffic Flow Evaluation and Income Calculation Report for the Anhui Section of the Target Company” issued by Chelbi Engineering Consultants, Inc. regarding the estimated traffic volume and revenue projections for the Anhui Section of the Target Company.

In addition, there is no reference to the conclusions of reports issued by other institutions.

IV. TYPE OF VALUE

Based on the purpose of this valuation, the value type of this valuation is defined as market value.

Market value refers to the estimated amount of the value of normal and fair transactions of the Target Assets on the Valuation Benchmark Date when the willing buyer and willing seller act rationally without any coercion.

V. VALUATION BENCHMARK DATE

The Valuation Benchmark Date for this Asset Valuation Report is 31 December 2022.

This Valuation Benchmark Date is determined by the Clients taking into consideration the amount of assets, workload, estimated time required, compliance and other factors of the Target Company.

VI. BASIS FOR VALUATION

The basis of valuation mainly includes the laws and regulations, the Asset Valuation Standards, the asset ownership, as well as the pricing determination basis used in the valuation and other reference information, as follows:

(I) Basis of the transaction

1. the Board Resolution on Consideration and Approval of Securitization of Expressway Assets Proposal (Issue 4 in 2023) of Anhui Transportation Holding Group.

(II) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (passed at the 21st session of the 12th Standing Committee of the National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (revision passed at the 6th session of the 13th Standing Committee of the National People's Congress on 26 October 2018);
3. The Securities Law of the People's Republic of China (amended for the second time at the 15th session of the 13th Standing Committee of the National People's Congress on 28 December 2019);
4. The Civil Code of the People's Republic of China (passed at the 3rd session of the 13th Standing Committee of the National People's Congress on 28 May 2020);
5. The Enterprise Income Tax Law of the People's Republic of China (amended at the 7th session of the 13th Standing Committee of the National People's Congress on 29 December 2018);
6. The Law of the People's Republic of China on the State-Owned Assets of Enterprises (passed at the 5th session of the 11th Standing Committee of the National People's Congress on 28 October 2008);

7. The Land Administration Law of the People's Republic of China (passed at the 12th session of the 13th Standing Committee of the National People's Congress on 26 August 2019);
8. The Highway Law of the People's Republic of China (amended at the 30th session of the 12th Standing Committee of the National People's Congress on 4 November 2017);
9. Administrative Measures for Major Assets Restructuring of Listed Companies (as amended in 2020);
10. Measures for Financial Supervision and Administration of the Assets Valuation Industry (Decree No. 86 of the Ministry of Finance);
11. Measures for the Administration of State-owned Assets Appraisal (Decree No. 91 of the State Council, 1991);
12. Interim Measures on the Administration of Appraisal of State-owned Assets of Enterprises (Decree No. 12 of the SASAC, 25 August 2005);
13. Notice on Issues Relating to Strengthening the Administration of Enterprise State-owned Assets Appraisal (Guo Zi Wei Chan Quan [2006] No. 274);
14. Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises (Decree No. 32 of the SASAC of the State Council and the Ministry of Finance, 24 June 2016);
15. The Measures for the Supervision and Administration of State-Owned Shares of Listed Companies (Decree No. 36 of the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Finance and the China Securities Regulatory Commission);
16. Notice on Matters Concerning the Transfer of Transactions of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan Gui [2022] No. 39);
17. Circular on Printing and Distributing the Administrative Measures for the Withdrawal and Use of Expenses for Safety Production of Enterprises (Cai Zi [2022] No. 136);
18. Circular on Adjusting Value-added Tax Rates (Cai Shui [2018] No. 32);
19. The Municipal Maintenance Tax Law of the People's Republic of China (the 21st session of the 13th Standing Committee of the National People's Congress, 11 August 2020);

20. Decision of the State Council on Amendments to the Provisional Regulations for Imposition of Education Surcharges (Decree No. 448 of the State Council [2005]);
21. The Circular on Issues Concerning Policies on Unifying Local Education Surcharge (Cai Zong [2010] No. 98);
22. Provisional Regulations of Value Added Tax of the People's Republic of China (Issued under Decree No. 134 of the State Council of the People's Republic of China on 13 December 1993, revision passed at the 191st executive meeting of the State Council on 30 October 2017);
23. Detailed Rules for the Implementation of the Provisional Regulations on Value Added Tax of the People's Republic of China (Ministry of Finance and State Administration of Taxation Decree No. 50, amended by Decree No. 65 of Ministry of Finance and State Administration of Taxation on 28 October 2011);
24. Regulations for the Administration of Toll Highways (Decree No. 417 of the State Council of the People's Republic of China);
25. Interim Measures for the Assessment of State-owned Assets of Enterprises in Anhui Province (Anhui Province Property Rights [2018] No. 47);
26. Other relevant laws, regulations and notice documents.

(III) Basis of valuation criteria

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);
2. Code of Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
5. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);

6. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
7. Practicing Standards for Asset Valuation – Engagement of Experts and Relevant Reports (Zhong Ping Xie [2017] No. 35);
8. Practicing Standards for Asset Valuation – Corporate Values (Zhong Ping Xie [2018] No. 38);
9. Practicing Standards for Asset Valuation – Intangible Assets (Zhong Ping Xie [2017] No. 37);
10. Practicing Standards for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
11. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
12. Practice Guidelines for Asset Valuation – Asset Valuation Approaches (Zhong Ping Xie [2019] No. 35);
13. Guidelines for Valuation Reports on State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
14. Guidelines for Quality Control of Business of Asset Valuer (Zhong Ping Xie [2017] No. 46);
15. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);
16. Guiding Opinions on Legal Ownership of Asset Valuation Target (Zhong Ping Xie [2017] No. 48).

(IV) Basis of asset ownership

1. Enterprise Business License;
2. Real Estate Proprietorship Certificate;
3. Enterprise capital contribution certificate (articles of association, asset transfer agreement, etc.);
4. Major asset purchase contracts or evidence;
5. Vehicle Registration Certificate;
6. Other contracts, accounting evidence, accounting statements and other information related to the acquisition and use of the enterprise assets.

(V) Basis of price determination

1. Information on forecast of future earnings provided by the Clients and other concerned parties according to the laws and regulations;
2. “Traffic Flow Evaluation and Income Calculation Report for the Anhui Section of the Target Company” issued by Chelbi Engineering Consultants, Inc.;
3. The People’s Government of Anhui Province issued the “Reply of the People’s Government of Anhui Province on the Toll Operation Period of the Anhui Section of Lu’an-Wuhan Expressway” (Wan Zheng Mi [2012] No. 545);
4. The People’s Government of Anhui Province issued the “Reply on the Toll Operation Period of the Anhui Section of Lu’an-Wuhan Expressway” (Wan Zheng Mi [2012] No. 545);
5. Loan prime rate (LPR) for December 2022 published by the National Interbank Funding Centre as authorised by the People’s Bank of China;
6. The Vehicle Purchase Tax Law of the People’s Republic of China;
7. 2022 Price Information Inquiry System for Mechanical and Electrical Products (Machinery Industry Information Research Institute);

8. Notice on Implementation of Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36);
9. Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 of 2019 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs);
10. Notice on Exemption of Property Tax and Urban Land Use Tax for "Six Major Industries" Taxpayers and Small-scale Value-added Taxpayers in the First Half of 2023 by the State Administration of Taxation of Anhui Province Taxation Bureau (Notice [2023] No. 1);
11. Relevant information of the price information database of China United Assets Appraisal Group Co., Ltd.;
12. Relevant information on A-share listed companies from Tonghuashun iFinD;
13. Standard for Compulsory Scrapping of Motor Vehicles (Decree No. 12 of the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security and the Former Ministry of Environmental Protection);
14. Notice on the Adjustment of the Labor Cost Standard for Highway Engineering in Anhui Province (Anhui Jiao Jian Guan Han [2019] No. 210 of Anhui Provincial Department of Transportation);
15. Main Material Price Lists for traffic engineering in December 2022;
16. Guidance on Preparation of Investment Estimates for Highway Engineering Construction Project (JTG3820–2018), Guidance on Preparation of Estimates and Budgets for Highway Engineering Construction Project (JTG3830–2018), Estimates Index for Highway Engineering (JTG/T3821–2018), Estimates Quota for Highway Engineering (JTG/T3831–2018), Budgets Quota for Highway Engineering (JTG/T3832–2018) and Cost Quota for Highway Engineering Machinery Team (JTG/T3833–2018) issued and implemented under the Ministry of Transport Announcement (No. 86 of 2018);
17. Notice of the People's Government of Anhui Province on the Announcement of the Integrated Land Price Standard for Land Requisition District in the Province (Anhui Zheng [2020] No. 32)

18. Notice of the Lu'an Municipal People's Government on the Announcement of the Compensation Standards for Buildings, Other Installations and Greenery Erected on the Requisitioned Collective-Land in Lu'an (Lu Zheng Mi. [2020] No. 120);
19. Notice of the Anhui Development and Reform Commission, the Finance Department of Anhui Province and the Department of Natural Resources of Anhui Province on the Adjustment of the Standard of Arable Land Reclamation Fee Collection and Other Related Issues (Anhui Fa Gai Shou Fei [2019] No. 33);
20. Notice on the Issuance of the Implementation Rules of the Arable Land Occupation Tax in Anhui Province (Anhui Cai Shui Fa [2019] No. 969);
21. Pricing Method for the Bill of Quantities of Construction Projects in Anhui Province (2018 Edition);
22. Cost Quota for Construction Projects in Anhui Province (2018 Edition);
23. Anhui Province Construction Machinery Team Cost Compilation Rules (2018 Edition);
24. Anhui Province Construction Project Pricing Quota (Shared Book) (2018 Edition);
25. Anhui Province Construction Project Pricing Quota (2018 Edition);
26. Anhui Province Decoration Project Pricing Quota (2018 Edition);
27. Anhui Province Installation Project Pricing Quota (2018 Edition);
28. Anhui Province Municipal Project Pricing Quota (2018 Edition);
29. Pricing Quota for Landscape and Greening Project in Anhui Province (2018 Edition);
30. Guangcai Assistant – Information Price of Construction Labour and Materials in Lu'an;

31. Information on Construction Costs in Lu'an for December 2022;
32. Part of the preliminary design, investment estimate contract, completion information, construction drawings and financial information provided by the Target Company;
33. Historical national price indices and industrial output price indices;
34. Announcement of the Ministry of Finance and State Taxation Administration on the Reduction of Vehicle Purchase Tax for Certain Passenger Vehicles (Announcement No. 20 [2022] of the Ministry of Finance and State Taxation Administration);
35. Regulation on the Accrual and Usage of Enterprise's Safety Production Fee (Cai Zi [2022] No. 136);
36. Other reference materials for price determination.

(VI) Other reference materials

1. Audit Report issued by the Shanghai branch of Ernst & Young Hua Ming LLP (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999_B04);
2. Accounting Standards for Business Enterprises (2006);
3. Latest Manual of Asset Valuation Data and Parameters by China Statistics Press;
4. Valuation Criterion for Real Estate (GB/T 50291-2015);
5. Valuation Criterion for Urban Land (GB/T 18508-2014);
6. IFinD Information Finance Terminal;
7. Other reference materials.

VII. VALUATION APPROACHES

(I) Selection of valuation approaches

According to the purpose of valuation of this project, the scope of valuation involves the relevant assets and liabilities of the Target Company. According to the relevant asset valuation standards such as the Basic Standards for Asset Valuation and the Practice Standard for Asset Valuation – Enterprise Value, the basic valuation approaches for asset valuation can be selected from the market approach, the income approach and the cost approach (asset-based approach).

The asset-based approach for enterprise value valuation refers to the valuation approach that determines the value of the Target Assets by appraising the value of its various assets and liabilities on balance sheet and various identifiable assets and liabilities off-balance sheet, with reference to the balance sheet of the Target Company as at the Valuation Benchmark Date. The purpose of the valuation is to reflect the market value of the entire shareholders' equity interests of the Target Company as at the Valuation Benchmark Date and to provide a value reference for the transaction of the Company in relation to the Proposed Acquisition of equity interests in the Target Company in consideration of issuance of Consideration Shares and payment of Cash Consideration. The asset-based approach reflects the value of the enterprise from the perspective of enterprise construction and provides a basis for the relevant valuation of the enterprise after the transaction has been realised, therefore the asset-based approach is selected for the valuation.

The income approach for enterprise value valuation refers to the valuation approach that determines the value of a target asset by capitalising or discounting its expected income. The cash flow discount method usually includes the free cash flow discount model for the enterprise or equity. The Liuwu Expressway has been opened to traffic since 2009 and it has been in operation for 13 years as at the Valuation Benchmark Date. The road condition has matured and the expected revenue and risks for the future years can be reasonably estimated, thus the income approach is selected for the valuation.

The market approach for enterprise value valuation refers to the valuation approach that compares the Target Assets with comparable listed companies or comparable transaction cases to determine the value of the Target Assets. Target Company is managing the expressway from Anhui to Hubei section. Based on the characteristics of the Target Company, after making enquiries with domestic listed companies in the same industry, there are relatively few individuals matching the Target Company in terms of various factors such as business type, operation mode, asset scale and operating results, etc. There are also differences in the asset scale, revenue scale and financing of Target Company and those of listed companies in the same industry. The recent property rights transaction market involves relatively few equity transactions of similar industries and of the same scale,

and in view of the current development status of the property rights market in China and the limitations of market information, it is relatively difficult to obtain detailed financial data and transaction background of the relevant cases from the public normal channels, and it is difficult to reasonably quantify the impact of various comparable factors on the enterprise value. Therefore, the market approach is not adopted in the valuation.

In the light of the foregoing, it is determined that the asset-based approach and the income approach shall be adopted for the valuation.

(II) Introduction to the asset-based approach

The asset-based approach is to take the investment amount required for rebuilding an enterprise or an independent profitable entity which is identical to the Target Company on the Valuation Benchmark Date as the basis for determining its overall assets value, that is, the approach of calculating the valuation target's value by adding up the appraisal value of assets which are the various elements that constitute the enterprise and deducting the appraisal value of liabilities.

Set forth below are the valuation approaches for various assets and liabilities:

1. *Current assets*

Current assets include other receivables and inventories.

(1) *Other receivables*

The valuation on other receivables is mainly in respect of expressway network toll revenue and the collection of receivables by the Group. The valuers verified the book records, conducted random checks on part of original receipts and other relevant information to verify the authenticity, aging, business content and amount of the transactions, and checked confirmation letters and documents to verify there are no discrepancies in the amounts recorded in the accounts, statement and bills. The appraisal value is determined at the verified carrying amount.

(2) *Inventories*

The valuers verified the purchase contracts and warehouse warrants for the turnover materials at the warehouse and randomly checked spot checks on the turnover materials at the warehouse. The professional valuers made enquiries about the market price of the turnover materials at the warehouse on the Valuation Benchmark Date and the appraisal value is determined by multiplying the recent market price obtained by the verified quantity.

2. *Non-current assets*

Non-current assets include fixed assets, intangible assets and deferred income tax assets.

(1) *Fixed assets – buildings and structures*

Based on the specific purpose of the valuation, and taking into account the characteristics of the buildings and structures under valuation and the information collected, the cost approach is mainly adopted for the valuation. The specific valuation approaches are as follows:

The formula for calculating the appraised value of building assets under the cost approach is: Appraised Value = Full Replacement Price x Depreciation rate

A. Determination of full replacement price

Based on the relevant budget (or final accounts) information, construction drawings and on-site surveys and measurements of major buildings, the valuers analyzed and determined the quantities of works for each segment combined with the actual situation of building assets, and adopted the budget (or final accounts) adjustment approach to estimate the cost of construction and installation project in accordance with the current local construction estimates, cost quotas, industry quotas and material price difference adjustment documents; selected the upfront and other expenses of the project in accordance with the regulations of the region where the assets are to be appraised and relevant departments such as the country and industry; determined the capital cost based on the project construction cycle and the loan interest rate executed on the Valuation Benchmark Date to determine the full replacement price.

Cost per square meter approach was adopted to determine the construction and installation costs of buildings with small value and simple structure.

Full replacement cost = construction and installation project cost + upfront and other expenses + capital cost

① Determination of construction and installation project costs

a. Budget (or final accounts) adjustment approach

For the building projects with complete materials on completion and final accounts, the valuers used the current local or industrial standard reference price to calculate the direct standard reference price based on the quantity of work of all segments and items as determined in the original completion materials. And then the standard project costs on the Valuation Benchmark Date was calculated according to the current standard price and adjustments documents in the specific location of the construction project.

b. Cost per square meter approach was adopted to determine the comprehensive construction and installation cost of buildings with small value and simple structure.

② Determination of upfront and other expenses

The upfront and other expenses of the project were determined based on the upfront and other expense standards stipulated by relevant national, industrial and local authorities, as well as the investment scale of the Target Company's fixed assets, the selection of reasonable expense items and the reasonable rate.

③ Determination of capital costs

The capital cost was the loan interest for the capital invested in the construction of the project during the construction period, using the Loan Prime Rate (LPR) published by the National Interbank Funding Center on 20 December 2022 as authorised by the People's Bank of China, and the construction period was calculated on the basis of the normal condition cycle of the construction, assuming capitals were invested evenly across different stages:

Capital cost= (comprehensive construction cost (tax inclusive) + upfront expenses (tax inclusive)) × loan base rate × reasonable construction cycle × 1/2

B. Determination of depreciation rate

In the course of this valuation, the depreciation rate was determined based on the toll operation period of the Liuwu Expressway, the design life of the building and the on-site survey, and the estimated service life of the building.

The formula is as follows: Depreciation rate = remaining service life/(actual used service life + remaining service life) × 100%

C. Determination of appraisal value

Appraisal value = full replacement price × depreciation rate

(2) *Fixed assets – equipment*

According to the purpose of this valuation, we adopted the cost approach on sustainable use basis based on the market price, combining with the characteristics of the equipment under valuation and the information collected. For small quantities of equipment to be scrapped, the appraisal value was determined at the prevailing second-hand market recovery price.

Appraisal value = full replacement price × depreciation rate

A. Determination of full replacement price

a. Machinery and equipment

The full price for replacement of machinery and equipment shall be determined comprehensively considering the various expenses (including freight and miscellaneous expenses, installation and commissioning fees and other costs of construction and capital costs, etc.) of the equipment in normal use, in addition to the purchase price of the equipment.

Full replacement price = purchase price + freight and miscellaneous expenses + installation and commissioning fees + upfront costs + capital costs

① Purchase price

It was determined by asking the relevant manufacturers or trading companies and domestic agents to quote, referring to the 2022 Mechanical and Electrical Products Price Inquiry System and other price information, and the recent contract prices of similar equipment.

For a small number of equipment for which the purchase price is not available, the purchase price was calculated by using price change rate of the equipment of the same era and the same category.

② Freight and miscellaneous expenses

Freight and miscellaneous expenses were included in the purchase price of this valuation and will not be considered separately.

③ Installation and commissioning fees

Based on the pre-tax purchase price, different installation rates were adopted to calculate the installation costs pursuant to the characteristics, weight, ease of installation of the equipment.

For small and non-installable equipment, the installation and commissioning fees were not considered.

④ Upfront costs

Upfront costs include management fees, feasibility study report and assessment fees, and construction supervision fees, which were calculated based on the standard of other costs for construction projects in the area where the equipment is located, combined with the characteristics of the equipment itself.

