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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)**

**CONNECTED TRANSACTIONS  
DISPOSAL OF EQUITY INTERESTS IN THREE COMPANIES**

**THE DISPOSALS**

On 20 September 2023, the Company entered into the Equity Transfer Agreements with the Purchaser, namely Transportation Holding Capital, a wholly-owned subsidiary of Anhui Transportation Holding Group, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire 10% equity interest in Target Company 1, 6.6225% equity interest in Target Company 2 and 6.6225% interest in Target Company 3, at a consideration of RMB12,207.2 thousand, RMB66,760 thousand and RMB10,900 thousand, respectively.

Upon completion of the Disposals, the Company will cease to have any interest in the Target Companies.

**LISTING RULES IMPLICATIONS**

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As the Purchaser is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, the Purchaser is an associate of Anhui Transportation Holding Group and is therefore a connected person of the Company. Accordingly, each of the Equity Transfer Agreements constitute connected transactions of the Company.

Given that the Equity Transfer Agreements are all entered into between the Company and the Purchaser, the transactions under the Equity Transfer Agreements may be aggregated under 14A.83 of the Listing Rules.

As the applicable percentage ratios in respect of the Equity Transfer Agreements and the transactions contemplated thereunder on an aggregated basis are more than 0.1% but less than 5%, the Equity Transfer Agreements and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE DISPOSALS**

### **Equity Transfer Agreement 1**

On 20 September 2023, the Company, entered into the Equity Transfer Agreement 1 with the Purchaser, namely Transportation Holding Capital, an wholly-owned subsidiary of Anhui Transportation Holding Group, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire 10% equity interest in the Target Company 1 at a consideration of RMB12,207.2 thousand.

The terms of the Equity Transfer Agreement 1 are set out below:

**Date** : 20 September 2023

**Parties** : (1) the Company; and  
(2) the Purchaser.

### **Subject matter**

The Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire 10% equity interest in the Target Company 1.

### **Consideration**

The consideration for the Disposal 1 is RMB12,207.2 thousand. Payment will be completed within 5 days after the signing of the Equity Transfer Agreement and the approval from the relevant government authorities having been obtained.

## **Basis of consideration**

The consideration was determined after arm's length negotiation between the Company and the Purchaser on normal commercial terms with reference to, among others, (i) the net asset value of the Target Company 1 as of 31 December 2022; (ii) PRC Valuation Report; and (iii) the factors set out in the section headed "Reasons for and benefits of the Disposals" in this announcement.

## **Conditions precedent**

The Equity Transfer Agreement 1 will only take effect after the following conditions are met: (1) the Company has obtained the approval or authorization procedures for the transactions under the Equity Transfer Agreement 1 in accordance with laws and regulations and in accordance with the provisions of its articles of association; (2) the Purchaser has completed the approval or authorization procedures for the transactions under the Equity Transfer Agreement 1 in accordance with laws, regulations and the provisions of its articles of association; (3) the equity transfer under Equity Transfer Agreement 1 has obtained necessary approval from the competent authority (if applicable).

## **Completion**

Within 30 working days from the date on which the conditions precedent of the Equity Transfer Agreement 1 are satisfied, the Company and the Purchaser shall cooperate to apply with the relevant governmental authorities to alter the registration for industrial and commercial administration for Completion.

Upon completion of the Disposal 1, the Company will cease to have any interest in the Target Company 1.

## Financial effect of the Disposal 1 and the intended use of proceeds

Set out below is the financial information of Target Company 1 for the two years ended 31 December 2021 and 2022 extracted from its audited financial statements prepared in accordance with the PRC GAAP:

	For the period from	
	1 January 2021	1 January 2022
	to 31 December	to 31 December
	2021	2022
	RMB'000	RMB'000
	(audited)	(audited)
Profit before taxation	2,748.8	3,189.2
Profit after taxation	2,748.8	3,189.2

As at 31 December 2022, the net assets and total assets of Target Company 1 as extracted from its audited financial statements prepared in accordance with the PRC GAAP were approximately RMB122,160.5 thousand and RMB123,125.6 thousand, respectively.

Given that the Consideration from the sale of the equity of Target Company 1 is the same as the book value of the relevant equity, the Disposal 1 has no impact on the company's financial statements. The proceeds from the Disposal 1 will be used for the Company's working capital.

## Equity Transfer Agreement 2

Except for the following amendments, the other principal terms of Equity Transfer Agreement 2 are consistent with those set out in the Equity Transfer Agreement 1:

### Subject matter

The Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire 6.6225% equity interest in the Target Company 2.

### Consideration

The consideration for the Disposal 2 is RMB66,760 thousand. Payment will be completed within 5 days after the signing of the Equity Transfer Agreement and the approval from the relevant government authorities having been obtained.

