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## THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your Shares in the Company, you should at once hand this supplemental circular and the accompanying form of proxy to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This supplemental circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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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)

**SUPPLEMENTAL CIRCULAR  
IN RELATION TO**

- (1) MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION  
(2) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS  
(3) APPLICATION FOR WHITEWASH WAIVER  
(4) REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING  
AND  
(5) REVISED NOTICE OF H SHARES CLASS MEETING**

Financial Adviser to the Company



**Independent Financial Adviser to the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders**



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This supplemental circular should be read in conjunction with the circular dated 26 July 2023 (the “Original Circular”) of the Company.

A notice reconvening the EGM to be held at the conference room of the Company at 520 Wangjiang West Road, Hefei, Anhui, the PRC on Thursday, 9 November 2023 at 2:30 p.m. is set out on pages EGM-1 to EGM-6 of this supplemental circular.

A notice reconvening the H Shares Class Meeting to be held at the conference room of the Company at 520 Wangjiang West Road, Hefei, Anhui, the PRC on Thursday, 9 November 2023 at 2:30 p.m. or immediately after the conclusion of the EGM and the A Shares Class Meeting or any adjournment thereof is set out on pages HCM-1 to HCM-4 of this supplemental circular.

The revised forms of proxy for use in connection with the reconvened EGM and the reconvened H Shares Class Meeting are enclosed herewith. If you intend to appoint a proxy to attend the reconvened EGM and/or the reconvened H Shares Class Meeting, please complete the enclosed revised form(s) of proxy in accordance with the instructions printed thereon and return the same to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for holding the reconvened EGM and/or the reconvened H Shares Class Meeting (that is, not later than 2:30 p.m. (for the EGM) or 2:30 p.m. (for the H Shares Class Meeting) on Wednesday, 8 November, 2023) or any adjournment thereof in person or by post. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the reconvened EGM and/or the reconvened H Shares Class Meeting or any adjournment thereof if you so wish, but in such event the form(s) of proxy shall be deemed to be revoked.

For the avoidance of doubt, as the EGM and/or the H Shares Class Meeting have been cancelled and reconvened, and new resolution has been proposed at the reconvened EGM, any forms of proxy in connection with the reconvened EGM and the reconvened H Shares Class Meeting enclosed with the Original Circular which have been duly completed and returned in accordance with the instructions printed thereon will not be applicable to the reconvened EGM and/or the reconvened H Shares Class Meeting. **As such, relevant Shareholders who have duly completed and returned the forms of proxy in connection with the EGM and/or the H Shares Class Meeting enclosed with the Original Circular are required to re-submit the form of proxy for the reconvened EGM and/or the reconvened H Shares Class Meeting enclosed with this supplemental circular in order to appoint proxy(ies) for the reconvened EGM and/or the reconvened H Shares Class Meeting.**

Capitalized terms used in this cover shall have the same meanings as those defined in the Original Circular and this supplemental circular.

\* For identification purpose only.

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LETTER FROM THE BOARD

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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)**

*Executive Directors*

Xiang Xiaolong

Chen Jiping

*Registered Office*

520 Wangjiang West Road,

Hefei, Anhui,

the PRC

*Non-executive Directors*

Yang Xudong

Du Jian

*Principal Place of Business in Hong Kong*

5th Floor, Jardine House

1 Connaught Place, Central

Hong Kong

*Independent non-executive Directors*

Liu Hao

Zhang Jianping

Fang Fang

13 October 2023

*To Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR**

**IN RELATION TO**

- (1) MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION**  
**(2) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS**  
**(3) APPLICATION FOR WHITEWASH WAIVER**  
**(4) REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING**  
**AND**  
**(5) REVISED NOTICE OF H SHARES CLASS MEETING**

**I. INTRODUCTION**

This supplemental circular should be read in conjunction with the Original Circular of the Company. Unless defined otherwise herein, capitalised terms used herein shall have the same meanings as those defined in the Original Circular.

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## LETTER FROM THE BOARD

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References are made to the Original Circular and the announcements of the Company dated 3 April 2023, 17 April 2023, 28 April 2023, 5 May 2023, 16 May 2023, 20 June 2023 and 21 July 2023, 25 July 2023, 11 August 2023, 11 September 2023 and 25 September 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.

As disclosed in the Original Circular, the Acquisition Agreement is conditional upon the fulfilment of certain conditions, including (amongst others), the approval of the Proposed Acquisition by the state-owned asset supervision and administration authorities or its authorised entities (the “**Proposed Acquisition SASAC Approval**”). In addition, the Proposed Non-public Issuance of A Shares is conditional upon (amongst others) 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 or its authorised entities (the “**Proposed Non-public Issuance SASAC Approval**”), together with the Proposed Acquisition SASAC Approval, the “**SASAC Approvals**”).