⑤ Capital costs

The capital cost was the loan interest for the capital invested in the construction of the project during the construction period, using the Loan Prime Rate (LPR) published by the National Interbank Funding Center on 20 December 2022 as authorised by the People's Bank of China, and the construction period was calculated on the basis of the normal condition cycle of the construction, assuming capitals were invested evenly across different stages:

Capital cost= (equipment purchase price + freight and miscellaneous expenses + installation engineering expenses + upfront and other expenses) × loan base rate × reasonable construction cycle × 1/2

b. Transport vehicles

For transport vehicles, the replacement cost was determined based on the market price on the Valuation Benchmark Date, plus vehicle purchase tax and other reasonable costs (e.g. license fees). The formula is as follows:

Replacement cost = vehicle purchase price + vehicle purchase tax + license plate and handling fee

According to the Announcement of the Ministry of Finance and State Taxation Administration on the Reduction of Vehicle Purchase Tax for Certain Passenger Vehicles (Announcement No. 20 [2022] of the Ministry of Finance and State Taxation Administration): for passenger cars with a displacement of 2.0 liters or less whose acquisition date is within the period from 1 June 2022 to 31 December 2022, and whose single vehicle price (excluding value-added tax) does not exceed RMB300,000, the vehicle purchase tax will be halved. The vehicle purchase tax is calculated with reference to the preferential tax rate of the above-mentioned document.

c. Electronic equipment

The price of electronic equipment was determined based on recent market information collected from local market information and website enquiries, combined with specific circumstances. Generally, manufacturers or sellers provide free transportation and installation free, namely:

Full replacement price = Purchase price (including tax)

For a small number of equipment for which the purchase price is not available, the purchase price was calculated by using price change rate of the equipment of the same era and the same category;

B. Determination of depreciation rate

a. Machinery and equipment

In the course of this valuation, the depreciation rate was determined based on the economic service life of the equipment and the on-site survey, and the estimated service life of the equipment. The formula is as follows:

Depreciation rate = remaining service life/(actual used service life + remaining service life) × 100%

b. Vehicles

The final depreciation rate was determined by the following methods, whichever is lower, subject to survey situation, where:

Depreciation rate of useful life = (1 – serviced life/economic (or stipulated) use life) × 100%

Depreciation rate of mileage = (1 – travelled mileage/ stipulated mileage) × 100%

c. Electronic equipment

The depreciation rate was determined by economic service life approach

Depreciation rate = remaining service life/(used service life + remaining service life) × 100%

C. Determination of appraisal value

Appraisal value = full replacement price × depreciation rate

(3) *Intangible assets – concession intangible assets*

The intangible assets – concession intangible assets included in the scope of this valuation, toll road concessions, are mainly land use rights within the expressway and at the toll stations, as well as road assets such as bridges and tunnels.

For the land use rights within the expressway and at the toll stations, the cost approximation approach was adopted in the valuation.

The basic idea of the cost approximation approach of land price assessment is to determine the land price based mainly on the average standards of land acquisition expenses and land development expenses in the area where the subject to be evaluated is located, plus a certain amount of interest, profit and income of land appreciation. That is:

The formula is as follows: Land price = (land acquisition expense + related tax + land development expense + investment interest + investment profit + income of land appreciation) × year modification coefficient × (1 + modification coefficient for area and individual factors)

Land development costs have been included in the relevant construction and installation costs of the project, therefore land development costs were not considered in this valuation; the land use rights included in the scope of this valuation were all allocated land, therefore land appreciation incomes were not considered in this valuation.

For road assets such as bridges, tunnels and roadbeds, this valuation was carried out using the cost approach. The formula is: Appraisal value = full replacement price x depreciation rate

See “Fixed assets – buildings” for details of the method and process for determining the full replacement value and the depreciation rate of road assets.

(4) *Intangible assets – other intangible assets*

For software in normal use, the same software product cannot be obtained due to its long acquisition time, the evaluation is determined by adopting the price index correction approach; for purchased software that has been amortized and is no longer in use, the valuation is nil.

(5) *Deferred income tax assets*

Deferred income tax assets mainly refer to deferred income tax assets formed by income tax differences caused by differences in the provision of depreciation by enterprises and the provision of depreciation by tax laws.

Professional valuers verify whether the detailed ledger matches the general ledger and statement balance, whether it matches the entrusted valuation detailed statement, and review accounting records such as payment amount, occurrence time, and business content to confirm the authenticity and completeness of deferred income tax assets. On the basis of verification, the book value after verification is determined as the appraised value.

3. *Liabilities*

The valuers check and verify the actual debtors and amounts of various liabilities after the valuation purpose is fulfilled, and determine the appraised value based on the actual items and amounts of liabilities to be borne by the property owners after the valuation purpose is fulfilled.

(II) Introduction of the income approach

1. *Overview*

Based on the purpose and subject of valuation, and the ownership and value of the scope and subject of valuation, the professional valuers decided, pursuant to relevant national regulations and Asset Valuation Practicing Standards – Enterprise Values, to adopt discounted cash flow (DCF) approach according to sources of revenue to evaluate the Target Assets for the Proposed Acquisition within this valuation.

Discounted cash flow method, is a method for the estimation of the asset value by discounting the future expected net cash flow of the enterprise to the present value. The basic idea of the income approach is to derive the appraised value by estimating the future expected net cash flow of the assets which are then discounted to the present value with an appropriate discount rate. The basic conditions for applying the income approach are: the enterprise has the foundations and conditions to continue as a going concern; there is a stable corresponding relation between its operation and income; and the future income and risk can be forecasted and quantified. The greatest difficulty in using the approach of discounted cash flow is to predict the expected future cash flow, and the objectivity and reliability of data collection and processing. If the forecast of expected future cash flow is reasonably objective and fair and the discount rate is reasonable, the appraisal result will be objective.

2. Valuation concept of income approach

Determining the unit applicable to the income approach and estimating its equity capital value according to the due diligence results and the asset composition and characteristics of principal operations of the Target Company. The basic concept for the valuation is as follows:

- (1) For the assets and principal business included in the scope of the financial statements, the expected return (equity cash flow) was estimated in accordance with the trend of changes in historical operating conditions in recent years and the traffic flow and revenue estimation and financial analysis of the Anhui section of the Target Company issued by Chelbi Engineering Consultants, Inc. and discounted to arrive at the value of the operating assets;
- (2) For surplus or non-operating assets (liabilities) that are included in the scope of the financial statements and can be clearly determined by the valuers based on the current information, their value was estimated separately;
- (3) The value of equity capital (entire shareholders' equity interests) of the appraised object was arrived at by the sum of values of the abovementioned asset and liability

3. Valuation model

(1) Basic model for income approach

The basic model for this valuation was:

$$P = E + C \quad (1)$$

In the formula:

E : Value of entire shareholders' equity interests (net assets) of the Target Company;

P : Value of the operating assets of the Target Company;

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + Pn \times (1+r)^{-n} \quad (2)$$

In the formula:

R_i : Expected earnings (equity cash flow) in the i year in the future;

r : Discount rate;

n : Future projected earnings period;

P_n : Recovery value of assets at the end of the operating period

C : Value of surplus or non-operating assets (liabilities) existing at the benchmark date of the Target Company;

$$C = C_1 + C_2 \quad (3)$$

C_1 : Value of current surplus or non-operating assets (liabilities) existing on the Valuation Benchmark Date;

C_2 : Value of non-current surplus or non-operating assets (liabilities) existing on the Valuation Benchmark Date.

(2) *Income indicators*

In this valuation, the equity cash flow of Target Company was used as the income indicator for the operating assets of the Target Company. As the Target Company had no interest-paying debt at the base date and no loan plan in the forecast period, its basic definition is as follows:

$$R = \text{Net profit} + \text{depreciation and amortization and other non-cash costs} - \text{additional capital} \quad (4)$$

The expected equity cash flow of the Target Company in the future was estimated according to its operation history, market development in the future and etc., and the equity cash flow over the future operating period was discounted and summed to arrive at the operating asset value of the Target Company.

(3) *Discount rate*

In this valuation, the capital asset pricing model (CAPM) is used to determine the discount rate r :

r : Cost of equity capital, which is determined by the Capital Asset Pricing Model (CAPM);

$$r = r_f + \beta_e \times (r_m + r_f) + \varepsilon \quad (5)$$

In the formula:

R_f : Risk-free return rate;

r_m : Expected market yield;

ε : Risk adjustment coefficient based on characteristics of the Target Company;

β_e : Expected market risk coefficient of equity capital of the Target Company.

(4) *Income period*

A limited term has been adopted as the income period for this valuation. According to the “Reply of the People’s Government of Anhui Province on the Toll Operation Period of the Anhui Section of the Lu’an-Wuhan Expressway” (Anhui Zheng Mi [2012] No. 545) 《安徽省人民政府關於六安至武漢高速公路安徽段收費經營期限的批覆》(皖政秘[2012]545號)) issued by the People’s Government of Anhui Province on 4 December 2012, it was approved that the toll operation period of the Anhui Section of the Lu’an-Wuhan Expressway shall be 30 years, i.e. from 28 December 2009 to 27 December 2039. Therefore, the current income period will end on 27 December 2039.

VIII. IMPLEMENTATION AND STATUS OF VALUATION PROCEDURES

The overall valuation work is conducted in four phases:

(I) Preparation phase of valuation

1. The Clients convened the kick-off meeting of the project and the coordination meeting of the intermediaries, and the relevant parties agreed on the purpose of valuation, the Valuation Benchmark Date and the scope of valuation, and formulated the work plan of the asset valuation.
2. The valuers of the valuation project team cooperated with Target Company to conduct asset inventories, fill in Detailed Asset Appraisal Declaration Forms, gained a detailed understanding of the Target Assets, set up asset valuation work, assisted Target Company in the declaration of valuated assets and collected documents and information required for asset valuation.

(II) On-site valuation phase

The main work of the project team's on-site valuation phase is as follows:

1. To listen to the introduction of the general situation of the Target Company and the history and current status of the Target Company by the Clients and the relevant personnel of the Target Company, and to understand the financial system, operating conditions, technical status of fixed assets of the Target Company.
2. To audit and identify the Detailed Asset Inspection Appraisal Declaration Forms provided by the Target Company, and to check with relevant proprietary information and financial information, and to assist the Target Company in making adjustments to the problems identified.
3. To conduct the comprehensive inventory verification of fixed assets and intangible assets based on the Detailed Asset Inspection Appraisal Declaration Forms.
4. To review and collect the title certificates of the Target Company, and to check the ownership information provided by the Target Company.
5. To determine the specific valuation approaches for each type of asset based on the actual condition and characteristics of the assets to be valuated.
6. To understand the development environment of the Target Company, mainly including macro development environment, industry development environment and relevant market development environment.

7. To understand the market position and main business qualifications of the Target Company.
8. To verify the main business revenues and costs of the Target Company in the recent years.
9. The valuer conducted on-site interviews with the Client and the financial manager, heads of maintenance department, equipment department and other departments of the Target Company respectively on the current situation, production and operation, and future operation plan of the Target Company.

(III) Summary phase of valuation

1. To process and analyze the relevant information and data obtained through various means to form applicable parameters of the appraisal model and estimate according to the selected valuation approach.
2. To summarize estimated results of various assets estimates formed. To comprehensively analyze and compare the measurement results obtained through different valuation approaches, to determine preliminary appraisal conclusions.

(IV) Report submission phase

The Asset Valuation Report was drafted based on the above processes, and opinions were exchanged with the Clients on the valuation results. Upon full consideration of relevant opinions, the report was repeatedly modified and corrected in accordance with the internal three-tier review system and procedure for Asset Valuation Report of the valuation agency, and then the final Asset Valuation Report was issued.

IX. VALUATION ASSUMPTIONS

In this valuation, the valuer followed the below valuation assumptions:

(I) General assumptions

1. Transaction assumption

The transaction assumption is that all assets to be appraised are already the subject of the transaction, and the valuer will make estimation based on a simulated market according to (among others) the transaction conditions of assets to be appraised. The transaction assumption is a fundamental premise for asset valuation to be carried out.

2. *Open market assumption*

The open market assumption is that the parties to a transaction are on an equal footing with each other and have access to sufficient market information and time to make a rational judgment on the function and use of the assets and their transaction price. The open market assumption is based on the assumption that assets are publicly traded in the market.

3. *Asset going-concern assumption*

The going-concern assumption means that, the subject assets will continue to be used as per its current purpose and the manner, scale, frequency and environment of use. The valuer determines accordingly the method, parameters and basis for valuation if certain conditions change.

(II) Special assumptions

1. There will be no significant changes in the current macro-economic, financial and industrial policies in the PRC.
2. There are no significant changes in the socio-economic environment in which the Target Company operates, and there are no significant changes in the policies on taxation, tax rates, and adjustment of taxable income implemented in the future operation period.
3. The management of the Target Company has exercised due diligence in the future operating period and has continued to maintain the existing business management model as at the Valuation Benchmark Date.
4. In view of the frequent changes or significant changes in the production and operation process of the enterprise's monetary funds or its bank deposits, interest income generated from the deposits and other uncertain gains and losses (such as exchange gains or losses) were not considered in the valuation.
5. This valuation assumes that the underlying information and financial information provided by the Company, Anhui Transportation Holding Group and the Target Company are true, accurate and complete.
6. This valuation assumes that the operational assets and operational liabilities as set out in the financial information of the Target Company are complete, and the operating results as set out in the financial information of the Target Company are correct and accurate.
7. The scope of the valuation is based on the valuation return provided by the Target Company. Contingent assets and contingent liabilities that may exist outside the list provided by the Target Company have not been considered.
8. The parameters measured in this valuation have not taken into account the impact of inflation.

9. There are no force majeure and unforeseen factors that would have a material adverse impact on the Target Company.
10. It is assumed that the cash inflow from the income obtained by the Target Company subsequent to the Valuation Benchmark Date inflow evenly and cash outflow of the Target Company subsequent to the Valuation Benchmark Date outflow evenly.
11. This valuation assumed that there are no material changes in the transportation industry policies, pricing principles and market conditions during the concession period of the Liuwu Expressway.
12. This valuation assumed the discount policy for ETC users (which are provided by all expressways within the Anhui province) will continue.
13. During the forecast period, the effective charging rate for passenger cars utilising the Liuwu Expressway is 95.5% and effective charging rate for trucks utilising the Liuwu Expressway is 91%.
14. The office premises currently leased by the Liuwu Expressway are continuously leased for use.
15. This valuation assumed that there is no unforeseen material expansion or reconstruction of the connecting highways of Liuwu Expressway during the concession period, and there are no factors leading to material diversion impact from the Liuwu Expressway (such as any unforeseen new construction of expressway outside of the current planning by the PRC government).
16. This valuation assumed that there is no unforeseen material capital expenditure as a result of any material expansion or reconstruction.

When the above conditions change, the valuation conclusions may usually become invalid.

X. VALUATION CONCLUSION

Based on the estimated traffic volume and revenue calculation of Anhui section of Target Company by Chelbi Engineering Consultants, Inc. (the PRC Traffic Consultant), as well as the future business planning and management of the Target Company, and in accordance with relevant laws and regulations as well as Asset Valuation Standards, the asset-based approach and income approach were adopted to appraise the market value of the entire shareholders' equity interests of Target Company as of the Valuation Benchmark Date of 31 December 2022 through necessary valuation procedures, and we reached the following conclusions:

(I) Conclusion of valuation by using the asset-based approach

The book value, appraised value and the incremental value of the valuation of total assets were RMB2,762.2270 million, RMB3,535.9548 million and RMB773.7278 million, respectively, representing a rate of increase of 28.01%.

The book value and appraised value of liabilities were RMB24.7183 million and RMB24.7183 million, respectively, and there was no change (whether increase or decrease) in the appraised value.

The book value, appraised value and the incremental value of the valuation of net assets were RMB2,737.5087 million, RMB3,511.2365 million and RMB773.7278 million respectively, representing a rate of increase of 28.26%.

See the table below for details:

Summary of valuation results

Unit: RMB0,000

Items		Book Value	Appraised Value	Increase or Decrease in Value	Rate of increase (%)
		B	C	D=C-B	$E=D/B \times 100\%$
1	Current assets	6,580.26	6,580.72	0.46	0.01
2	Non-current assets	269,642.44	347,014.76	77,372.32	28.69
3	Including: Fixed assets	20,852.83	25,714.42	4,861.60	23.31
4	Intangible assets	238,829.80	311,340.52	72,510.73	30.36
5	Deferred income tax assets	9,959.81	9,959.81	–	–
6	Total assets	276,222.70	353,595.48	77,372.78	28.01
7	Current liabilities	2,471.83	2,471.83	–	–
8	Total liabilities	2,471.83	2,471.83	–	–
9	Net assets (ownership interests)	273,750.87	351,123.65	77,372.78	28.26

(II) Conclusion of valuation by using the income approach

Upon implementation of valuation procedures including checking and verification, on-site inspection, market survey and confirmation as well as assessment and estimation, the income approach was used to assess the value of the entire shareholders' equity interests of Target Company. The book value, appraised value and the incremental value of the valuation of the entire shareholders' equity interests of Target Company were RMB2,737.5087 million, RMB3,661.0039 million and RMB923.4952 million, representing a rate of increase of 33.73%.

(III) Analysis of difference between the valuation conclusions and selection of the final conclusion

1. Analysis of difference between the valuation conclusions

In the valuation, the value of net assets (entire shareholders' equity interests) calculated with the income approach was RMB3,661.0039 million, which was RMB149.7674 million or 4.27% higher than that of RMB3,511.2365 million calculated with the asset-based approach:

- (1) The asset-based approach is based on the current cost perspective, and takes the assets and liabilities of the book record of the Target Company as the scope of valuation. The appraised value of various assets of the book record of the Target Company is summed up and the appraised value of liabilities is subtracted to arrive at the appraised value of the entire shareholders' equity interests. The relationship between assets and income and cash flows was not considered.
- (2) In the income approach, the expected return on assets is adopted as the value standard, reflecting the operating capability (profitability) of the assets. Such profitability is often subject to the impacts of various factors such as the macro economy, government control and efficient use of assets, and represents the intrinsic value of an enterprise.

Given the above, there is a difference between the conclusions from the two valuation approaches.

2. Selection of valuation conclusions

The Target Company belongs to the transportation industry, and is mainly responsible for the daily operation and management of the Anhui Section of the expressway. Against the backdrop of the rapid development of the expressway network, the Yangtze River Delta region has formed a complete highway network with rapid economic development, thus the industry in which the Target Company operates has good development prospects. The traffic volume on the expressway has broad prospects for development and continuous growth. The long-term assets are expected to have strong sustainable profitability in the future, and the expected profitability in the future is a core element of a company's value. Therefore, we believe that the conclusion of the income approach can reflect the value of the entire shareholders' equity interests more comprehensively and accurately.

As a result, the market value of the entire shareholders' equity interests of the Target Company at the Valuation Benchmark Date was RMB3,661,003,900.

XI. EXPLANATION ON OTHER SPECIFIC MATTERS

(I) Citation of conclusions of reports issued by other institutions

The book values of various assets and liabilities on the Valuation Benchmark Date in this valuation report are the audit results of the Shanghai branch of Ernst & Young Hua Ming LLP.