## Conditions Precedent

The Equity Transfer Agreement 2 will only take effect after the following conditions are met: (1) The Company has obtained the approval or authorization procedures for the transactions under the Equity Transfer Agreement 2 in accordance with laws and regulations and in accordance with the provisions of its articles of association; (2) The Purchaser has completed the approval or authorization procedures for the transaction Equity Transfer Agreement 2 in accordance with laws, regulations and the provisions of its articles of association; (3) The equity transfer under Equity Transfer Agreement 2 has obtained necessary approval from the competent authority (if applicable).

## Financial effect of the Disposal 2 and the intended use of proceeds

Set out below is the financial information of Target Company 2 for the two years ended 31 December 2021 and 2022 extracted from its audited financial statements prepared in accordance with the PRC GAAP:

	<b>For the period from</b>	
	<b>1 January 2021</b>	<b>1 January 2022</b>
	<b>to 31 December</b>	<b>to 31 December</b>
	<b>2021</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Profit before taxation	97,908.9	94,920.9
Profit after taxation	87,532.7	75,110.0

As at 31 December 2022, the net assets and total assets of Target Company 2 as extracted from its audited financial statements prepared in accordance with the PRC GAAP were approximately RMB2,733,115.6 thousand and RMB3,054,372.8 thousand, respectively.

Given that the Consideration from the sale of the equity of Target Company 2 is the same as the book value of the relevant equity, the Disposal 2 has no impact on the company's financial statements. The proceeds from the Disposal 2 will be used for the Company's working capital.

## Equity Transfer Agreement 3

Except for the following amendments, the other principal terms of Equity Transfer Agreement 3 are consistent with those set out in the Equity Transfer Agreement 1:

## Subject matter

The Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire 6.6225% equity interest in the Target Company 3.

## Consideration

The consideration for the Disposal 3 is RMB10,900 thousand. Payment will be completed within 5 days after the signing of the Equity Transfer Agreement 3 and the approval from the relevant government authorities having been obtained.

## Conditions Precedent

Equity Transfer Agreement 3 will only take effect after the following conditions are met: (1) the Company has completed the approval or authorization procedures for the transactions under Equity Transfer Agreement 3 in accordance with laws and regulations and in accordance with the provisions of its articles of association; (2) the Purchaser has completed the approval or authorization procedures for the transaction under Equity Transfer Agreement 3 in accordance with the laws, regulations and the provisions of its articles of association; (3) the equity transfer under Equity Transfer Agreement 3 has obtained necessary approval from the competent authority (if applicable); and (4) more than half of the remaining shareholders of Target Company 3 have agreed to the transaction under Equity Transfer Agreement 3, and documents from other shareholders waiving their preemptive rights have been obtained.

## Financial effect of the Disposal 3 and the intended use of proceeds

Set out below is the financial information of Target Company 3 for the two years ended 31 December 2021 and 2022 extracted from its audited financial statements prepared in accordance with the PRC GAAP:

	<b>For the period from</b>	
	<b>1 January 2021</b>	<b>1 January 2022</b>
	<b>to 31 December</b>	<b>to 31 December</b>
	<b>2021</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Profit before taxation	282,576.8	17,846.8
Profit after taxation	296,841.6	4,508.3

As at 31 December 2022, the net assets and total assets of Target Company 3 as extracted from its audited financial statements prepared in accordance with the PRC GAAP were approximately RMB1,187,384.1 thousand and RMB2,735,232.3 thousand, respectively.

Given that the Consideration from the sale of the equity of Target Company 3 is the same as the book value of the relevant equity, the Disposal 3 has no impact on the company's financial statements. The proceeds from the Disposal 3 will be used for the Company's working capital.

### **Reasons for and benefits of the Disposals**

The Company is principally engaged in the holding, operation and development of toll expressways and highways within Anhui Province.

The disposal of the Target Companies will help the Company focus on developing the main expressway business and improve the development quality of the listed company.

## **INFORMATION ON THE COMPANY AND ANHUI TRANSPORTATION HOLDING GROUP**

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

Anhui Transportation Holding Group is a limited company established in the PRC on 27 April 1993 and is the controlling shareholder of the Company holding approximately 31.63% of the Company's issued share capital as at the date of this announcement. Anhui Transportation Holding Group is principally engaged in highway construction, planning, design, control, technical consultation and ancillary services and owns the Target Equity.

### **The Purchaser**

The Purchaser was established on 11 January 2017 and is a company incorporated in the PRC. It is a wholly-owned subsidiary of Anhui Transportation Holding Group. It is mainly engaged in asset management, investment management, equity investment, securities investment, corporate mergers and acquisitions, project financing and other businesses.

### **The Target Companies**

The Target Company 1 was established on 8 October 2012. Target Company 1 is a company incorporated in the PRC and is primarily engaged in the business of issuance of small loans, small business management consulting, financial consulting.