As disclosed in the announcement of the Company dated 11 August 2023, as the Company has not yet obtained the SASAC Approvals at the time and the Company is required to further update the financial information in connection with the Proposed Acquisition for the purposes of the application for the approval of the Proposed Acquisition by the Shanghai Stock Exchange, the Company resolved to cancel the EGM and the H Shares Class Meeting which were originally scheduled to be convened on 18 August 2023, and to reconvene the EGM and the H Shares Class Meeting on a later date.

As disclosed in the announcement of the Company dated 25 September 2023, the Company has obtained (amongst others) the SASAC Approvals. As such, the Company proposes to reconvene the EGM and the H Shares Class Meeting for the Shareholders and the H Shareholders (as the case may be) to consider, and if thought fit, approve the resolutions in relation to, amongst others, the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver. Accordingly, the purpose of this supplemental circular is to provide information on, amongst others, (i) the validity of previously published profit forecast under Rule 10 of the Takeovers Code; (ii) other information as required under the Listing Rules and the Takeovers Code; and (iii) the notice of the EGM and the H Share Class Meeting and proxy arrangement.

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## LETTER FROM THE BOARD

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### II. UPDATE TO THE ORIGINAL CIRCULAR

#### **Conditions precedent to the effectiveness of the Acquisition Agreement and the Supplemental Agreement**

As disclosed in the paragraph headed “II. Major and Connected Transaction – Proposed Acquisition – Conditions precedent to the effectiveness of the Acquisition Agreement and the Supplemental Agreement” of the Original Circular, the effectiveness of the Acquisition Agreement is conditional upon the fulfilment of all 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.

As disclosed in the Original Circular, the Supplemental Agreement shall in turn become effective upon the Acquisition Agreement becoming effective.

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## LETTER FROM THE BOARD

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As at 10 October 2023, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining certain information contained herein (the “**Latest Practicable Date**”), the Company has obtained the Proposed Acquisition SASAC Approval (i.e. being the condition precedent as set out in paragraph (iv) above). In addition, in respect of the condition precedent as set out in paragraph (v) above, the Shanghai Municipal Administration for Market Regulation (being the authorised institution of the Anti-monopoly Bureau of the State Administration for Market Regulation) has confirmed that no filing on concentration of undertakings in respect of the Proposed Acquisition is required. Accordingly, in addition to the conditions precedent set out in paragraph (i), (ii) (in respect of the approval by the Board only) and (iii) above as set out in the Original Circular, the condition precedent as set out in paragraphs (iv) and (v) above has also been fulfilled as at the Latest Practicable Date.

### **Conditions precedent of the Proposed Non-public Issuance of A Shares**

In addition, as disclosed in the paragraph headed “III. Proposed Non-public Issuance of A Shares to raise ancillary funds – Conditions precedent of the Proposed Non-public Issuance of A Shares” of the Original Circular, the Proposed Non-public Issuance of A Shares is conditional upon:

- (i) completion of the Proposed Acquisition;
- (ii) the approval of 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;
- (iii) 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 or its authorised entities;
- (iv) 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
- (v) 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 Latest Practicable Date, the Company has obtained the Proposed Non-public Issuance of A Shares SASAC Approval (i.e. being the condition precedent as set out in paragraph (iii) above). Accordingly, in addition to the condition precedent set out in paragraph (ii) (in respect of the approval by the Board only) above as set out in the Original Circular, the condition precedent as set out in the paragraph (iii) above has also been fulfilled as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **Confirmation from China United in respect of the Asset Valuation Report**

The Asset Valuation Report is set out in Appendix V of the Original Circular. As the Valuation Benchmark Date is more than 3 months from the Latest Practicable Date, China United has issued a further letter of confirmation confirming that there was no material change in the appraised value of the Target Assets as at 31 August 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 V of this supplemental circular.

### **Audited financial information of the Target Company**

The financial information of the Target Company has been further updated. In addition to the accountants' report on the Target Company for the three financial years ended 31 December 2020, 2021 and 2022 and two months ended 28 February 2023 as set out in the Original Circular, please refer to the accountants' report on the Target Company for the three financial years ended 31 December 2020, 2021 and 2022 and six months ended 30 June 2023 as set out in Appendix II of this supplemental circular.

### **Financial Effects of the Proposed Acquisition**

Based on the updated unaudited pro forma financial information of the Enlarged Group prepared using the unaudited consolidated balance sheet of the Group as at 30 June 2023 and the audited balance sheet of the Target Company as at 30 June 2023 as set out in Appendix III to this supplemental circular, for illustration purpose only:

- (i) the total assets of the Group as at 30 June 2023 would have increased by approximately RMB2,385,878,000, from approximately RMB21,968,907,000 to approximately RMB24,354,785,000, assuming Completion had taken place on 30 June 2023; and
- (ii) the total liabilities of the Group as at 30 June 2023 would have increased by approximately RMB81,495,000, from approximately RMB8,649,235,000 to approximately RMB8,730,730,000, assuming Completion had taken place on 30 June 2023.