The future traffic flow income in this valuation report refers to the results of the “Traffic Flow Evaluation and Income Calculation Report for the Anhui Section of the Target Company” issued by Chelbi Engineering Consultants, Inc. (the PRC Traffic Consultant) regarding the traffic flow evaluation and income calculation for the Anhui Section of the Target Company.

In addition, there is no reference to the conclusions of reports issued by other institutions in this Asset Valuation Report.

(II) Incomplete or defective ownership information

1. The houses and buildings included in the scope of this valuation have not obtained real estate proprietorship certificates. The building area and other data of the houses and buildings without certificates have been determined based on the information declared by Target Company. If there is any inconsistency with the actual situation, adjustment or re-evaluation has to be made accordingly. The report users are reminded to note that this valuation did not consider the impact of the relevant taxes and fees that need to be paid when applying for relevant certificates in the future on the appraised value. In response to the above-mentioned ownership defects, the valuation firm has obtained a property ownership statement issued by the Target Company that these properties truly belong to the Target Company and have no property rights disputes. Based on the statement and the declaration of the Target Company, the valuation firm has included the above properties in the valuation scope.

2. The details of the land use rights included in the intangible assets – toll road concession within the scope of this valuation are shown in the table below:

Series No.	Certificate No.	Name of land parcel	Location	Nature of land use	Land usage	Actual area (m ²)	Area set out in certificate (m ²)
1	Anhui (2023) Yeji District Real Estate Proprietorship No. 0004281	Land within the expressway (Yeji District)	Yaoli Town, Yeji District	Allocation	Highway land	162,195.00	162,195.00
2	Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0007733, Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0010803, Anhui (2023) Jin-zhai County Real Estate Proprietorship No. 0010802	Land of Jinzhai Management Center	Baitafan Town, Meishan Town, Huaishuwan Village, Gubei Town, Nanxi Town, and Banzhuyuan Town of Jinzhai County	Allocation	Highway land	4,608,369.48	4,608,369.48
3		Line within the expressway (Jinzhai)		Allocation	Highway land		
4		Land of Jinzhai toll station		Allocation	Highway land		
5		Land of Gubei toll station		Allocation	Highway land		
6		Land of Dingbu toll station		Allocation	Highway land		
7		Land of Banzhuyuan toll station		Allocation	Highway land		
8		Land of Changlingguan toll station		Allocation	Highway land		
9	Huo Tu Guo Yong (2011) No. 97	Land of Dagudian	Yaoli Town, Yeji District	Allocation	Highway land	102,487.18	102,487.18
10	Yet to obtain proprietorship certificate	Land of Xianhua toll station	Jinzhai County	Allocation	Highway land	232,921.16	
		Total				5,105,972.82	4,873,051.66

The land listed in the above table has the following property rights defects:

- (1) The report users are reminded to note that the land ownership of the land of Dagudian in item 9 is inseparable as it has been included in the same certificate as other expressway land under Anhui Transportation Holding Group Co., Ltd. due to its early construction period, and this

valuation adopted the area measured by the enterprise, which may not match the actual occupied area, and the impact of the relevant taxes and fees to be apportioned when the relevant title certificate can be divided and changed in the future on the appraised value has not been considered in this valuation.

- (2) The report users are reminded to note that the land of Xianghua toll station in item 10 has not yet obtained proprietorship certificate, and the area adopted in this valuation is based on the construction land planning permit area provided by the enterprise, which may not match the surveyed area used when applying for the property rights certificate, and the impact of the relevant taxes and fees to be paid when applying for the relevant title certificate in the future on the appraised value has not been considered in this valuation.

In response to the above-mentioned ownership defects, the valuation firm has obtained a property ownership statement issued by the Target Company that the above-mentioned land truly belongs to the Target Company and has no property disputes. Based on the statement and the declaration of the Target Company, the valuation firm has included the above land in the valuation scope.

3. The vehicle license plates included in the scope of this valuation are Wan N44039, Wan N43933, Wan AH4498, Wan AC5260, Wan N44468, Wan AJ0817, Wan N44372, Wan N3S693, Wan N1Y809, Wan N8L158, Wan AF0Q21, Wan AB7W91, Wan AE1F76, Wan AF9B93, and Wan AR3C56. The obligee set out in the certificates is Anhui Transportation Holding Group Company Limited. As of the date of this report, the obligee set out in the certificates has not been changed. The report users are reminded to note that this valuation did not consider the impact of the relevant taxes and fees that need to be paid in the future when handling the relevant certificate changes on the appraised value. The report users are reminded to pay attention. In response to the above-mentioned ownership defects, the valuation firm has obtained a property ownership statement issued by the Target Company that these vehicles truly belong to the Target Company and have no property rights disputes. Based on the statement and the declaration of the Target Company, the valuation firm has included the above vehicles in the valuation scope.

(III) Situations where the valuation process is restricted

There were no circumstances prohibiting the carrying out of the valuation process in this valuation.

(IV) Incomplete valuation data

No incomplete valuation data were found in this valuation.

(V) Legal, economic, and other outstanding matters on the Valuation Benchmark Date

No outstanding legal, economic or other issues were found in this valuation as at the Valuation Benchmark Date.

(VI) Nature, amount, and relationship with the Target Company of matters such as guarantees, leases, and their contingent liabilities (or assets)

As of the Valuation Benchmark Date, the Target Company has one property lease, and the details are as follows:

Series No.	Lessor	Lessee	Leased area (m^2)	Location	Lease purpose	Lease term	Rental
1	Anhui Transportation Holding	Liuwu Expressway	124.61	Three offices at the east of the 4th floor of Lu'an North Expressway Management Center Building, North 1st Shop, Chengbei Township, Jin'an District, Lu'an City, Anhui Province	Office	15 December 2022 to 31 December 2023	RMB0.27/ m^2 /day

(VII) Matters that may have an impact on the valuation conclusion between the Valuation Benchmark Date and the Asset Valuation Report date

1. On 28 April 2023, the Target Company completed the change of the original land property rights certificate and obtained the property rights certificate numbers: Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0007733, Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0010803, and Anhui (2023) Jinzhai County Real Estate Proprietorship No. 0010802, with a total area of 4,658,864.07 square meters. The certificated area of the above proprietorship certificate includes the Changlingguan Service Area, Gubei Service Area, and Meishan Service Area, and the land area within the scope of this application and valuation does not include the certificated area for the service areas.

2. As of the Valuation Benchmark Date, the registered capital of Target Company of RMB5 million has not been fully paid in, and the capital paid in after the Valuation Benchmark Date has not been considered in this valuation; on 28 February 2023, the capital of Target Company has been fully paid in.

(VIII) Defects in the Proposed Acquisition that may have a significant impact on the valuation conclusion

No defects in the Proposed Acquisition which may have a significant impact on the valuation conclusion were identified.

(IX) Explanation of other matters

1. It is the legal responsibility for the valuer and the valuation firm to make professional judgment on the value of the assets for the valuation purposes depicted in this report, and no judgment whatsoever would be made by the valuer and the valuation firm as to the Proposed Acquisition. To a large extent, the valuation depends on the information provided by the Clients and the Target Company. Therefore, valuation is premised on the fact that asset title documents, license and accounting vouchers and the relevant legal documents provided by the Clients and the Target Company were authentic and legal.
2. During the valuation process, the valuer observed the exterior of the evaluated building and, as much as possible, examined the interior decoration and usage of the building, without conducting any structural or material tests. When conducting equipment surveys, due to limitations in testing methods and some equipment being in operation, it mainly relied on the appearance observation of the valuer, recent testing data provided by the Target Company, and inquiries from relevant operators to determine the condition of the equipment.
3. The Clients and the Target Company are held responsible for the authenticity and completeness of the data, statements and the relevant information which were provided by the Target Company and were used within the scope of this valuation.
4. The Clients and the Target Company are held responsible for the authenticity and legality of the title documentary proof and relevant information which are provided by the Target Company and are referred to in the valuation report.

5. In the event that any changes in the quantity and the pricing standard of assets occurred within the term of validity after the valuation benchmark date, the principles set out below shall be followed:
 - (1) In the event that quantity of assets changes, corresponding adjustments shall be made to the quantity of assets according to the original valuation approach;
 - (2) In the event that the pricing standard of the assets changes and imposes obvious impacts on the asset valuation results, the Clients shall timely employ qualified asset valuation agency to redetermine the appraised value;
 - (3) After the Valuation Benchmark Date, the Clients shall give due consideration to changes in the quantity and the pricing standard of assets and make corresponding adjustment when determining prices.
6. The objectives of the valuers conducting the asset valuation are to estimate the value of the appraised target and to express professional advice thereof, and accept no responsibilities for the decision of the relevant party. The valuation conclusion shall not be construed as a guarantee of the realisable value of the Target Assets.
7. The profit forecast of the Target Company obtained by the valuation firm is the basis of the income approach in this valuation report. The valuer conducted necessary investigation, analysis, and judgment on the profit forecast of the Target Company. After multiple discussions with the management and major shareholders of the Target Company, as well as further amendments and improvement made by the Target Company, the valuation firm accepted the relevant data of profit forecast of the Target Company. The utilization of the profit forecast of the Target Company by the valuation firm is not a guarantee of future profitability of the Target Company.
8. The conclusion of this valuation is based on the assumption that the owner of property rights and the management of the appraised target make accurate judgments on the development trend in future and related plans will be duly implemented. If the future actual operation conditions of the enterprise deviate from the operation plans, and the owners of property rights and the management of the Target Company fail to adopt remedies in time to correct such deviation, the conclusion of this valuation will change substantially. Therefore, report users are strongly advised to pay close attention in this regard.
9. The valuation of the assets of buildings (structures), equipment, and road assets such as bridges and tunnels are all tax inclusive.
10. The assets included in the scope of this valuation shall not include the supporting service areas, gas stations, billboards, and other subsidiary facilities along the project route, as well as their operating rights.

XII. LIMITATIONS ON THE USE OF THE ASSET VALUATION REPORT

- (I) This valuation report may only be used according to the objectives and purposes as stated herein. Meanwhile, the valuation conclusion reflects the prevailing market fair value under the valuation purpose based on the open market principle, without considering the impact of mortgages and guarantees that the appraised target may be subject to in the future, nor the impact of additional price which may be paid by special trading parties. Meanwhile, the effects of changes in national macro-economic policies, the natural force and other force majeure on the price of assets are not taken into account. In general, if the aforesaid conditions and other situations such as going concern basis changes, valuation conclusion will become invalid. The valuation firm is not liable for invalidity of the valuation conclusion due to changes of such conditions.

This valuation report is only valid when the transaction complies with the state laws and regulations and the valuation report is approved by relevant authorities.

- (II) The asset valuation firm and its valuers shall not bear responsibilities if the Clients or other users of the Asset Valuation Report fail(s) to use the Asset Valuation Report in accordance with the provisions of laws and administrative regulations or within scope of use specified in the Asset Valuation Report.
- (III) Except for the Clients, other users of this Asset Valuation Report designed in the asset valuation entrustment contract and asset valuation users of this report stipulated by laws and administrative regulations, any other firms or individuals cannot be asset valuation users of this report.
- (IV) The users of the Asset Valuation Report shall correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the Target Assets, and the valuation conclusion shall not be considered as a guarantee of the realisable price of the Target Assets.
- (V) The valuation report may only be used by users expressly stated herein. The right to use this report is vested in the Clients. The valuer will not make the report public without the approval of the Clients.
- (VI) Save as required by laws and regulations or otherwise agreed upon by relevant parties concerned, the extraction, reference or disclosure of the whole or any part of contents of this valuation report in any public media shall be subject to approval and review of such contents by the valuation firm.

(VII) According to relevant laws and regulations on asset valuation, the Asset Valuation Report involving statutory valuation business must be used by the Clients after performing the asset valuation supervision and management procedures in accordance with the requirements of relevant laws and regulations. The valuation results shall be valid for a term of one year from 31 December 2022 (the Valuation Benchmark Date) to 30 December 2023.

XIII. DATE OF ASSET VALUATION REPORT

This valuation report is dated 20 June 2023.

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China United Assets Appraisal Group Co., Ltd.

Asset Valuer:

Asset Valuer:

20 June 2023

EXHIBIT INDEX

1. Economic behavior documents (copies);
2. Business licenses of the Client and the Target Company as legal persons (copies);
3. Audit report on the Valuation Benchmark Date (copy);
4. Traffic Study Report in respect of the Anhui Section of the Liuwu Expressway (copy);
5. Proof of ownership of important assets;
6. Statement letter from the Client and the Target Company;
7. Commitment letter from the signed asset valuer;
8. Filing of Assets Valuation Qualification Certificate and Securities Appraisal Qualification of China United Assets Appraisal Group Co., Ltd. (copies);
9. Business License for Enterprise Legal Person of China United Assets Appraisal Group Co., Ltd. (copy);
10. Qualification certificate of signed asset valuer (copy);
11. Asset valuation result table – income approach;
12. Asset valuation result table – asset-based approach.

APPENDIX II
LETTER OF CONFIRMATION ISSUED BY CHINA UNITED IN
RELATION TO THE ASSET VALUATION REPORT

The following is the text of the letter from China United to the Board prepared for the purpose of incorporation into this announcement.

20 June 2023

The Board of Directors
ANHUI EXPRESSWAY COMPANY LIMITED
520 Wangjiang West Road
Hefei, Anhui, the PRC

Dear Sirs,

We refer to the asset valuation report of the Target Assets dated 20 June 2023 (the “**Asset Valuation Report**”) issued by us in respect of 100% of the equity interest of Anhui Province Liuwu Expressway Co., Ltd. (安徽省六武高速公路有限公司)(the “**Target Company**”).

We have reviewed the financial information of the Target Company as of 31 March 2023, and confirm that there was no material change in the assumptions and calculation bases of the valuation adopted in the Asset Valuation Report during the period from 31 December 2022 (being the valuation benchmark date) to 31 March 2023. Accordingly, as at 31 March 2023, there was no material change in the appraised value of 100% equity interest of the Target Company as that set out in the Asset Valuation Report.

China United Assets Appraisal Group Co., Ltd.

APPENDIX III
REPORT ISSUED BY THE FINANCIAL ADVISER IN RESPECT OF
THE TARGET COMPANY PROFIT FORECASTS AND
THE QUALIFICATION OF CHINA UNITED

The board of directors
Anhui Expressway Company Limited
20 June 2023

Dear Sirs and Madams,

We refer to the announcement of Anhui Expressway Company Limited (the “**Company**”) dated 20 June 2023 (the “**Announcement**”) in relation to, among others, the Company’s proposed acquisition of 100% equity interest of Anhui Province Liuwu Expressway Co., Ltd.* (安徽省六武高速公路有限公司)(the “**Target Assets**”). We also refer to the asset valuation report dated 20 June 2023 (the “**Asset Valuation Report**”) prepared by China United Assets Appraisal Group Co., Ltd (“**China United**”) in respect of the appraised value of the Target Assets (the “**Valuation**”), the full text of which are set out in the Announcement.

According to the Asset Valuation Report, the Valuation has been prepared using income approach with the use of discounted cash flow method, which constitutes profit forecasts (the “**Target Company Profit Forecasts**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Rule 10 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

This letter is issued in compliance with (i) Rule 14.62(3) of the Listing Rules and Rule 10.3(b) of the Takeovers Code, as our report on the Target Company Profit Forecasts; and (ii) Rule 11.1(b) of the Takeovers Code, as our report on the qualifications and experience of China United.

We have reviewed the Asset Valuation Report and discussed with the management of the Company and China United with regards to the bases and assumptions set out on pages 20 to 22 of the Announcement upon which the Target Company Profit Forecasts have been prepared. We have also considered the letter addressed to the directors of the Company dated 20 June 2023 from Ernst & Young, stating that so far as the calculations are concerned, the Target Company Profit Forecasts have been properly compiled in all material respects on the basis of the assumptions made.

With regards to China United’s qualifications and experience, we have conducted reasonable checks to assess the relevant qualification, experience and expertise of China United, including review of the supporting documents and discussion with China United on its qualifications and experience.

According to the Asset Valuation Report, the Target Company Profit Forecasts have been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not necessarily be expected to occur and, as such, the Target Company Profit Forecasts may not be appropriate for purposes other than for deriving the Valuation. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to differ from the Target Company Profit Forecasts since such anticipated events frequently may or may not occur as expected and the variation may be material.

We have not independently verified the computations leading to China United's determination of Valuation. We have assumed, without independent verification, that all information, materials and representations supplied and contained in the Asset Valuation Report, were true, accurate, complete and not misleading at the time they were supplied or made and that no material fact or information has been omitted from the information and materials supplied.

On the basis of the foregoing, without giving any other opinion or expressing any other view on the Target Company Profit Forecasts, for which you as the directors of the Company are solely responsible, we are satisfied that the Target Company Profit Forecasts have been made by you after due care and consideration. We are also satisfied that China United is suitably qualified and experienced with sufficient current knowledge, skills and understanding necessary to undertake the Valuation competently.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 14.62(3) of the Listing Rules and Rules 10.3(b) and 11.1(b) of the Takeovers Code and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

For and on behalf of
BOCOM International (Asia) Limited
Wilfred Sum **Gary Poon**
Managing Director, *Director*
Head of Corporate Finance and
Global Capital Markets

APPENDIX IV
REPORT ISSUED BY ERNST & YOUNG IN RESPECT OF
THE TARGET COMPANY PROFIT FORECASTS



20 June 2023

The Board of Directors
Anhui Expressway Company Limited

Dear Sirs,

Anhui Expressway Company Limited (“the Company”)

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED
CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION
OF 100% EQUITY INTEREST IN ANHUI PROVINCE LIUWU
EXPRESSWAY COMPANY LIMITED

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 20 June 2023, prepared by China United Assets Appraisal Group Co.,Ltd. in respect of 100% equity interests in Anhui Province Liuwu Expressway Company Limited (the “**Target Company**”) as at 31 December 2022 is based. The valuation is set out in the announcement of Anhui Expressway Company Limited (the “**Company**”) dated 20 June 2023 (the “**Announcement**”) in connection with the Target Company in relation to, among other things, the proposed acquisition of the Target Company by the Company. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Rule 10 of the Hong Kong Code of Takeovers and Mergers (the “**Takeovers Code**”).

Directors’ responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out on pages 20 to 22 of and in Appendix I to the Announcement.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants’ responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target Company. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and Rule 10 of the Takeovers Code and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

APPENDIX V
REPORT ISSUED BY THE FINANCIAL ADVISER IN RESPECT OF
THE RELEVANT PROFIT FORECAST INFORMATION

The board of directors
Anhui Expressway Company Limited

20 June 2023

Dear Sirs and Madams,

We refer to the announcement of Anhui Expressway Company Limited (the “**Company**”) dated 20 June 2023 (the “**Announcement**”) in relation to, among others, the Company’s proposed acquisition of 100% equity interest of Anhui Province Liuwu Expressway Co., Ltd.* (安徽省六武高速公路有限公司).

Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as those defined in the Announcement.

We also refer to the Relevant Profit Forecast Information set out on page 38 and Appendix VII of the Announcement, which constitute profit forecast under Rule 10 of the Takeovers Code.

This letter is issued in compliance with Rule 10 of the Takeovers Code, as our report on the Relevant Profit Forecast Information.