The Target Company 2 was established on 22 July 2011. Target Company 2 is a company incorporated in the PRC and is primarily engaged in financial investment, equity investment, management consulting business.

The Target Company 3 was established on 29 June 2015. Target Company 3 is a company incorporated in the PRC and is primarily engaged in asset management, venture capital, financial investment, investment management, investment consulting (except securities and futures consulting), marketing planning, economic information consulting (except for the above projects involving pre-licensing).

## **LISTING RULES IMPLICATIONS**

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As the Purchaser is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, the Purchaser is an associate of Anhui Transportation Holding Group and is therefore a connected person of the Company. Accordingly, each of the Equity Transfer Agreements constitute connected transactions of the Company.

Given that the Equity Transfer Agreements are all entered into between the Company and the Purchaser, the transactions under the Equity Transfer Agreements may be aggregated under 14A.83 of the Listing Rules.

As the applicable percentage ratios in respect of the Equity Transfer Agreements and the transactions contemplated thereunder on an aggregated basis are more than 0.1% but less than 5%, the Equity Transfer Agreements and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The resolution in relation to the Equity Transfer Agreements was considered and approved at the thirty-sixth meeting of the ninth session of the Board of the Company held on 20 September 2023. The Directors of the Company, namely Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, are directors or senior management of Anhui Transportation Holding Group and/or Directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interests in the transactions under the Equity Transfer Agreements, and have abstained from voting on the resolution in relation to the Equity Transfer Agreements under the Listing Rules. Save as aforesaid, none of the Directors has any material interests in the transactions under the Equity Transfer Agreements or is required to abstain from voting on the relevant Board resolution.

The Directors (including the independent non-executive Directors) have considered each of the Equity Transfer Agreements and have determined that the terms of which are: (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“business day”	any day other than a Saturday or Sunday or a public holiday in the PRC, on which banks are generally open for business in the PRC
“Company”	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司), a joint stock limited company established in the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange, and the domestic ordinary shares of which are listed on the stock exchange of Shanghai, the PRC
“Completion”	completion of the respective Disposal pursuant to the Equity Transfer Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the respective consideration in respect of the Disposals payable by the Purchaser to the Company in accordance with the respective Equity Transfer Agreements
“Director(s)”	the director(s) of the Company
“Disposal 1”	the conditional sale of 10% equity interest in the Target Company 1 by the Company to the Purchaser pursuant to the Equity Transfer Agreement 1
“Disposal 2”	the conditional sale of 6.6225% equity interest in the Target Company 2 by the Company to the Purchaser pursuant to the Equity Transfer Agreement 2

“Disposal 3”	the conditional sale of 6.6225% equity interest in the Target Company 3 by the Company to the Purchaser pursuant to the Equity Transfer Agreement 3
“Disposals”	together the Disposal 1, the Disposal 2 and the Disposal 3
“Equity Transfer Agreement 1”	the equity transfer agreement dated 20 September 2023 entered into between the Company and the Purchaser pursuant to which the Purchaser has conditionally agreed to purchase from the Company 10% equity interest in the Target Company 1
“Equity Transfer Agreement 2”	the equity transfer agreement dated 20 September 2023 entered into between the Company and the Purchaser pursuant to which the Purchaser has conditionally agreed to purchase from the Company 6.6225% equity interest in the Target Company 2
“Equity Transfer Agreement 3”	the equity transfer agreement dated 20 September 2023 entered into between the Company and the Purchaser pursuant to which the Purchaser has conditionally agreed to purchase from the Company 6.6225% equity interest in the Target Company 3
“Equity Transfer Agreements”	the Equity Transfer Agreement 1, Equity Transfer Agreement 2 and Equity Transfer Agreement 3
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are primarily listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a party independent and not connected with the Company, any of its subsidiaries or any of their respective directors or substantial shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“PRC Valuation Reports”	the respective valuation reports dated 16 August 2023 prepared in respect of Target Company 1, Target Company 2 and Target Company 3
“Purchaser”	Anhui Transportation Holding Capital Investment Management Co., Ltd.* (安徽交控資本投資管理有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of Anhui Transportation Holding Group
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Company 1”	Hefei City Expressway Small Loan Co. Ltd.* (合肥市皖通小額貸款有限公司), a limited company established in the PRC
“Target Company 2”	Anhui Xin’an Financial Group Co. Ltd* (安徽新安金融集團股份有限公司), a limited company established in the PRC

“Target Company 3”	Anhui Xin’an Capital Operation Management Co., Ltd.* (安徽新安資本運營管理有限公司), a limited company established in the PRC
“Target Companies”	Target Company 1, Target Company 2 and Target Company 3
“%”	percent

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

Hefei, Anhui, the PRC  
20 September 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.*

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

\* For identification purpose only