We have reviewed the Relevant Profit Forecast Information and discussed with the management of the Company with regards to the bases upon which the Relevant Profit Forecast Information has been prepared and expressed.

We have also considered the letter dated 20 June 2023 from Ernst & Young Hua Ming LLP regarding the Relevant Profit Forecast Information, and which stated that so far as the accounting policies and calculations are concerned, the Relevant Profit Forecast Information has been properly compiled in accordance with the basis adopted by the Directors and is presented on a basis consistent in all material respects, with the accounting policies normally adopted by the Group as set out in the audited financial statements of the Company prepared in accordance with Accounting Standards for Business Enterprises for the year ended 31 December 2022.

We have not independently verified the computations leading to the Relevant Profit Forecast Information. We have relied on the information and facts supplied, and the opinion expressed by you and have assumed, without independent verification, that all the information and facts provided and opinions expressed to us, were true, accurate, complete and not misleading at the time they were supplied or expressed and that no material fact or information has been omitted from the information supplied.

On the basis of the foregoing, without giving any other opinion or expressing any other view on the Relevant Profit Forecast Information, for which you as the directors of the Company are solely responsible, we are satisfied that the Relevant Profit Forecast Information has been made by you after due care and consideration.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 10 of the Takeovers Code and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

For and on behalf of
BOCOM International (Asia) Limited
Wilfred Sum **Gary Poon**
Managing Director, *Director*
Head of Corporate Finance and
Global Capital Markets

APPENDIX VI
REPORT ISSUED BY ERNST & YOUNG HUA MING LLP IN RESPECT
OF THE RELEVANT PROFIT FORECAST INFORMATION



20 June 2023

The Board of Directors
Anhui Expressway Company Limited
520 Wangjiang West Road,
Hefei, Anhui, the PRC

Dear Sirs,

Anhui Expressway Company Limited ("the Company") and its subsidiaries (the "Group")

Profit estimate for the two months ended 28 February 2023

We refer to the Relevant Profit Forecast Information in relation to the unaudited results of the Group for the two months ended 28 February 2023 and the unaudited results of the Group including Anhui Province Liuwu Expressway Company Limited (the "**Target Company**") (collectively referred to as the "**Enlarged Group**") for the two months ended 28 February 2023 as set forth on page 38 and the Appendix VII in the announcement of the Company dated 20 June 2023 (the "**Announcement**"). The Relevant Profit Forecast Information is required to be reported on under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Directors' responsibilities

The Relevant Profit Forecast Information has been prepared by the directors of the Company based on the unaudited consolidated results of the Group for the two months ended 28 February 2023 as shown in the management accounts of the Group for the two months ended 28 February 2023, and the unaudited consolidated results of the Enlarged Group for the two months ended 28 February 2023 as shown in the management accounts of the Enlarged Group for the two months ended 28 February 2023.

The Company's directors are solely responsible for the Relevant Profit Forecast Information.

Our independence and quality management

We have complied with the independence and other ethical requirements of the China Code of Ethics for Certified Public Accountants issued by the Chinese Institute of Certified Public Accountants (the "CICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Quality Control Standards No. 5101 – Quality Control for Accounting Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Relevant Profit Forecast Information based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Standard for Other Assurance Services of Chinese Certified Public Accountants No. 3111 *Review of Estimated Financial Information*. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Relevant Profit Forecast Information in accordance with the bases adopted by the directors and as to whether the Relevant Profit Forecast Information is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with China Standards on Auditing issued by the CICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Relevant Profit Forecast Information has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix VII in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the consolidated financial statements prepared in accordance with Accounting Standards for Business Enterprises of the Company for the year ended 31 December 2022.

Yours faithfully,

Ernst & Young Hua Ming LLP
Beijing, the People's Republic of China

APPENDIX VII
RELEVANT PARTS OF THE REPORT ON THE PROPOSED
ACQUISITION AND PROPOSED NON-PUBLIC ISSUANCE OF A
SHARES AND RELATED TRANSACTIONS, INDEPENDENT DIRECTOR
OPINION ANNOUNCEMENT, A SHARE INDEPENDENT FINANCIAL
ADVISER OPINION ANNOUNCEMENT AND REVIEW REPORT ON
PRO FORMA FINANCIAL INFORMATION CONTAINING
MATERIAL INFORMATION WITH TAKEOVERS CODE
IMPLICATIONS
(CHINESE VERSION)

(A) Extracts from the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and Related Transactions and the Dilution of Immediate Returns Announcement

重大風險提示

(三) 標的資產評估風險

本次交易的資產評估機構採用了適當的評估方法對標的資產進行了評估。評估機構在評估過程中履行了勤勉、盡職的義務，並嚴格執行了評估的相關規定。但由於評估是基於一系列假設及標的資產的相關經營狀況而進行的，如未來出現預期之外的重大變化，可能會導致資產評估值與實際情況不符。針對上述最終評估結果可能與實際情況不符的風險，公司提請投資者注意相關風險。

(四) 標的公司業績承諾無法實現的相關風險

為保障上市公司全體股東利益，上市公司與交易對方簽署了《業績承諾及減值補償協議》。如標的資產交割於2023年完成，則本次重組的業績承諾期間為2023年度、2024年度及2025年度；如標的資產交割於2024年完成，則本次重組的業績承諾期間為2024年度、2025年度及2026年度。若業績承諾期間的每個會計年度結束時，標的公司截至當期期末累計實現淨利潤數小於截至當期期末累計承諾淨利潤數，或截至業績承諾期間最後一個會計年度末標的資產發生減值，則交易對方將對上市公司進行補償。

上述業績承諾是綜合考慮政策、市場環境，針對標的公司現有的業務發展情況和未來的發展前景做出的綜合判斷。但若未來宏觀經濟、監管政策、市場環境等外部環境發生較大變化，或標的公司經營情況未達預期，可能導致業績承諾無法實現，進而影響上市公司的整體經營業績和盈利水平，提請投資者關注相關風險。

本次交易對上市公司主要財務指標的影響

根據上市公司2022年度經審計的財務報告、2023年1-2月未經審計的財務報表及《備考審閱報告》，不考慮募集配套資金影響，本次交易對上市公司主要財務指標的影響如下表所示：

單位：萬元

項目	2023年1-2月／2023年2月28日		2022年度／2022年12月31日	
	本次交易前	本次交易後 (備考)	本次交易前	本次交易後 (備考)
資產總計	2,167,937.36	2,448,724.82	2,130,336.88	2,406,559.58
負債總計	784,759.15	842,010.12	779,880.66	837,342.55
歸屬於母公司所有者權益	1,223,697.31	1,447,233.81	1,192,481.24	1,411,242.04
營業收入	79,669.15	89,209.85	520,636.64	573,051.80
歸屬於母公司所有者淨利潤	31,216.08	35,491.77	144,501.71	166,186.97
加權平均淨資產收益率(%)	2.58	2.48	12.48	12.09
基本每股收益(元/股)	0.19	0.17	0.87	0.78

本次交易完成後，六武公司將成為上市公司的全資子公司，上市公司的資產規模、收入規模及利潤規模較本次交易前均有所提升，上市公司抗風險能力和持續盈利能力增強，有利於鞏固上市公司行業地位和提升核心競爭力。由於本次交易後上市公司的總股本規模有所增加，上市公司的每股收益較本次交易前有所下降。

七. 主要財務資料及財務指標

上市公司2021年度、2022年度和2023年1-2月合併財務報表主要財務數據及財務指標情況如下：

(一) 合併資產負債表主要資料

單位：萬元

項目	2023年	2022年	2021年	2020年
	2月28日	12月31日	12月31日	12月31日
總資產	2,167,937.36	2,130,336.88	1,992,086.30	2,076,273.34
總負債	784,759.15	779,880.66	797,585.36	862,129.74
淨資產	1,383,178.21	1,350,456.22	1,194,500.94	1,214,143.60
歸屬於母公司股東的所有者權益	1,223,697.31	1,192,481.24	1,138,910.95	1,150,351.21

(二) 合併利潤表主要資料

單位：萬元

項目	2023年1-2月	2022年度	2021年度	2020年度
營業收入	79,669.15	520,636.64	392,095.82	293,381.75
利潤總額	44,443.64	197,693.20	211,912.74	118,341.64
淨利潤	32,721.98	141,400.40	154,531.59	81,672.57
歸屬於母公司股東的淨利潤	31,216.08	144,501.71	151,416.79	86,925.59

(三) 合併現金流量表主要資料

單位：萬元

項目	2023年1-2月	2022年度	2021年度	2020年度
經營活動產生的現金流量淨額	75,579.64	193,770.00	209,706.08	170,632.40
投資活動產生的現金流量淨額	-111,023.47	-247,704.19	20,018.39	-122,502.25
籌資活動產生的現金流量淨額	6,956.29	8,327.23	-91,104.49	-42,274.44
現金及現金等價物淨增加額	-28,487.54	-45,606.97	138,619.99	5,855.71

項目	2023年2月28日 ／2023年1-2月	2022年12月31日 ／2022年度	2021年12月31日 ／2021年度	2020年12月31日 ／2020年度
基本每股收益(元／股)	0.19	0.87	0.91	0.52
毛利率	61.73%	43.24%	59.69%	47.91%
資產負債率	36.20%	36.61%	40.04%	41.52%
加權平均淨資產收益率	2.58%	12.48%	12.58%	7.74%

五. 主要資產權屬、對外擔保情況及主要負債、或有負債情況

(一) 主要資產及其權屬情況

根據安永出具的《審計報告》，截至2023年2月28日，六武公司的主要資產情況如下：

項目	單位：萬元	
	金額	佔比
貨幣資金	499.92	0.18%
其他應收款	13,371.33	4.76%
存貨	6.78	0.00%
固定資產	20,568.61	7.33%
無形資產	236,476.79	84.22%
遞延所得稅資產	9,864.03	3.51%

截至本重組報告書簽署日，六武公司所擁有和使用的主要資產權屬清晰，不存在抵押、質押等權利受限制情形，亦不存在涉及訴訟、仲裁、司法強制執行等重大爭議或者存在妨礙權屬轉移的其他情況。

二. 上市公司備考財務報表審閱報告

(二) 備考合併資產負債表

項目	單位：萬元	
	2023年2月28日	2022年12月31日
貨幣資金	519,862.69	473,149.93
交易性金融資產	10,041.42	-
預付款項	127.91	92.97
其他應收款	41,159.44	53,774.43
存貨	450.60	483.56
其他流動資產	635.80	475.32
流動資產合計	572,277.86	527,976.21
長期股權投資	14,662.53	14,662.53
其他權益工具投資	11,550.89	11,550.89
其他非流動金融資產	71,649.06	71,159.94
投資性房地產	34,929.88	35,228.93

項目	2023年2月28日	2022年12月31日
固定資產	113,491.67	116,220.22
在建工程	25,940.17	26,028.07
無形資產	1,584,633.12	1,584,023.91
遞延所得稅資產	19,589.65	19,708.90
非流動資產合計	1,876,446.96	1,878,583.37
資產總計	2,448,724.82	2,406,559.58
應付賬款	49,831.08	61,991.12
預收款項	6,368.05	4,143.51
應付職工薪酬	4,863.72	2,847.80
應交稅費	8,793.25	5,035.17
其他應付款	62,325.38	64,369.44
一年內到期的非流動負債	52,673.44	49,603.58
其他流動負債	7,929.56	7,291.31
流動負債合計	192,784.48	195,281.94
長期借款	627,585.59	620,198.59
長期應付款	7,755.97	7,755.97
遞延收益	11,169.76	11,385.27
遞延所得稅負債	2,714.31	2,720.78
非流動負債合計	649,225.64	642,060.61
負債合計	842,010.12	837,342.55
歸屬於本公司股東權益合計	1,447,233.81	1,411,242.04
少數股東權益	159,480.89	157,974.99
所有者權益合計	1,606,714.70	1,569,217.03
負債和所有者權益總計	2,448,724.82	2,406,559.58

(三) 備考合併利潤表

單位：萬元

項目	2023年1-2月	2022年度
營業收入	89,209.85	573,051.80
減：營業成本	34,164.24	317,806.21
税金及附加	351.29	3,268.08
管理費用	2,347.26	17,343.81
財務費用	2,284.67	14,426.60
其中：利息費用	3,500.57	22,652.06
利息收入	1,218.10	8,031.67
加：其他收益	216.30	1,598.87
投資收益	—	3,809.04
公允價值變動收益	-133.63	61.36
信用減值轉回	-5.30	-12.61
資產減值轉回	—	—
資產處置收益(損失)	—	864.88
營業利潤	50,139.78	226,528.64
加：營業外收入	4.86	126.60
減：營業外支出	0.09	32.80
利潤總額	50,144.56	226,622.44
減：所得稅費用	13,146.88	63,536.77
淨利潤	36,997.67	163,085.67
少數股東收益(損失)	1,505.91	-3,101.31
歸屬於母公司股東的淨利潤	35,491.77	166,186.97
綜合收益總額	36,997.67	163,113.48
歸屬於本公司股東的綜合收益總額	35,491.77	166,214.79
歸屬於少數股東的綜合收益(損失)總額	1,505.91	-3,101.31
基本每股收益(元/股)	0.17	0.78
稀釋每股收益(元/股)	0.17	0.78

標的公司評估情況

董事會認為公司就本次重組聘請的評估機構具有獨立性，評估假設前提合理，評估方法與評估目的具有相關性，出具的資產評估報告的評估結論合理，評估定價公允，不會損害公司及股東特別是廣大中小股東的利益。

本次評估是基於現有的國家法律、法規、稅收政策、金融政策及現有市場情況對未來進行合理預測，未考慮今後市場發生目前不可預測的重大變化和波動。本次交易評估已充分考慮未來政策、宏觀環境、技術、行業、經營許可、稅收優惠等方面的正常發展變化，上述方面的變化不會明顯影響本次交易標的資產評估的準確性。

綜合考慮標的公司的業務模式特點和財務指標變動的影響程度，選擇營業收入和折現率指標對標的公司的資產評估結果進行敏感性分析。敏感性分析的具體結果如下：

單位：萬元

收入 變動率	營業收入		折現率 變動率	折現率	
	股東全部 權益價值	股權價值 變動率		股東全部 權益價值	股權價值 變動率
10%	406,162.45	10.94%	10%	346,523.52	-5.35%
5%	386,131.36	5.47%	5%	356,088.48	-2.73%
0%	366,100.39	0.00%	0%	366,100.39	0.00%
-5%	346,069.40	-5.47%	-5%	376,585.35	2.86%
-10%	326,038.46	-10.94%	-10%	387,571.20	5.86%

儘管評估機構在評估過程中履行了勤勉盡責的職責，但仍可能出現因未來實際情況與評估預測不一致，特別是政策法規、經濟形勢、市場環境等出現重大不利變化，影響本次評估的相關假設及限定條件，可能導致標的資產的評估值與實際情況不符的風險。

本次交易完成後，六武公司將成為上市公司全資子公司，從而提升上市公司的路產規模，發揮路網協同效應和規模效應。但由於本次重組的協同效應難以準確量化，基於謹慎性考慮，本次評估未考慮協同效應的影響。

安徽交控集團於2023年6月20日出具承諾函，承諾如六武公司因佔有和使用高速公路用地及附屬設施導致遭受包括賠償、罰款、額外支出、利益受損、無法繼續使用等實際損失，安徽交控集團將在相關損失發生之日起兩個月內足額補償六武公司。

安徽交控集團亦於2023年6月20日出具承諾函，承諾如該等建築物／構築物未來可以或必須辦理取得房屋權屬登記，安徽交控集團將採取一切措施無條件配合六武公司辦理該等建築物／構築物的房屋權屬登記手續。如六武公司因佔有和使用高速公路用地及附屬設施導致遭受包括賠償、罰款、額外支出、利益受損、無法繼續使用等實際損失，安徽交控集團將在相關損失發生之日起兩個月內足額補償六武公司。

綜上，相關土地使用權屬證書辦理在安徽交控集團名下未變更至六武公司或尚未辦理土地使用權屬證書等情形不會對六武公司的生產經營產生實質不利影響。相關房屋未辦理權屬證書的情形不會對六武公司的生產經營產生實質不利影響。

(三) 本次交易所涉及的資產定價公允，不存在損害上市公司和股東合法權益的情形

本次重組的標的資產交易作價以具有相關業務資質的資產評估機構出具的評估報告所載明的、且經國有資產監督管理部門授權機構備案的評估值為基礎，由交易雙方協商確定。本次交易的標的資產定價具有公允性，不存在損害上市公司和股東合法權益的情形。上市公司第九屆董事會第三十二次會議審議通過了本次交易相關議案，關聯董事迴避了表決。上市公司獨立董事已對評估機構獨立性、評估假設前提合理性、評估方法與評估目的相關性和評估定價公允性發表了獨立意見。

因此，本次交易符合《重組管理辦法》第十一條第(三)項的規定。

十二. 本次交易符合《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》第四條的規定

本次交易有利於公司改善財務狀況、增強持續盈利能力，有利於公司突出主業、增強抗風險能力，有利於公司增強獨立性、減少關聯交易、避免同業競爭。

第十四節 獨立董事及證券服務機構對本次交易的意見

一. 獨立董事意見

根據《上市公司獨立董事規則》《上市規則》《重組管理辦法》《發行註冊管理辦法》等法律、法規和規範性文件及《公司章程》的有關規定，獨立董事對公司第九屆董事會第三十次會議審議事項進行了認真審議，並仔細查閱了相關資料。獨立董事基於其獨立判斷，發表了如下獨立意見：

1. 本次交易的相關議案在提交本次董事會會議審議前已經我們事先認可。
2. 本次交易所涉及的相關議案已經公司第九屆董事會第三十次會議審議通過。本次董事會會議的召集、召開、表決程序及方式符合國家有關法律、法規、規章、規範性文件及《公司章程》的規定，不存在損害公司及其股東特別是中小投資者利益的情形。
3. 本次交易符合《公司法》《證券法》《重組管理辦法》《上市公司證券發行註冊管理辦法》等法律、法規、部門規章及規範性文件規定的各項要求及條件。

4. 本次交易方案符合《公司法》《證券法》《重組管理辦法》及其他有關法律、法規及規範性文件的規定，交易方案具備可操作性。
5. 根據《重組管理辦法》《上市規則》等規定，本次重組構成關聯交易，預計不構成《重組管理辦法》第十二條規定的重大資產重組及《重組管理辦法》第十三條規定的重組上市。
6. 《安徽皖通高速公路股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易預案》及其摘要的內容真實、準確、完整，該預案及其摘要已詳細披露了本次交易需要履行的法律程序，並充分披露了本次交易相關風險，有效地保護了公司及投資者的利益，符合相關法律、法規及規範性文件的要求。
7. 公司與安徽省交通控股集團有限公司簽署的附條件生效的《安徽皖通高速公路股份有限公司與安徽省交通控股集團有限公司之發行股份及支付現金購買資產協議》，符合《公司法》《證券法》《重組管理辦法》及其他有關的法律、法規及規範性文件的規定，具備可行性和可操作性。
8. 本次交易符合《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》第四條的規定，符合《重組管理辦法》第十一條和第四十三條的規定，相關主體不存在依據《上市公司監管指引第7號—上市公司重大資產重組相關股票異常交易監管》第十二條不得參與上市公司重大資產重組情形。
9. 本次交易事項現階段已履行的法定程序完備、有效，符合相關法律、法規、規範性文件及《公司章程》的規定，本次擬向上海證券交易所等監管機構提交的法律文件合法、有效。
10. 公司未來現金分紅特別安排充分考慮了本次交易對於公司利潤及現金流的影響，統籌考慮了公司股東的短期利益和長期利益，有利於建立對投資者科學、持續、穩定的分紅回報機制，符合相關法律、法規和《公司章程》的要求，不存在損害公司及其股東特別是中小投資者利益的情形。」

根據《上市公司獨立董事規則》《上市規則》《重組管理辦法》《發行註冊管理辦法》等法律、法規和規範性文件及《公司章程》的有關規定，獨立董事對公司第九屆董事會第三十二次會議審議事項進行了認真審議，並仔細查閱了相關資料。獨立董事基於其獨立判斷，發表了如下獨立意見：

1. 本次交易的相關議案在提交本次董事會會議審議前已經我們事先認可。
2. 本次交易所涉及的相關議案已經公司第九屆董事會第三十二次會議審議通過。本次董事會會議的召集、召開、表決程序及方式符合國家有關法律、法規、規章、規範性文件及《公司章程》的規定，不存在損害公司及其股東特別是中小投資者利益的情形。
3. 本次交易符合《公司法》《證券法》《重組管理辦法》《上市公司證券發行註冊管理辦法》等法律、法規、部門規章及規範性文件規定的各項要求及條件。
4. 本次交易方案符合《公司法》《證券法》《重組管理辦法》及其他有關法律、法規及規範性文件的規定，交易方案具備可操作性。
5. 根據《重組管理辦法》《上市規則》等規定，本次重組構成關聯交易，不構成《重組管理辦法》第十二條規定的重大資產重組及《重組管理辦法》第十三條規定的重組上市。
6. 《安徽皖通高速公路股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易報告書(草案)》及其摘要的內容真實、準確、完整，該報告書及其摘要已詳細披露了本次交易需要履行的法律程序，並充分披露了本次交易相關風險，有效地保護了公司及投資者的利益，符合相關法律、法規及規範性文件的要求。
7. 公司與安徽省交通控股集團有限公司簽署的附條件生效的《安徽皖通高速公路股份有限公司與安徽省交通控股集團有限公司之發行股份及支付現金購買資產協定之補充協定》《安徽皖通高速公路股份有限公司與安徽省交通控股集團有限公司之發行股份及支付現金購買資產協議之業績承諾及減值補償協議》，符合《公司法》《證券法》《重組管理辦法》及其他有關的法律、法規及規範性文件的規定，具備可行性和可操作性。
8. 本次交易符合《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》第四條的規定，符合《重組管理辦法》第十一條和第四十三條的規定，相關主體不存在依據《上市公司監管指引第7號—上市公司重大資產重組相關股票異常交易監管》第十二條不得參與上市公司重大資產重組情形。
9. 本次交易事項現階段已履行的法定程序完備、有效，符合相關法律、法規、規範性文件及《公司章程》的規定，本次擬向上海證券交易所等監管機構提交的法律文件合法、有效。

10. 本次交易尚需獲得公司股東大會審議通過、並需取得相關主管部門的批准、核准、註冊或同意。本次交易能否獲得相關部門的批准、核准、註冊或同意，以及最終獲得時間均存在不確定性，公司已在《安徽皖通高速公路股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易報告書(草案)》中對本次交易尚未履行的決策程序及報批程序及本次交易的審批風險作出了重大提示。
11. 本次重組標的資產的最終交易價格是以符合相關法律法規要求的資產評估機構出具的評估報告所載明的、且經國有資產監督管理部門授權機構備案的評估值為依據，由交易雙方協商確定。關聯交易定價原則和方法恰當、交易公平合理，且將履行必要的關聯交易決策程序，不存在損害公司及其股東尤其是中小股東利益的行為。
12. 公司就本次交易對即期回報的攤薄影響進行了認真、審慎、客觀的分析，並提出了具體的填補回報的措施，相關主體對保障措施能夠得到切實履行作出了承諾。」

(B) Extracts from the Independent Director Opinion Announcement

上市公司獨立董事對本次交易評估事項的獨立意見

根據《重組管理辦法》《格式準則26號》的有關規定，上市公司獨立董事就本次重組事項評估機構的獨立性、評估假設前提的合理性、評估方法與評估目的的相關性及評估定價的公允性發表獨立意見如下：

「1. 評估機構的獨立性

本次重組聘請的評估機構中聯評估具有相關業務資格，具備專業勝任能力。本次評估機構的選聘程序合規，中聯評估及其經辦評估師與公司、交易對方除業務關係外，無其他關聯關係，亦不存在影響其提供服務的現實及預期的利益或衝突。評估機構具有獨立性。

2. 評估假設前提的合理性

本次對標的資產的評估中，中聯評估所設定的評估假設前提和限制條件按照國家有關法規和規定執行、遵循了市場通用的慣例或準則、符合評估對象的實際情況，評估假設前提具有合理性。

3. 評估方法與評估目的的相關性

本次評估的目的是確定標的資產於評估基準日的市場價值，為本次重組提供價值參考依據。本次資產評估工作按照國家有關法規與行業規範的要求，評估機構實際評估的資產範圍與委託評估的資產範圍一致，遵循獨立、客觀、公正、科學的原則，按照公認的資產評估方法，實施了必要的評估程序，對標的資產在評估基準日的市場價值進行了評估，所選用的評估方法合理，與評估目的具備相關性。

4. 評估定價的公允性

本次評估運用了合規且符合評估對象實際情況的評估方法，折現率等重要評估參數取值合理，評估價值公允。本次重組以經國有資產監督管理部門授權機構備案的評估結果作為定價依據，具有公允性、合理性。

綜上所述，我們認為公司就本次重組聘請的評估機構具有獨立性，評估假設前提合理，評估方法與評估目的具有相關性，出具的資產評估報告的評估結論合理，評估定價公允，不會損害公司及股東特別是廣大中小股東的利益。

上市公司聘請中金公司擔任本次交易的獨立財務顧問。獨立財務顧問嚴格按照《公司法》《證券法》《重組管理辦法》《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》《上市公司併購重組財務顧問業務管理辦法》及《格式準則26號》等法律、法規、文件的相關要求，本著誠實信用和勤勉盡責的原則，在認真審閱各方提供的資料並充分了解本次交易的基礎上，並與上市公司、本次交易的法律顧問等中介機構等經過充分溝通後，發表以下獨立財務顧問核查意見。

經核查，中金公司認為：

- 「1. 本次交易符合《公司法》《證券法》《重組管理辦法》《發行註冊管理辦法》等有關法律、法規的規定；
2. 本次交易不構成重組上市，不會導致上市公司不符合股票上市條件；
3. 本次重組的股份發行定價符合《重組管理辦法》的相關規定。本次交易標的資產的交易價格以符合《證券法》規定的評估機構出具並經國有資產監督管理部門授權機構備案的評估結果為基礎確定，資產評估的評估假設前提合理，方法及參數選擇適當，評估結果具有公允性和合理性；
4. 本次交易完成後有利於提升上市公司的資產規模和利潤規模，有利於提高上市公司的持續經營能力，有利於上市公司的持續發展，不存在損害上市公司及股東合法權益的情形；
5. 本次交易完成後，上市公司仍將繼續按照《公司法》《證券法》《上市公司治理準則》等法律、法規及規範性文件的要求規範運作，不斷完善公司法人治理結構。本次交易有利於上市公司保持健全有效的法人治理結構；

6. 本次交易的資產交付安排不存在上市公司向交易對方發行股份後不能及時獲得對價的重大風險，標的資產交付安排相關的違約責任切實有效；
7. 本次交易構成關聯交易，關聯交易程序履行符合相關規定，關聯交易定價公允，不存在損害上市公司及非關聯股東利益的情形；
8. 本次交易中，上市公司與交易對方就標的資產實際盈利數不足利潤預測數的情況簽訂了補償協議。該等業績承諾補償安排具有合理性，在業績承諾方遵守並履行相關協議約定的情形下，補償安排具有可行性；
9. 由於本次交易後上市公司的總股本規模將有所增加，上市公司的每股收益較本次交易前有所下降。上市公司所預計的即期回報攤薄情況具有合理性，上市公司擬定的填補回報的措施切實可行，相關承諾主體已出具填補措施的相關承諾，符合《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》（國辦發[2013]110號）、《國務院關於進一步促進資本市場健康發展的若干意見》（國發[2014]17號）和《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》（證監會公告[2015]31號）等相關法律法規的要求；
10. 截至本獨立財務顧問報告簽署日，標的公司不存在資金、資產被其控股股東、實際控制人及其控制的關聯人非經營性佔用的情形；
11. 上市公司按照《證券法》《上市公司信息披露管理辦法》等相關法律法規以及公司章程等相關規定，制定了《安徽皖通高速公路股份有限公司內幕信息及知情人管理制度》。上市公司在本次交易中按照《安徽皖通高速公路股份有限公司內幕信息及知情人管理制度》執行了內幕信息知情人的登記和上報工作，符合相關法律法規和公司制度的規定。」

(C) Extracts from the A Share Independent Financial Adviser Inspection Opinion Announcement

為應對本次交易導致的上市公司即期回報被攤薄的風險，上市公司根據自身經營特點制定了以下填補即期回報的措施。上市公司製定填補回報措施不等於對未來利潤作出保證，投資者不應據此進行投資決策，提請投資者關注相關風險。

經核查，獨立財務顧問認為：本次交易有利於提升上市公司的資產規模、收入規模和利潤規模，但由於本次交易後上市公司的總股本規模將有所增加，上市公司的每股收益較本次交易前有所下降。特此提醒投資者關注本次交易可能攤薄即期回報的風險。

(D) Extracts from the A Share Independent Financial Adviser Opinion Announcement

經核查，本獨立財務顧問認為：

- 本次交易標的資產的評估值合理，符合上市公司和中小股東的利益；
- 本次發行股份購買資產的股份發行價格定價方式合理，符合相關法律、法規的規定；
- 本次發行股份購買資產的股份發行定價符合《重組管理辦法》的相關規定；
- 本次募集配套資金的發行定價符合《重組管理辦法》的相關規定；
- 本次交易標的資產的交易價格以符合《證券法》規定的評估機構出具並經國有資產監督管理部門授權機構備案的評估結果為基礎確定。本次交易涉及資產評估的評估假設前提合理，方法及參數選擇適當，評估結果具有公允性和合理性；
- 本次交易完成後上市公司仍將嚴格按照《公司法》《證券法》《上市公司治理準則》等法律、法規及《公司章程》的要求規範運作，不斷完善公司法人治理結構；本次交易有利於上市公司保持健全有效的法人治理結構；
- 本次交易的資產交付安排不存在上市公司向交易對方發行股份後不能及時獲得對價的重大風險，標的資產交付安排相關的違約責任切實有效；
- 本次交易構成關聯交易，關聯交易程序的履行符合相關規定，關聯交易定價公允，不存在損害上市公司及非關聯股東利益的情形。
- 本次重組的業績補償安排具有合理性，在業績承諾方遵守並履行相關協議約定的情形下，補償安排具有可行性。

- 由於本次交易後上市公司的總股本規模將有所增加，上市公司的每股收益較本次交易前有所下降；上市公司所預計的即期回報攤薄情況具有合理性，上市公司擬定的填補回報的措施切實可行，相關承諾主體已出具填補措施的相關承諾，符合《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》（國辦發[2013]110號）、《國務院關於進一步促進資本市場健康發展的若干意見》（國發[2014]17號）和《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》（證監會公告[2015]31號）等相關法律法規的要求。
- 本次重組的股份發行價格符合《重組管理辦法》第四十五條的規定，不涉及價格調整機制。本次交易涉及現金支付，根據上市公司現有貨幣資金狀況及本次交易的整體方案，上市公司具備相應的支付能力。
- 相關信息披露符合《格式準則26號》第十六節的規定，不適用第十七節的相關規定；
- 本次募集配套資金的規模符合《監管規則適用指引—上市類第1號》1-1的規定；本次募集配套資金的發行對象、發行價格、定價方式符合《發行註冊管理辦法》第五十六條和第五十七條的規定。
- 結合本次募集配套資金方案及具體用途，本次募集配套資金具有必要性。
- 最近36個月內上市公司控制權未發生變更；本次交易不會導致上市公司控制權發生變更。
- 本次交易不構成重組上市。
- 本次交易的業績承諾補償安排具有合規性、合理性，業績承諾具有可實現性，交易對方確保承諾履行相關安排具有可行性。
- 本次交易涉及《監管規則適用指引—上市類第1號》1-2規定的業績補償範圍，業績承諾具體安排、補償方式及保障措施符合《重組管理辦法》第三十五條、《監管規則適用指引—上市類第1號》的規定。

- 本次重組的鎖定期安排符合《重組管理辦法》第四十六條第一款的規定。
- 本次募集配套資金的股份鎖定期安排符合《發行註冊管理辦法》第五十九條的規定。
- 本次重組適用《上市公司收購管理辦法》第六十三條第一款第三項規定免於發出要約的情形，本次重組的鎖定期符合相關規定。
- 本次重組的過渡期損益安排符合《監管規則適用指引—上市類第1號》1-6的規定。
- 本次交易的商業邏輯清晰，不存在不當市值管理行為；上市公司的控股股東、董事、監事、高級管理人員在本次交易披露前後不存在股份減持情形或者大比例減持計劃；本次交易具有商業實質，不存在利益輸送的情形。
- 截至本獨立財務顧問報告簽署日，本次交易已經履行了現階段應當履行的批准和授權程序；在尚需履行的程序履行完畢後，本次交易可依法實施。
- 本次交易符合國家產業政策和有關環境保護、土地管理、反壟斷、外商投資、對外投資等法律和行政法規的規定。
- 本次交易符合《重組管理辦法》第十一條、第四十三條相關規定。
- 截至本獨立財務顧問報告簽署日，六武公司所享有的土地使用權不存在權屬爭議，該等宗地可由六武公司在六武高速收費經營期限內正常佔有和使用，相關土地使用權屬證書辦理在安徽交控集團名下未變更至六武公司或尚未辦理土地使用權屬證書等情形不會對六武公司的生產經營產生實質不利影響。
- 標的資產已取得從事生產經營活動所必需的相關許可、資質、認證等，生產經營合法合規。

- 截至本獨立財務顧問報告簽署日，標的公司股權權屬清晰，不存在對外擔保、或有負債等情況，不存在抵押、質押等權利限制，也不存在涉及訴訟、仲裁、司法強制執行等重大爭議或妨礙權屬轉移的其他情況。
- 截至本獨立財務顧問報告簽署日，標的公司的主要資產權屬清晰，不存在對外擔保，不存在抵押、質押等權利限制，也不存在涉及訴訟、仲裁、司法強制執行等重大爭議或妨礙權屬轉移的其他情況。
- 標的公司與關聯方之間的非經營性資金佔用均已清理完畢，不涉及通過分紅方式解決資金佔用。標的公司目前已不存在關聯方非經營性資金佔用的情況，不會對其內控制度有效性構成重大不利影響，也不會構成重大違法違規情形。
- 申請文件及問詢回復中的相關信息真實、準確、完整，包含對投資者作出投資決策有重大影響的信息，披露程度達到投資者作出投資決策所必需的水平；本次交易所披露的信息一致、合理且具有內在邏輯性；簡明易懂，便於一般投資者閱讀和理解；本次交易上市公司信息披露不涉及豁免。
- 上市公司與標的公司處於同一行業，且本次交易前安徽交控集團已將六武高速委託上市公司進行管理，本次交易完成後上市公司對標的資產的具體整合管控安排可以實現上市公司對標的資產的控制；就本次交易對上市公司的持續經營能力、未來發展前景、當期每股收益等財務指標和非財務指標的影響的分析具有合理性。
- 上市公司、交易對方及有關各方已按照《重組管理辦法》《格式準則26號》等規定出具承諾；截至本獨立財務顧問報告簽署日，未發現與本次交易相關的重大輿情情況。
- 本次評估實施了必要的評估程序，遵循了獨立性、客觀性、科學性、公正性等原則，運用了合理的評估方法，評估參數選擇適當，評估結果具有合理性。
- 相關評估假設前提按照國家有關法律法規執行，遵守了市場通行慣例，符合評估對象的實際情況，評估假設前提具有合理性。

- (1) 預測期的車流量、收費標準、營業成本及毛利率預測已考慮六武高速所處區域的經濟發展及市場容量的情況、相關行業主管部門的政策要求、標的公司的競爭優勢等，對於通行費收入、營業成本、毛利率的預測具有合理性；
- (2) 管理費用的預測具有合理性，與標的公司未來年度的業務發展情況相匹配；
- (3) 營運資金增加額預測具有合理性，與標的公司未來年度的業務發展情況相匹配；
- (4) 資本性支出的預測符合標的公司的行業特點，與標的公司的未來業務經營需要具有匹配性；
- (5) 評估相關參數反映了標的公司所處行業特定風險及自身財務風險水平，折現率取值具有合理性；
- (6) 本次評估預測期期限符合標的資產實際經營情況，不存在為提高估值水平而刻意延長詳細評估期間的情況；
- (7) 本次重組評估作價或業績承諾未包含募投項目收益；
- (8) 評估預測數據與標的資產報告期內業務發展情況、未來年度業務發展預期、核心競爭優勢等保持一致，不同參數在樣本選取、風險考量、參數匹配等方面具有一致性，相關參數的選取和披露符合《監管規則適用指引－評估類第1號》的要求。

- 結合可比公司和可比交易情況，本次交易評估作價具備合理性。
- 本次交易不存在收益法評估結果低於資產基礎法的情形。
- 本次交易定價的過程及交易作價具備公允性、合理性。
- 標的資產行業選取合理，符合相關產業政策，不涉及國際貿易政策。
- 同行業可比公司選取客觀、全面、準確，具有可比性，前後一致。
- 獨立財務顧問審閱了華傑工程諮詢有限公司出具的《六武高速安徽段車流量評估及收入測算報告》以及《資產評估報告》，對於華傑工程諮詢有限公司的業務資質、合法合規經營、項目經驗、市場聲譽等情況進行了了解。
- 經核查，獨立財務顧問認為：本次交易評估引用了第三方數據，所引用的數據具備真實性及權威性。
- 標的公司與主要客戶、供應商的交易定價具備公允性，交易規模與標的資產業務規模相匹配。
- 截至報告期末，前五大供應商中，安徽交控集團為標的公司的控股股東。除上述情形外，標的公司及其控股股東、實際控制人、董事、監事、高級管理人員及其他核心人員與前五名供應商不存在關聯關係。
- 標的公司供應商集中度較高具備合理性，業務具備穩定性和可持續性，集中度較高不會對標的公司持續經營能力構成重大不利影響。
- 標的公司報告期內新增主要供應商具備合理性，不涉及主要供應商成立時間較短的情況。
- 標的公司財務狀況具備真實性，與業務模式相匹配。
- 標的公司未對資產計提減值依據合理、充分。

- 標的公司收入確認原則符合會計準則，收入確認時點準確，與同行業可比公司不存在較大差異；標的公司報告期內收入不存在顯著季節性特徵，不涉及境外分佈，與同行業可比公司不存在較大差異。
- 標的公司成本歸集準確完整，成本構成與同行業可比公司不存在明顯差異。
- 報告期內，標的公司收入及成本變動具有一定合理性，變動趨勢與同行業可比公司不存在較大差異。
- 報告期內，標的公司毛利率水平雖然略高於同行業可比公司，但符合公司實際情況，存在一定合理性；標的公司毛利率變動趨勢與同行業可比公司不存在較大差異。
- 標的公司業務發展受宏觀經濟及政策因素影響較大。目前，我國經濟運行平穩，預計未來能夠保持穩定持續增長。因此，標的公司盈利能力具備連續性和穩定性。

(E) Extracts from the Review Report on the Pro Forma Financial Information

審閱報告

安永華明(2023)專字第60904999_B06號
安徽皖通高速公路股份有限公司

安徽皖通高速公路股份有限公司全體股東：

我們審閱了後附的安徽皖通高速公路股份有限公司（「貴公司」）按照備考合併財務報表附註二所述的編製基礎編製的備考合併財務報表，包括2022年12月31日、2023年2月28日的備考合併資產負債表，2022年度及截至2023年2月28日止兩個月期間的備考合併利潤表以及有限的備考合併財務報表附註。按照備考合併財務報表附註二所述的編製基礎編製備考合併財務報表是貴公司管理層的責任，我們的責任是在實施審閱工作的基礎上對備考合併財務報表出具審閱報告。

我們按照《中國註冊會計師審閱準則第2101號－財務報表審閱》的規定執行了審閱業務。該準則要求我們計劃和實施審閱工作，以對財務報表是否不存在重大錯報獲取有限保證。審閱主要限於詢問公司有關人員和對財務數據實施分析程序，提供的保證程度低於審計。我們沒有實施審計，因而不發表審計意見。

根據我們的審閱，我們沒有注意到任何事項使我們相信後附的備考合併財務報表沒有在所有重大方面按照備考合併財務報表附註二所述編製基礎編製。

我們提醒備考合併財務報表使用者關注備考合併財務報表附註二對編製基礎的說明。安徽皖通高速公路股份有限公司編製備考合併財務報表是為了向中國證券監督管理委員會及上海證券交易所申報發行股份及支付現金購買資產並募集配套資金事宜使用。因此，備考合併財務報表不適用於其他用途。本段內容不影響已提出的審閱結論。

我們的報告僅供安徽皖通高速公路股份有限公司向中國證券監督管理委員會及上海證券交易所申報發行股份及支付現金購買資產並募集配套資金交易相關各方使用，而不應為除上述交易相關各方之外的其他方使用。

二、備考合併財務報表的編製基礎

本備考合併財務報表根據中國證券監督管理委員會《上市公司重大資產重組管理辦法》、《公開發行證券的公司信息披露內容與格式準則第26號－上市公司重大資產重組（2023年2月17日修訂）》（「格式準則第26號」）的相關規定編製。本公司編製本備考合併財務報表是為了向中國證券監督管理委員會及上海證券交易所申報發行股份及支付現金購買資產並募集配套資金事宜之目的。因此，本備考合併財務報表不適用於其他用途。

為給使用者提供更相關的信息，本備考合併財務報表之編製係假定附註一、3.收購交易基本情況中所述本次交易所形成的業務架構於備考合併財務報表之最早列報期初（2022年1月1日）已經存在，並根據下述之具體方法編製：

1. 本備考合併財務報表係以本集團截至2023年2月28日止兩個月期間的未經審計的合併財務報表以及2022年度經審計的合併財務報表、六武公司截至2023年2月28日止兩個月期間及2022年度經審計的備考財務報表為基礎編製而成。本集團2022年度合併財務報表經安永華明會計師事務所（特殊普

通合夥) 審計，並出具了安永華明(2023)審字第60904999_B01號的無保留審計意見。六武公司截至2023年2月28日止兩個月期間以及2022年度經審計的備考財務報表經安永華明會計師事務所(特殊普通合夥) 審計，並出具了安永華明(2023)專字第60904999_B05號的無保留審計意見。

2. 基於編製本備考合併財務報表的特定目的，本備考合併財務報表的股東權益按「歸屬於母公司股東權益」和「少數股東權益」列示，不再區分股東權益明細項目。本備考合併財務報表僅列示相關期間經擴大集團(本集團合併六武公司)的備考合併資產負債表和備考合併利潤表，未列示合併現金流量表、合併所有者權益變動表及相關附註。並且僅列報和披露備考合併財務信息，未列報本公司(母公司)財務信息。同時本備考合併財務報表僅列示與上述備考合併財務報表編製基礎相關的且對財務報表使用者具有重大參考意義的有限備考合併財務報表附註。
3. 本備考合併財務報表根據附註一、3.收購交易基本情況考慮新發行股份的影響，假設本公司按照本次重組中擬以發行股份及支付現金方式購買資產的交易價格人民幣366,600.39萬元，其中支付現金對價人民幣54,990.0585萬元，其餘人民幣311,610.3315萬元對價以每股價格人民幣6.64元新發行469,292,667股A股股票購買安徽交通控股集團持有的六武公司100%股權，交易於2022年1月1日前已完成。
4. 如附註一中所述，本公司及六武公司的最終實際控制方均為安徽交通控股集團。基於本次發行股份及支付現金方式購買資產的交易於2022年1月1日前已完成，收購完成後的組織架構及相關業務於2022年1月1日已存在的假設，本次發行股份及支付現金方式購買資產的交易合併適用同一控制下企業合併的會計處理原則，即自本備考合併財務報表之最早列報期初(2022年1月1日)起，將六武公司的資產、負債按照其在最終控制方財務報表中的賬面價值並入備考合併財務報表，與交易價格的差額調整資本公積。
5. 根據格式準則第26號之相關規定，六武公司截至2023年2月28日止兩個月期間及2022年度經審計的備考財務報表已經按照與本公司相同的會計政策和會計估計編製。
6. 備考合併財務報表附註一所述的相關交易議案能夠經中國證監會作出予以註冊決定，本次重組事項能夠按此重組方案得以實施。

7. 本備考合併財務報表未考慮本次重大重組事項而產生的費用、支出和稅收等影響。
8. 本備考合併財務報表已按上述假定交易完成後的業務架構，將本集團與六武公司於相關期間及資產負債表日的重大交易及往來餘額予以抵銷。

除上述所述的假設外，本備考合併財務報表未考慮其他與本次發行股份及支付現金方式購買資產的交易可能相關的事項的影響。由於本備考合併財務報表的編製具有某些能夠影響信息可靠性的固有限制，未必真實反映如果本次發行股份及支付現金方式購買資產的交易已於2022年1月1日完成的情況下本集團於2022年12月31日及2023年2月28日的合併財務狀況、2022年度及截至2023年2月28日止兩個月期間的合併經營成果。

本備考合併財務報表以持續經營為基礎列報。

編製本備考合併財務報表時，除某些金融工具外，均以歷史成本為計價原則。資產如果發生減值，則按照相關規定計提相應的減值準備。

**RELEVANT PARTS OF THE REPORT ON THE PROPOSED
ACQUISITION AND PROPOSED NON-PUBLIC ISSUANCE OF A
SHARES AND RELATED TRANSACTIONS, INDEPENDENT DIRECTOR
OPINION ANNOUNCEMENT, A SHARE INDEPENDENT FINANCIAL
ADVISER OPINION ANNOUNCEMENT AND REVIEW REPORT ON
PRO FORMA FINANCIAL INFORMATION CONTAINING
MATERIAL INFORMATION WITH TAKEOVERS CODE
IMPLICATIONS
(ENGLISH VERSION)**

- (A) Extracts from the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and Related Transactions and the Dilution of Immediate Returns Announcement**

Material Risk Reminder

(III) Risk associated with the valuation of the Target Assets

The asset appraisal agency for the Proposed Acquisition has adopted appropriate valuation methods for valuing the Target Assets. The asset appraisal agency has performed its duties of diligence in the course of the valuation and has strictly conducted the valuation in accordance with the relevant requirements of the valuation. However, as the valuation was conducted based on a series of assumptions and the relevant operating conditions of the Target Assets, any unexpected material changes in the future may result in the valuation of the assets being inconsistent with the actual circumstances. Investors are advised to exercise caution on the risk that the final valuation results may not be consistent with the actual circumstances.

(IV) Risks associated with failure to fulfill the performance undertaking of the Target Company

In order to protect the interests of all shareholders of the Company, the Company has entered into the Compensation Agreement (《業績承諾及減值補償協議》) with the counterparty. If the delivery of the Target Assets is completed in 2023, the Performance Compensation Period for the Proposed Acquisition will be 2023, 2024 and 2025; if the delivery of the Target Assets is completed in 2024, the Performance Compensation Period for the Proposed Acquisition will be 2024, 2025 and 2026. If the cumulative net profit of the Target Company as at the end of each accounting year of the Performance Compensation Period is less than the cumulative committed net profit as at the end of that period, or if the Target Assets are impaired as at the end of the last accounting year of the Performance Compensation Period, the counterparty will compensate the Company.

The above performance guarantees involve comprehensive judgement made in light of the existing business development and future development prospects of the Target Company, taking into account the policies and market environment. However, if there are significant changes in the external environment such as macroeconomic, regulatory policies and market environment in the future, or if the operation of the Target Company falls short of expectations, the performance guarantees may not be fulfilled, which may in turn affect the overall operating results and profitability of the Company. Investors are advised to exercise caution on the risks involved.

Impact of the transaction on key financial indicators of the Company

Based on the audited financial report of the Company for 2022, the unaudited financial statements for January to February 2023 and the Review Report on Pro Forma Financial Information (《備考審閱報告》), the impact of the transaction on the key financial indicators of the Company, excluding the impact of the proposed ancillary fund raising, is set forth in the table below:

Unit: RMB'0,000

Items	January-February 2023/ 28 February 2023		For the year of 2022/ 31 December 2022	
	Prior to the transaction	After the transaction (pro forma)	Prior to the transaction	After the transaction (pro forma)
Total assets	2,167,937.36	2,448,724.82	2,130,336.88	2,406,559.58
Total liabilities	784,759.15	842,010.12	779,880.66	837,342.55
Total equity attributable to owners of the parent company	1,223,697.31	1,447,233.81	1,192,481.24	1,411,242.04
Operating income	79,669.15	89,209.85	520,636.64	573,051.80
Net profit attributable to owners of the parent company	31,216.08	35,491.77	144,501.71	166,186.97
Weighted average return on net assets (%)	2.58	2.48	12.48	12.09
Basic earnings per share (RMB/share)	0.19	0.17	0.87	0.78

Upon completion of the transaction, the Target Company will become a wholly-owned subsidiary of the Company. The scale of assets, revenue and profit attributable to the Company will increase as compared with those prior to the transaction, which will enhance the risk resistance and ongoing profitability of the Company and will be conducive to consolidating the Company's industry presence and enhancing its core strength. Due to the increase in the total share capital of the Company after the completion of the transaction, the earnings per share of the Company is expected to decrease as compared to that prior to the transaction.

VII. Key Financial Information and Financial Indicators

The key financial data and financial indicators in the Company's consolidated financial statements for 2021, 2022 and January – February 2023 are as follows:

(I) Key information in the consolidated balance sheet

Unit: RMB'0,000

Items	28 February 2023	31 December 2022	31 December 2021	31 December 2020
Total assets	2,167,937.36	2,130,336.88	1,992,086.30	2,076,273.34
Total liabilities	784,759.15	779,880.66	797,585.36	862,129.74
Net assets	1,383,178.21	1,350,456.22	1,194,500.94	1,214,143.60
Owners' equity attributable to shareholders of the parent company	1,223,697.31	1,192,481.24	1,138,910.95	1,150,351.21

(II) Key information in the consolidated income statement

Unit: RMB'0,000

Items	January – February 2023	2022	2021	2020
Operating income	79,669.15	520,636.64	392,095.82	293,381.75
Total profit	44,443.64	197,693.20	211,912.74	118,341.64
Net profit	32,721.98	141,400.40	154,531.59	81,672.57
Net profit attributable to shareholders of the parent company	31,216.08	144,501.71	151,416.79	86,925.59

(III) Key information in the consolidated cash flow statement

Unit: RMB'0,000

Items	January – February 2023	2022	2021	2020
Net cash flows from operating activities	75,579.64	193,770.00	209,706.08	170,632.40
Net cash flows from investing activities	-111,023.47	247,704.19	20,018.39	-122,502.25
Net cash flows from financing activities	6,956.29	8,327.23	-91,104.49	-42,274.44
Net increase in cash and cash equivalents	-28,487.54	45,606.97	138,619.99	5,855.71

Items	28 February	31 December	31 December	31 December
	2023 / January- February 2023	2022 / 2022	2021 / 2021	2020/2020
Basic earnings per share (RMB/share)	0.19	0.87	0.91	0.52
Gross margin	61.73%	43.24%	59.69%	47.91%
Asset-liability ratio	36.20%	36.61%	40.04%	41.52%
Weighted average return on net assets	2.58%	12.48%	12.58%	7.74%

V. Ownership of Major Assets, External Guarantees and Major Liabilities and Contingent Liabilities

(i) Major assets and ownership thereof

According to the audit report issued by Ernst & Young, the major assets of Target Company as of 28 February 2023 are as follows:

Unit: RMB'0,000

Items	Amount	Percentage
Monetary funds	499.92	0.18%
Other receivables	13,371.33	4.76%
Inventory	6.78	0.00%
Fixed assets	20,568.61	7.33%
Intangible assets	236,476.79	84.22%
Deferred income tax assets	9,864.03	3.51%

As of the date on which this report is executed, the ownership of the major assets owned and used by the Target Company is clear without any mortgages, pledges or other restrictions on rights, nor there are any major disputes involving litigation, arbitration, judicial enforcement or other circumstances that would interfere with the transfer of ownership.

II. Report on Review of Pro Forma Financial Statements of the Company

(II) Pro Forma Consolidated Balance Sheet

Unit: RMB'0,000

Items	28 February 2023	31 December 2022
Monetary funds	519,862.69	473,149.93
Financial assets held for trading	10,041.42	–
Prepayments	127.91	92.97
Other receivables	41,159.44	53,774.43
Inventory	450.60	483.56
Other current assets	635.80	475.32
	<u>572,277.86</u>	<u>527,976.21</u>
Total current assets	572,277.86	527,976.21
Long-term equity investments	14,662.53	14,662.53
Investment in other equity instruments	11,550.89	11,550.89
Other non-current financial assets	71,649.06	71,159.94
Investment property	34,929.88	35,228.93
Fixed assets	113,491.67	116,220.22
Construction in progress	25,940.17	26,028.07
Intangible assets	1,584,633.12	1,584,023.91
Deferred income tax assets	19,589.65	19,708.90
	<u>1,876,446.96</u>	<u>1,878,583.37</u>
Total non-current assets	1,876,446.96	1,878,583.37
Total assets	2,448,724.82	2,406,559.58
Accounts payable	49,831.08	61,991.12
Receipts in advance	6,368.05	4,143.51
Salary payable to staff	4,863.72	2,847.80
Taxes payable	8,793.25	5,035.17
Other payables	62,325.38	64,369.44
Non-current liabilities due within one year	52,673.44	49,603.58
Other current liabilities	7,929.56	7,291.31
	<u>192,784.48</u>	<u>195,281.94</u>
Total current liabilities	192,784.48	195,281.94

Items	28 February 2023	31 December 2022
Long-term loans	627,585.59	620,198.59
Long-term payables	7,755.97	7,755.97
Deferred revenue	11,169.76	11,385.27
Deferred income tax liabilities	2,714.31	2,720.78
	<u>649,225.64</u>	<u>642,060.61</u>
Total non-current liabilities	<u>649,225.64</u>	<u>642,060.61</u>
Total liabilities	842,010.12	837,342.55
Total equity attributable to the shareholders of the Company	1,447,233.81	1,411,242.04
Minority interests	159,480.89	157,974.99
	<u>1,606,714.70</u>	<u>1,569,217.03</u>
Total owners' equity	<u>1,606,714.70</u>	<u>1,569,217.03</u>
Total liabilities and owners' equity	<u>2,448,724.82</u>	<u>2,406,559.58</u>

(III) Pro Forma Consolidated Income Statement

Unit: RMB'0,000

Items	January – February 2023	2022
Operating income	89,209.85	573,051.80
Less: Operating costs	34,164.24	317,806.21
Taxes and surcharges	351.29	3,268.08
Management fees	2,347.26	17,343.81
Finance costs	2,284.67	14,426.60
Of which: interest charges	3,500.57	22,652.06
Interest income	1,218.10	8,031.67
Add: Other gains	216.30	1,598.87
Investment income	–	3,809.04
Gain on fair value changes	-133.63	61.36
Credit impairment reversal	-5.30	-12.61
Reversal of asset impairment	–	–
Gain (loss) on disposal of assets	–	864.88
Operating profit	50,139.78	226,528.64
Add: Non-operating income	4.86	126.60
Less: Non-operating expenses	0.09	32.80
Total profit	50,144.56	226,622.44
Less: Income tax expense	13,146.88	63,536.77
Net profit	36,997.67	163,085.67
Minority gains (losses)	1,505.91	-3,101.31
Net profit attributable to shareholders of the parent company	35,491.77	166,186.97
Total comprehensive income	36,997.67	163,113.48
Total comprehensive income attributable to the shareholders of the Company	35,491.77	166,214.79
Total comprehensive income (loss) attributable to minority shareholders	1,505.91	-3,101.31
Basic earnings per share (RMB/share)	0.17	0.78
Diluted earnings per share (RMB/share)	0.17	0.78

Valuation of the Target Company

The Board considers that the asset appraisal agency engaged by the Company for the Proposed Acquisition is independent, valuation assumptions and basis are reasonable, the valuation methods are pertinent to the purpose of the valuation. The valuation conclusions in the Asset Valuation Report are reasonable, the appraised value of the Target Assets is reasonable, and there is no prejudice to the interests of the Company and the Shareholders, in particular the minority shareholders.

The valuation is a reasonable future projection based on existing national laws, regulations, taxation policies, financial policies and existing market conditions, without taking into account the occurrence of any unforeseen material changes and fluctuations in the market in the future. The valuation has taken full account of normal development and changes in future policies, macro environment, technology, industry, operating licenses, tax incentives, among others. Changes in the aforesaid aspects will not significantly affect the accuracy of the valuation of the Target Assets.

The sensitivity analysis of the asset valuation results of the Target Company was conducted with the operating income and discount rate indicators, after taking into account the characteristics of the business model of the Target Company and the extent of the impact of changes in financial indicators. The results of the sensitivity analysis are as follows:

Unit: RMB'0,000

Rate of change in revenue	Operating income		Discount rate change	Discount rate	
	Value of all shareholders' equity	Rate of change in equity value		Value of all shareholders' equity	Rate of change in equity value
10%	406,162.45	10.94%	10%	346,523.52	-5.35%
5%	386,131.36	5.47%	5%	356,088.48	-2.73%
0%	366,100.39	0.00%	0%	366,100.39	0.00%
-5%	346,069.40	-5.47%	-5%	376,585.35	2.86%
-10%	326,038.46	-10.94%	-10%	387,571.20	5.86%

Although the appraisal agency has exercised diligence in the preparation of the valuation, there is a risk that the relevant assumptions and restrictions of the valuation may be affected by any differences between the actual conditions and the assumptions in the future, in particular any material adverse changes in policies and regulations, economic situation and market environment, which may result in the valuation of the Target Assets being inconsistent with the actual situation.

Upon completion of the transaction, the Target Company will become a wholly-owned subsidiary of the Company, thereby enhancing the scale of the road assets for the Company and giving effect to the synergy and economies of scale of the road network. However, as it is difficult to quantify the synergy effect of the Restructuring, the impact of the synergy has not been considered in this valuation for the sake of prudence.

Anhui Transportation Holding Group issued a letter of undertaking on 20 June 2023, in which it undertook to compensate the Target Company in full within two months from the date of occurrence of the relevant losses if the Target Company suffered actual losses, including compensation, fines, additional expenses, damage in interests and inability to further use, arising from the appropriation and utilisation of expressway land and ancillary facilities by the Target Company.

Anhui Transportation Holding Group also issued an undertaking letter dated 20 June 2023, in which it undertook that if the buildings/structures are capable of or required to obtain property title registration in the future, Anhui Transportation Holding Group will take all measures to unconditionally facilitate the registration of the property title of such buildings/structures by the Target Company. Anhui Transportation Holding Group will compensate the Target Company in full within two months from the date of occurrence of the relevant losses if the Target Company suffered actual losses, including compensation, fines, additional expenses, damage to interests and inability to further use, arising from the appropriation and utilisation of expressway land and ancillary facilities by the Target Company.

In summary, the relevant land use ownership certificate is under the name of Anhui Transportation Holding Group and has not been changed to the Target Company or the land use ownership certificate has not been obtained will not have any substantial adverse impact on the production and operation of the Target Company. The ownership certificates for the relevant buildings have not been obtained will not have any substantial adverse impact on the production and operation of the Target Company.

(III) The consideration under the Proposed Acquisition is fair without any prejudice to the legitimate interests of the Company and the Shareholders

The consideration of the Target Assets of the Proposed Acquisition is based on the appraisal value as stated in the Asset Valuation Report issued by an asset appraisal agency with relevant business qualifications and filed with an authorised institution of the State-Owned Assets Supervision and Management department, and was determined by the parties to the Proposed Acquisition through negotiation. The consideration for the Target Assets of the transaction is fair without any prejudice to the legitimate interests of the Company and the Shareholders. The resolutions in relation to the transaction were considered and approved at the 32nd meeting of the Ninth Session of the Board of the Company, at which the related Directors abstained from voting. The independent Directors of the Company have issued independent opinions on the independence of the appraisal agency, the reasonableness of the assumption and basis in the valuation, the pertinence of the valuation method to the purpose of the valuation and the fairness of the valuation.

Accordingly, the Proposed Acquisition complies with the requirements of Article 11(3) of the Administrative Measures for Restructuring.

XII. The Proposed Acquisition and the Proposed Non-Public Issuance of A Shares Complies with Article 4 of the Supervisory Guidelines for Listed Companies No. 9 – Supervisory Requirements for the Planning and Implementation of Major Asset Restructuring of Listed Companies (《上市公司監管指引第9號——上市公司籌畫和實施重大資產重組的監管要求》)

The Proposed Acquisition is beneficial to the Company in improving its financial position and enhancing its sustainable profitability, highlighting its main business and enhancing its risk resistance, as well as enhancing its independence, reducing related transactions and avoiding peer competition.

SECTION XIV OPINION OF THE INDEPENDENT DIRECTORS AND THE SECURITIES SERVICES PROVIDER ON THE TRANSACTION

I. OPINION OF THE INDEPENDENT DIRECTORS

In accordance with the relevant provisions of laws, regulations and regulatory documents such as the Rules for Independent Directors of Listed Companies, the Listing Rules, the Administrative Measures for Restructuring, the Administrative Measures for Issuance and Registration and the Articles of Association, the independent Directors have carefully considered the matters considered at the 30th meeting of the Ninth Session of the Board of the Company and have carefully examined the relevant information. Based on their independent judgment, the independent Directors issued the following independent opinions:

- “1. The relevant resolutions in respect of the transaction have been approved by us in advance prior to their submission for consideration at this Board meeting.
2. The relevant resolutions in relation to the transaction have been considered and approved at the 30th meeting of the Ninth Session of the Board of the Company. The convening, holding and voting procedures and methods of the Board meeting were in compliance with the relevant national laws, regulations, rules and regulations, regulatory documents and the Articles of Association of the Company, without any prejudice to the interests of the Company and its Shareholders, in particular the small and medium-sized investors.
3. The transaction complies with the requirements and conditions stipulated in the Company Law, the Securities Law, the Administrative Measures for Restructuring, the Administrative Measures for the Registration of Securities Issuance by Listed Companies and other laws, regulations, departmental rules and regulatory documents.
4. The transaction proposal complies with the provisions of the Company Law, the Securities Law, the Administrative Measures for Restructuring and other relevant laws, regulations and regulatory documents, and the transaction proposal is in practicable nature.
5. In accordance with the provisions of the Administrative Measures for Restructuring and the Listing Rules, the Restructuring constitutes a related transaction and is not expected to constitute a major asset Restructuring as stipulated in Article 12 of the Administrative Measures for Restructuring and a Restructuring listing as stipulated in Article 13 of the Administrative Measures for Restructuring.

6. The “Resolution of Anhui Expressway Company Limited to issue Consideration Shares and pay Cash Consideration to purchase assets and raise ancillary funds and related transaction” and its summary are true, accurate and complete, and the Resolution and its summary have disclosed in detail the legal procedures to be performed for the transaction and fully disclosed the risks associated with the transaction, effectively protecting the interests of the Company and investors and complying with relevant laws, regulations and regulatory documents.
7. The Acquisition Agreement entered into by the Company and Anhui Transportation Holding Group with conditions is in compliance with the provisions of the Company Law, the Securities Law, the Administrative Measures for Restructuring and other relevant laws, regulations and regulatory documents, and is in feasible and practicable nature.
8. The transaction is in compliance with Article 4 of the Supervisory Guidelines for Listed Companies No. 9 – Supervisory Requirements for the Planning and Implementation of Major Asset Restructuring of Listed Companies, Article 11 and Article 43 of the Administrative Measures for Restructuring, and the relevant entity is not prohibited from participating in a major asset Restructuring of a listed company pursuant to Article 12 of the Supervisory Guidelines for Listed Companies No. 7 – Supervision on Abnormal Trading of Shares Related to Major Asset Restructuring of Listed Companies.
9. The legal procedures performed at this stage of the transaction are complete and effective and comply with the relevant laws, regulations, regulatory documents and the Articles of Association of the Company, and the legal documents to be submitted to the Shanghai Stock Exchange and other regulatory authorities are legal and valid.

10. The special arrangement for future cash dividends of the Company has taken into full consideration the impact of the transaction on the profit and cash flow of the Company, considered the overall short-term interests and long-term interests of the shareholders of the Company, and is conducive to establishing a scientific, sustainable and stable dividend return mechanism for investors, and is in compliance with the requirements of relevant laws, regulations and the Articles of Association of the Company, and is not detrimental to the interests of the Company and its Shareholders, in particular the minority investors.”

In accordance with the relevant provisions of laws, regulations and regulatory documents such as the Rules for Independent Directors of Listed Companies, the Listing Rules, the Administrative Measures for Restructuring, the Administrative Measures for Issuance and Registration and the Articles of Association, the independent Directors have carefully considered the matters considered at the 32nd meeting of the Ninth Session of the Board of the Company and have carefully examined the relevant information. Based on their independent judgment, the independent Directors issued the following independent opinions:

- “1. The relevant resolutions in respect of the transaction have been approved by us in advance prior to their submission for consideration at this Board meeting.
2. The relevant resolutions in relation to the transaction have been considered and approved at the 32nd meeting of the Ninth Session of the Board of the Company. The convening, holding and voting procedures and methods of the Board meeting were in compliance with the relevant national laws, regulations, rules and regulations, regulatory documents and the Articles of Association of the Company, without any prejudice to the interests of the Company and its shareholders, in particular the minority investors.
3. The transaction complies with the requirements and conditions stipulated in the Company Law, the Securities Law, the Administrative Measures for Restructuring, the Administrative Measures for the Registration of Securities Issuance by Listed Companies and other laws, regulations, departmental rules and regulatory documents.
4. The transaction proposal complies with the provisions of the Company Law, the Securities Law, the Administrative Measures for Restructuring and other relevant laws, regulations and regulatory documents, and the transaction proposal is in practicable nature.

5. In accordance with the provisions of the Administrative Measures for Restructuring and the Listing Rules of the Shanghai Stock Exchange, the Restructuring constitutes a related transaction, but does not constitute a major asset restructuring as stipulated in Article 12 of the Administrative Measures for Restructuring and a Restructuring listing as stipulated in Article 13 of the Administrative Measures for Restructuring.
6. The Report of Anhui Expressway Company Limited to Issue Shares and Pay Cash Consideration to Purchase Assets and Raise Ancillary Funds and Related Transaction (draft) and its summary are true, accurate and complete, and the Report and its summary have disclosed in detail the legal procedures to be performed for the transaction and fully disclosed the risks associated with the transaction, effectively protecting the interests of the Company and investors and complying with relevant laws, regulations and regulatory documents.
7. The Supplemental Agreement and the Compensation Agreement entered into by the Company and Anhui Transportation Holding Group with conditions are in compliance with the provisions of the Company Law, the Securities Law, the Administrative Measures for Restructuring and other relevant laws, regulations and regulatory documents, and is of feasible and practicable nature.
8. The transaction is in compliance with Article 4 of the Supervisory Guidelines for Listed Companies No. 9 – Supervisory Requirements for the Planning and Implementation of Major Asset Restructuring of Listed Companies, Article 11 and Article 43 of the Administrative Measures for Restructuring, and the relevant entity is not prohibited from participating in a major asset Restructuring of a listed company pursuant to Article 12 of the Supervisory Guidelines for Listed Companies No. 7 – Supervision on Abnormal Trading of Shares Related to Major Asset Restructuring of Listed Companies.
9. The legal procedures performed at this stage of the transaction are complete and effective and comply with the relevant laws, regulations, regulatory documents and the Articles of Association of the Company, and the legal documents to be submitted to the Shanghai Stock Exchange and other regulatory authorities are legal and valid.

10. The transaction is subject to the approval at the general meeting of the Company and to the approval, ratification, registration or consent from the relevant authorities. There is uncertainty as to whether the transaction will be approved, ratified, registered or consented to by the relevant authorities and the timing of such approval. The Company has provided a reminder in the Report of Anhui Expressway Company Limited to Issue Consideration Shares and Pay Cash Consideration to Purchase Assets and Raise Ancillary Funds and Related Transaction (draft) regarding the decision-making procedures and reporting procedures yet to be performed for the transaction and the risks of approval of the transaction.
11. The final transaction price of the Target Assets for the Proposed Acquisition is based on the valuation as stated in the Asset Valuation Report issued by an asset appraisal agency which complies with the requirements of relevant laws and regulations and has been filed with an entity authorised by the State-Owned Assets Supervision and Management department, and is determined by the parties to the transaction through negotiations. The principles and methods of pricing of the related transaction are appropriate, the transaction is fair and reasonable, with the necessary decision-making procedures for the related transaction to be carried out, and there is no conduct that is prejudicial to the interests of the Company and its shareholders, in particular the minority Shareholders.
12. The Company has conducted an analysis of the dilutive impact of the Transaction on the immediate returns in a serious, prudent and objective manner, and put forward specific measures to make up for the returns, and the relevant entities have made undertakings to ensure the effective implementation of the safeguard measures.”

(B) Extracts from the Independent Director Opinion Announcement

Independent opinion of the independent Directors of the Company on the valuation of the transaction

In accordance with the relevant provisions of the Administrative Measures for Restructuring, Standard on Format No. 26, the independent Directors of the Company issued the following independent opinion on the independence of the asset appraisal agency of the Proposed Acquisition, the reasonableness of the assumptions and premises of the valuation, the pertinence of the valuation methods to the purpose of the valuation and the fairness of the valuation pricing:

“1. Independence of the asset appraisal agency

The asset appraisal agency engaged for the Proposed Acquisition, China United, is qualified for the relevant business and has professional competence. The procedures for the appointment of the asset appraisal agency were in compliance with the regulations and neither China United nor its appointed appraisers have any relationship with the Company and the counterparties other than business relationship, and there is no real or anticipated interest or conflict of interest affecting the provision of services by any of them. The appraisal agency is independent.

2. Assessment of the reasonableness of the assumptions and premises

In the valuation of the Target Assets, the assumptions and basis and restrictions of the valuation were set by China United in accordance with the relevant state regulations and rules, followed the common market practices or standards and were in line with the actual conditions of the valuation targets, with reasonable assumptions and premises regarding the valuation.

3. Pertinence of the assessment method to the purpose of the valuation

The purpose of the valuation is to determine the market value of the Target Assets as at the Valuation Benchmark Date and to provide a value reference for the Proposed Acquisition. The asset valuation was conducted in accordance with the requirements of relevant state regulations and codes of industry, and the scope of assets actually appraised by the appraisal agency was consistent with that of assets entrusted to the appraisal. The valuation was conducted in accordance with the principles of independence, objectivity, fair and science, and the necessary appraisal procedures were implemented in accordance with recognised asset appraisal methods. The market value of the Target Assets as at the Valuation Benchmark Date has been appraised and the valuation method selected was reasonable and pertinence to the purpose of the valuation.

4. Fairness of the valuation pricing

The valuation was conducted using an appraisal method that is in compliance with regulations and in line with the actual situation of the Target Asset, and the discount rate and other important appraisal parameters were reasonably valued and the appraisal value was fair. The Proposed Acquisition is fair and reasonable as it is based on the valuation results filed by an authorised entity of the State-owned Assets Supervision and Administration Department.

In summary, we considered that the appraisal agency engaged by the Company for the Proposed Acquisition is of an independent nature, with reasonable valuation assumptions and premises, the valuation methods are pertinent to the purpose of the valuation. The valuation conclusions in the Asset Valuation Report issued are reasonable with fair valuation pricing without prejudice to the interests of the Company and the Shareholders, in particular the minority shareholders.

The Company engaged China International Capital Corporation Limited (“CICC”) as the independent financial adviser for the transaction. The independent financial adviser acted strictly in accordance with the relevant laws, regulations and documents such as the Company Law, the Securities Law, the Administrative Measures for Restructuring, the Supervisory Guidelines for Listed Companies No. 9 – Supervisory Requirements for the Planning and Implementation of Major Asset Restructuring of Listed Companies, the Rules Governing the Business of Financial Advisers for Mergers and Acquisitions and Restructuring of Listed Companies and the Standard on Format No. 26 based on the principles of honesty, creditworthiness and diligence, and has issued the following verification opinion of independent financial adviser upon a careful review of the information provided by the parties and a full understanding of the transaction, and after thorough communication with the Company, the legal adviser to the transaction and other intermediaries.

Upon verification, CICC is of the opinion that:

- “1. The transaction complies with the provisions of the Company Law, the Securities Law, the Administrative Measures for Restructuring, Administrative Measures for Issuance and Registration and other relevant laws, regulations;
2. The transaction does not constitute a restructuring listing and will not result in the Company failing to meet the conditions for listing of its shares on the Shanghai Stock Exchange;
3. The pricing of the share issue of the Proposed Acquisition is in compliance with the relevant provisions of the Administrative Measures for Restructuring. The transaction price of the Target Assets to the transaction was determined on the basis of appraisal results issued by appraisal institutions in compliance with the Securities Law and filed with an authorised entity of the State-owned Assets Supervision and Administration Department, with reasonable assumptions and basis regarding the asset valuation, the methods and parameters were appropriately selected and the appraisal results were fair and reasonable;

4. The completion of the transaction will be beneficial to the improvement of the asset scale and profits of the Company, which is conducive to improving the sustainable operation of the Company and the sustainable development of the Company, without prejudice to the legitimate rights and interests of the Company and its Shareholders;
5. Upon completion of the transaction, the Company will continue to operate in accordance with the requirements of the Company Law, the Securities Law, the Code of Governance for Listed Companies and other laws, regulations and regulatory documents to continue to improve the corporate governance structure. The transaction is beneficial to the Company in maintaining a sound and effective corporate governance structure;
6. There is no material risk that the Target Asset will not be transferred to the Company in a timely manner after issuing Consideration Shares to the counterparty in the completion arrangement of the transaction, and the default obligations in relation to the Target Assets delivery arrangement are valid and effective;
7. The transaction constitutes a related transaction, with transaction procedures being performed in accordance with the relevant regulations, and the related transaction is fairly priced without prejudice to the interests of the Company and the non-related Shareholders;
8. In this transaction, the Company and the counterparty have entered into the Compensation Agreement in respect of the deficiency of the actual earnings of the Target Assets against the profit forecast. Such performance compensation arrangements are reasonable and feasible subject to the performance undertaking parties complying with and performing the provisions of the relevant agreements;

9. As the total size of the share capital of the Company will increase after the transaction, the earnings per share of the Company has decreased as compared to that before the transaction. The dilution of immediate return estimated by the Company is reasonable, with practicable and feasible measures proposed by the Company to make up for the return, and the relevant undertakings have been issued by the relevant parties, which are in line with the Opinions of the Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)), the Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guo Fa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17號)) and Guidance on Matters Relating to Initial Public Offerings and Refinancing, Major Asset Restructuring and Dilution of Immediate Return (SFC Announcement [2015] No. 31) (關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31號)) and other relevant laws and regulations;
10. As of the signing date of the report from the independent financial adviser, there is no non-operational appropriation of the funds and assets of the Target Company by its controlling shareholder, de facto controller and its controlled associates;
11. The Company has formulated the Management System for Insider Information and Informants of Anhui Expressway Company Limited (《安徽皖通高速公路股份有限公司內幕信息及知情人管理制度》) in accordance with the relevant laws and regulations such as the Securities Law, the Rules Governing the Disclosure of Information by Listed Companies and the Articles of Association of the Company. The Company has carried out the registration and filing of insider information informants in accordance with the Management System for Insider Information and Informants of Anhui Expressway Company Limited in this transaction, which is in compliance with the relevant laws and regulations and the Company's system.”

(C) Extracts from the A Share Independent Financial Adviser Inspection Opinion Announcement

In order to cope with the risk of dilution of immediate returns of the Company caused by the transaction, the Company has formulated the following measures to cover immediate returns in accordance with its own operating characteristics. The remedial measures to be taken by the Company shall not be construed as a guarantee of future profit. Investors shall not make investment decisions in reliance of such remedial measures, and are advised to be aware of these risks involved.

Upon verification, the Independent Financial Adviser is of the opinion that: the transaction will be beneficial to the improvement of the asset scale, revenue and profits of the Company. However, as the total size of the share capital of the Company will increase after the transaction, the earnings per share of the Company has decreased as compared to that before the transaction. Investors are hereby reminded to be alert of the risk that the transaction may dilute the immediate return.

(D) Extracts from the A Share Independent Financial Adviser Opinion Announcement

Upon verification, the Independent Financial Adviser is of the opinion that:

- The appraised value of the Target Assets of the transaction is reasonable and in the interest of the Company and the extensive minority shareholders;
- The pricing of issuing shares to purchase assets is reasonable and complies with the provisions of relevant laws and regulations;
- The pricing of issuing shares to purchase assets complies with the relevant provisions of the Administrative Measures for Restructuring;
- The pricing of raising ancillary funds complies with the relevant provisions of the Administrative Measures for Restructuring;
- The transaction price of the Target Assets to the transaction was determined on the basis of appraisal results issued by appraisal institutions in compliance with the Securities Law and filed by institutions authorised by the State-owned Assets Supervision and Administration Department, with reasonable assumptions and premises regarding the asset valuation involved in the transaction, the methods and parameters were appropriately selected and the appraisal results were fair and reasonable;

- Upon completion of the transaction, the Company will continue to operate strictly in accordance with the requirements of the Company Law, the Securities Law, the Code of Governance for Listed Companies and other laws, regulations and the Articles of Association of the Company to continuously improve corporate governance structure of the Company; the transaction is beneficial to the Company in maintaining a sound and effective corporate governance structure;
- There is no material risk that the Company will not receive the consideration in a timely manner after issuing shares to the counterparty in the asset delivery arrangement of the transaction, and the default obligations in relation to the Target Assets delivery arrangement are valid and effective;
- The transaction constitutes a related transaction, with transaction procedures being performed in accordance with the relevant regulations, and the related transaction is fairly priced without prejudice to the interests of the Company and the non-connected shareholders;
- The performance compensation arrangements of the Restructuring are reasonable and feasible subject to the performance undertaking parties complying with and performing the provisions of the relevant agreements;
- As the total size of the share capital of the Company will increase after the transaction, the earnings per share of the Company has decreased as compared to that before the transaction; the dilution of immediate return estimated by the Company is reasonable, with practicable and feasible measures proposed by the Company to make up for the return, and the relevant undertakings have been issued by the relevant parties, which are in line with the Opinions of the Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)), the Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guo Fa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17號)) and Guidance on Matters Relating to Initial Public Offerings and Refinancing, Major Asset Restructuring and Dilution of Immediate Return (SFC Announcement [2015] No. 31) (關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31號)) and other relevant laws and regulations.

- The pricing of the share issue of the Restructuring is in compliance with the provisions of Article 45 of the Administrative Measures for Restructuring and does not involve a price adjustment mechanism. The transaction involves cash payment, and the Company has the corresponding ability to pay in line with the existing monetary fund status of the Company and the overall plan of the transaction.
- The relevant information disclosure complies with the provisions of Section 16 of the Standard on Format No. 26 and does not apply to the relevant provisions of Section 17;
- The scale of raising ancillary funds complies with the provisions of the Applicable Guidelines under Regulatory Rules – Listed Category No. 1 1–1; the target subscribers, issue price and pricing methods of raising ancillary funds comply with the provisions of Articles 56 and 57 of the Administrative Measures for Issuance and Registration.
- Taking into account the plan and specific use of raising ancillary funds, it is necessary to raise ancillary funds.
- There has been no change in the control of the Company in the past 36 months; The transaction will not result in a change of control of the Company.
- The transaction does not constitute a restructuring listing.
- The performance undertaking compensation arrangements of the transaction is compliant and reasonable, the performance undertaking is realizable, and the counterparty ensures that the relevant arrangements for the performance of the undertaking are feasible.
- The transaction involves the scope of performance compensation as stipulated in the Applicable Guidelines under Regulatory Rules – Listed Category No. 1 1–2, and the specific arrangements, compensation methods and safeguards for performance undertaking complied with Article 35 of the Administrative Measures for Restructuring and the Applicable Guidelines under Regulatory Rules – Listed Category No. 1.
- The lock-up period arrangement of the Restructuring is in compliance with the provisions of the first paragraph of Article 46 of the Administrative Measures for Restructuring.

- The lock-up period arrangement of raising ancillary funds is in compliance with the provisions of Article 59 of the Administrative Measures for Issuance and Registration
- The Restructuring is applicable to the conditions to the waiver from making an offer as stipulated by Item 3 of the first paragraph of Article 63 of the Administrative Measures on Acquisition of Listed Companies, and the lock-up period of the Restructuring is in compliance with the relevant provisions.
- The profit and loss and arrangements during the transitional period of the Restructuring is in accordance with the provisions of the Applicable Guidelines under Regulatory Rules – Listed Category No. 1 1–6.
- The commercial logic of the transaction is clear and there is no improper market value management; The controlling shareholders, Directors, supervisors and senior management of the Company do not have any share reduction or a large-scale reduction plan before and after the disclosure of the transaction; The transaction has commercial substance and there is no transfer of interests.
- As of the signing date of the report from the Independent Financial Adviser, the transaction has fulfilled the approval and authorisation procedures that should be fulfilled at this stage; upon completion of the procedures to be fulfilled, the transaction can be implemented in accordance with the law.
- The transaction is in compliance with the national industrial policy and the provisions of laws and administrative regulations on environmental protection, land management, anti-monopoly, foreign investment and external investment.
- The transaction is in compliance with the relevant provisions of Article 11 and Article 43 of the Administrative Measures for Restructuring.
- As at the signing date of this report from the Independent Financial Adviser, there is no dispute over the ownership of the land use rights enjoyed by the Target Company and such land can be normally occupied and used by the Target Company during the toll operation period of Liuwu Expressway, and that the relevant land use ownership certificate is under the name of Anhui Transportation Holding Group and has not been changed to the Target Company or the land use ownership certificate has not been obtained will not have any substantial adverse impact on the production and operation of the Target Company.

- The Target Assets have obtained the relevant permits, qualifications and certifications necessary for the production and operation activities, and the production and operation are legal and compliant.
- As at the signing date of this report from the Independent Financial Adviser, the ownership of the equity interests of the Target Company is clear and there are no external guarantees or contingent liabilities, no mortgages, pledges or other restrictions on rights, and no major disputes involving litigation, arbitration, judicial enforcement or other circumstances that impede the transfer of the ownership.
- As at the signing date of this report from the Independent Financial Adviser, the ownership of the principal assets of the Target Company is clear and there are no external guarantees, no mortgages, pledges or other restrictions on rights, and there are no major disputes involving litigation, arbitration, judicial enforcement or other circumstances that impede the transfer of the ownership.
- The occupation of non-operating capital between the Target Company and related parties has been fully cleared, and no solution of the capital occupation through the way of dividends distribution has been involved in. At present, there is no occupation of non-operating capital by related parties in the Target Company, which will not have a significant adverse impact on the effectiveness of its internal control system, nor will it constitute a major violation of laws and regulations.
- The relevant information in the application documents and the response to the enquiry is true, accurate and complete, and contains information that is material to investors in making investment decisions, and the level of disclosure has reached the extent necessary for investors to make investment decisions; the information disclosed in the transaction is consistent, reasonable and inherently logical; it is concise and easy to understand and can be read and comprehended by general investors; the disclosure of information by the Company in the transaction does not involve any waiver.

- The Company and the Target Company are in the same industry, and Anhui Transportation Holding Group has entrusted the management of Liuwu Expressway to the Company before the transaction, and the specific integration and control arrangements for the Company over the Target Assets after the completion of the transaction can realise the control of the Company over the Target Assets; the analysis of the impact of the transaction on the financial and non-financial indicators including the Company's ability to continue as a going-concern, the prospect of its future development and its current earnings per share is reasonable.
- The Company, the counterparty and the relevant parties have given their respective undertakings in accordance with the Administrative Measures for Restructuring, Standard on Format No. 26 and other provisions; as at the signing date of this report from the Independent Financial Adviser, no material public opinion in relation to the transaction has been identified.
- During the appraisal, necessary appraisal procedures have been implemented, following the principles of independence, objectivity, scientificity and fairness, reasonable appraisal methods have been applied, appropriate appraisal parameters have been selected and the appraisal results are reasonable.
- The relevant preconditions and assumptions of the appraisal have been implemented in accordance with the relevant state laws and regulations, having observed the prevailing market practices and based on the actual situation of the object of the appraisal, and the assumptions and preconditions of the appraisal are reasonable.
 - (1) In the forecast of traffic flow, toll rates, operating costs and gross profit margin for the forecast period, the economic development and market capacity of the region in which Expressway is located, the policy requirements by the competent relevant industry authorities and the competitive advantages of the Target Company have been taken into account, and the forecast of the toll revenue, operating costs and gross profit margin is reasonable;
 - (2) The forecast of management expenses is reasonable and is in line with the business development of the Target Company in the coming years;
 - (3) The forecast of the increase in the working capital is reasonable and is in line with the business development of the Target Company in the coming years;

- (4) The forecast of the capital expenditure is in line with the characteristics of the industry where the Target Company is operating and matches with the need of the business operation of the Target Company in the future;
 - (5) The relevant parameters of the appraisal reflect the specific risks of the industry in which the Target Company is operating and the level of its own financial risks, and the discount rate is reasonably selected;
 - (6) The duration of the valuation projection period is in line with the actual operating conditions of the subject assets and there is no deliberate extension of the detailed valuation period for the purpose of enhancing the valuation level;
 - (7) The appraisal price of the reorganisation or the performance commitment does not include the earnings from the projects funded with the funds;
 - (8) The forecast data of the valuation is consistent with the business development, the expected business development in the coming years and the core competitive advantages of the Target Assets during the reporting period, etc., and the different parameters are consistent. There is consistency in sample selection, risk consideration and parameter matching among different parameters, and the selection and disclosure of relevant parameters comply with the requirements of the Guidelines for the Application of Regulatory Rules – Appraisal Type No. 1.
- The appraisal price of the transaction is reasonable in light of comparable companies and comparable transactions.
 - There is no circumstance where the valuation result under the income approach is lower than that under the asset-based approach existing in the transaction.
 - The pricing process and the consideration of the transaction are fair and reasonable.
 - The industry of the Target Assets has been reasonably selected, which is in line with the relevant industrial policies and does not involve international trade policies.

- The comparable companies in the same industry have been objectively, comprehensively and accurately selected, which are comparable and consistent.
- The independent financial adviser has reviewed the Report on Traffic Flow Assessment and Revenue Estimation of Anhui Section of Liuwu Expressway and the Asset Appraisal Report issued by Chelbi Engineering Consultants, Inc. and understood the business qualifications, legal and compliant operation, project experience and market reputation of Chelbi Engineering Consultants, Inc..
- After verification, the Independent Financial Adviser is of the opinion that: in the valuation in the transaction, third party data have been quoted and the data quoted are authentic and authoritative.
- The pricing of transactions between the Target Company and major customers and suppliers are fair and the scale of such transactions matches the scale of business of the Target Assets.
- As at the end of the reporting period, among the top five suppliers, Anhui Transportation Holding Group was the controlling shareholder of the Target Company. Save for the above, the Target Company, its controlling shareholder, de facto controller, directors, supervisors, senior management and other core personnel do not have any related relationship with the top five suppliers.
- The relatively high concentration of suppliers of the Target Company is reasonable and its business is stable and sustainable, and the relatively high concentration will not have material adverse impact on the ability of the Target Company to continue as a going concern.
- The addition of new major suppliers to the Target Company during the reporting period was reasonable and did not involve a relatively short period since the establishment of major suppliers.
- The financial position of the Target Company is real and consistent with its business model.
- The basis for having not made provisions for impairment on assets of the Target Company is reasonable and sufficient.

- The revenue recognition principles of the Target Company are in line with the accounting standards and the timing of revenue recognition is accurate and does not differ significantly from that of comparable companies in the industry; there were no significant seasonal features in the revenue of the Target Company during the reporting period and no overseas distribution was involved and did not differ significantly from that of comparable companies in the industry.
- The cost of the Target Company has been accurately and completely attributed and there is no significant difference between the cost composition of the Target Company and the comparable companies in the industry.
- During the reporting period, the changes in revenue and costs of the Target Company were reasonable and the trend of changes did not differ significantly from those of comparable companies in the industry.
- During the reporting period, the level of gross profit margin of the Target Company was slightly higher than that of the comparable companies in the industry, but it was in line with the actual situation of the Company and was reasonable to a certain extent; the trend of change in the gross profit margin of the Target Company was not significantly different from that of the comparable companies in the industry.
- The business development of the Target Company is subject to macroeconomic and policy factors. Currently, China's economy is running steadily and is expected to maintain stable and continuous growth in the future. Therefore, the profitability of the Target Company is continuous and stable.

(E) Extracts from the Review Report on the Pro Forma Financial Information

REVIEW REPORT

Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999_B06
Anhui Expressway Company Limited

To all shareholders of Anhui Expressway Company Limited:

We have reviewed the accompanying pro forma consolidated financial statements of Anhui Expressway Company Limited (the “Company”) prepared on the basis of preparation described in Note 2 to the pro forma consolidated financial statements, which comprise the pro forma consolidated balance sheet as at 31 December 2022 and 28 February 2023, the pro forma consolidated income statement for the year ended 31 December 2022 and the two months ended 28 February 2023 and limited notes to the pro forma consolidated financial statements. The preparation of the pro forma consolidated financial statements in accordance with the basis of preparation described in Note 2 to the pro forma consolidated financial statements is the responsibility of the Company’s management. Our responsibility is to express a conclusion on the pro forma consolidated financial statements based on our review.

We conducted our review in accordance with China Standard on Review Engagements 2101 Engagements to Review Financial Statements. The standard requires us to plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying pro forma consolidated financial statements are not prepared, in all material respects, in accordance with the basis of preparation described in Note 2 to the pro forma consolidated financial statements.

Without modifying our conclusion, we draw attention to Note 2 to the pro forma consolidated financial statements, which describes the basis of preparation. The pro forma consolidated financial statements are prepared for the purpose of reporting by the Company to the CSRC and the Shanghai Stock Exchange on the issuance of shares and cash payments for the purchase of assets and raising ancillary funds. As a result, the pro forma consolidated financial statements may not be suitable for another purpose.

Our report is intended solely for the information and use of the parties involved in the transaction of issuance of shares and cash payments for the purchase of assets and raising ancillary funds as reported by the Company to the CSRC and the Shanghai Stock Exchange, and should not be used by any party other than the parties involved in the transaction.

NOTE 2. BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

These pro forma consolidated financial statements have been prepared in accordance with the relevant provisions of the Regulations Governing the Restructuring of Major Assets of Listed Companies of the China Securities Regulatory Commission and the Standards for the Contents and Formats of Information Disclosure by Public Listed Issuers to the Public No. 26 – Restructuring of Major Assets of Listed Companies (Revised on 17 February 2023) (《公開發行證券的公司資訊披露內容與格式準則第26號——上市公司重大資產重組(2023年2月17日修訂)》) (“Standard on Format No. 26”). The pro forma consolidated financial statements have been prepared for the purpose of reporting to the CSRC and the Shanghai Stock Exchange on the issuance of shares and cash payments for the purchase of assets and raising ancillary funds. Accordingly, the pro forma consolidated financial statements are not applicable for other purposes.

For the purpose of providing users with more relevant information, the pro forma consolidated financial statements have been prepared on the assumption that the business structure resulting from the transaction has been existed at the beginning of the earliest period presented in the pro forma consolidated financial statements (1 January 2022) as described in Note 1. 3. Basic information about the acquisition transaction, and have been prepared in accordance with the following specific methods:

1. These pro forma consolidated financial statements have been prepared on the basis of the unaudited consolidated financial statements of the Group during the two months ended 28 February 2023 and the audited consolidated financial statements for the year 2022, and the audited pro forma financial statements of the Target Company during the two months ended 28 February 2023 and the year 2022. The Group’s consolidated financial statements for the year 2022 were audited by Ernst & Young Hua Ming LLP, who has issued an audit report with unqualified opinion (Ernst & Young Hua Ming (2023) Shen Zi No. 60904999_B01). The audited pro forma financial statements of the Target Company during the two months ended 28 February 2023 and for the year 2022 were audited by Ernst & Young Hua Ming LLP, who has issued an audit report with unqualified opinion (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999_B05).

2. For the specific purpose of preparing the pro forma consolidated financial statements, shareholders' equity in the pro forma consolidated financial statements is presented as "shareholders' equity attributable to the parent company" and "minority interests", and no separate breakdown of shareholders' equity is presented. The pro forma consolidated financial statements present only the pro forma consolidated balance sheet and the pro forma consolidated income statement of the Enlarged Group (the Group's consolidation of the Target Company) for the relevant period, but exclude the presentation of the consolidated cash flow statement, the consolidated statement of changes in owners' equity and the related notes. In addition, only pro forma consolidated financial information is presented and disclosed, without presenting financial information the Company (parent company). The pro forma consolidated financial statements also present only those limited pro forma consolidated financial statements notes that are relevant to the basis of preparation of the above pro forma consolidated financial statements and that are significant to the users of the financial statements.
3. The pro forma consolidated financial statements consider the effect of the new issue of shares in accordance with Note 1. 3. Basic Information on the Acquisition Transaction, assuming that the Company had purchased the assets at a transaction price of RMB3,666,003,900 by way of issuing Consideration Shares and paying Cash Consideration as proposed in the Proposed Acquisition, of which RMB549,900,585 was paid as cash consideration and the remaining consideration of RMB3,116,103,315 was settled by the issue of 469,292,667 new A Shares (at a price of RMB6.64 per share) by the Company, and the transaction was completed before 1 January 2022.
4. As stated in Note 1, the ultimate effective controlling party of both the Company and the Target Company is Anhui Transportation Holding Group. Based on the assumption that the transaction of the purchase of assets by way of share issue and cash payment was completed before 1 January 2022 and the organisational structure and related business after the completion of the acquisition existed as at 1 January 2022, the merger of the transaction of the purchase of assets by way of issue of consideration shares and payment cash consideration is subject to the accounting principles for business combinations under common control, i.e. from the beginning of the earliest period presented in the pro forma consolidated financial statements (1 January 2022), the assets and liabilities of the Target Company were consolidated in the pro forma consolidated financial statements at their carrying values in the financial statements of the ultimate controlling party, and the difference with the transaction price was adjusted to capital surplus.

5. The audited pro forma financial statements of the Target Company during the two months ended 28 February 2023 and for the year 2022 have been prepared in accordance with the same accounting policies and accounting estimates as those of the Company, in accordance with the relevant provisions of the Standard on Format No. 26.
6. The relevant transaction resolutions as described in Note 1 to the pro forma consolidated financial statements were able to be registered by the CSRC and the Proposed Acquisition was able to be implemented in accordance with the proposal.
7. The pro forma consolidated financial statements have not considered the impact of fees, expenses and taxation arising from this transaction.
8. The pro forma consolidated financial statements have eliminated the significant transactions and current balances between the Group and the Target Company for the relevant periods and balance sheet dates in accordance with the business structure after the completion of the Proposed Acquisition.

Other than the assumptions described above, the pro forma consolidated financial statements have not considered the effects of other events that may be relevant to the Proposed Acquisition. Due to certain inherent limitations in the preparation of the pro forma consolidated financial statements that affect the reliability of the information, they may not give a true picture of the Group's consolidated financial position as at 31 December 2022 and 28 February 2023, the consolidated results of operations for the year of 2022 and during the two months ended 28 February 2023 if the Proposed Acquisition had been completed on 1 January 2022.

The pro forma consolidated financial statements are presented on a going concern basis.

In preparing the pro forma consolidated financial statements, historical cost is used as the valuation principle, except for certain financial instruments. If an asset is impaired, a corresponding provision for impairment is made according to relevant regulations.