For further details of the financial effects of the Proposed Acquisition as described above, please refer to the updated unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this supplemental circular.

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## LETTER FROM THE BOARD

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### III. VALIDITY OF PREVIOUSLY PUBLISHED PROFIT FORECAST UNDER RULE 10 OF THE TAKEOVERS CODE

#### **Reports issued in connection with the Target Company Profit Forecasts**

As set out in the Update Announcement, 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, reviewing the calculations of the discounted future estimated cash flows used in connection with the Target Company Profit Forecasts. Such reports from the Financial Adviser and Ernst & Young in respect of the Target Company Profit Forecasts have been set out in the Update Announcement and reproduced in the Original Circular under Appendices VII and VIII respectively.

Please refer to pages 27 to 29 of the Original Circular for the principal assumptions upon which the valuation of the Target Assets was based.

The Board has reassessed the Target Company Profit Forecasts and confirmed that the Target Company Profit Forecast remains valid for the purposes of the Proposed Acquisition, the Proposed Non-public Issuance of A Shares and the Whitewash Waiver.

Each of the Financial Adviser and Ernst & Young which reported on the Target Company Profit Forecast have indicated that they have no objection to their reports continuing to apply.

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## LETTER FROM THE BOARD

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### *Reports issued in connection with the Relevant Profit Forecast Information*

As set out in the Update Announcement, 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 (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 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 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) and 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), detail of which are set out in the Appendix VII of the Update Announcement and reproduced in Appendix X of the Original Circular, then constituted a profit forecast under Rule 10 of the Takeovers Code. **As the Company has published its interim results for the six months ended 30 June 2023 and prepared updated financial information in relation to the Group and the Enlarged Group for the two years ended 31 December 2022 and the six months ended 30 June 2023, the Relevant Profit Forecast Information no longer constitutes a profit forecast under Rule 10 of the Takeovers Code and Shareholders are advised to refer to the updated financial information of the Group and the Enlarged Group as set out in this supplemental circular instead of the Relevant Profit Forecast Information for more updated financial information of the Group and/or the Enlarged Group.**

### **Experts’ Qualifications and Consent**

As at the Latest Practicable Date, each of the Financial Adviser, Ernst & Young Hua Ming LLP, Ernst & Young, the Independent Financial Adviser and China United had given and had not withdrawn its written consent to the issue of this supplemental circular 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 Latest Practicable Date, each of the Financial Adviser, Ernst & Young Hua Ming LLP, Ernst & Young, the Independent Financial Adviser and China United did not have any shareholding in any member of the Enlarged Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Enlarged Group.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, each of the Financial Adviser, Ernst & Young Hua Ming LLP, Ernst & Young, the Independent Financial Adviser and China United did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2022 (being the date to which the latest published audited statements of the Group were made up).

#### IV. NO MATERIAL CHANGE IN INFORMATION PREVIOUSLY PUBLISHED

In accordance with Rule 8.5 of the Takeovers Code, as at the Latest Practicable Date:

- (i) there has been no material change or additions in the information set out under the section headed “12. Material Contracts” in Appendix XIII to the Original Circular;
- (ii) (A) there has been no change in the information set out under the section headed “3. Share Capital” in Appendix XIII to the Original Circular;  
(B) there has been no dealings as set out in the section headed “6. Shareholdings of and Dealings in the Securities of the Company and Anhui Transportation Holding Group” and no change in the shareholdings as set out in the section headed “4. Disclosure of Interests” as set out in Appendix XIII to the Original Circular;
- (iii) there has been no change in the information in respect of any Directors’ emoluments as set out in the Original Circular;
- (iv) there has been no material change in the information set out under the sections headed “5. Arrangements in connection with the Proposed Acquisition” and “6. Shareholdings of and Dealings in the Securities of the Company and Anhui Transportation Holding Group” as set out in Appendix XIII to the Original Circular;
- (v) there has been no change in the ultimate owner of Anhui Transportation Holding Group since the date of dispatch of the Original Circular up to the Latest Practicable Date; and
- (vi) there has been no material change in the information in respect of arrangements in relation to the dealings in Shares set out in the Original Circular; and
- (vii) there has been no change in service contracts of Directors as set out in the section headed “7. Service Contracts” in Appendix XIII to the Original Circular.

Save as disclosed in this supplemental circular, there has been no material change to all other information set out in the Original Circular from the date of the Original Circular and up to the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### V. UPDATES TO THE RESOLUTIONS TO BE CONSIDERED AT THE EGM

Pursuant to the relevant requirements under the Shanghai Listing Rules and the PRC laws and regulations, the following updated proposals (in respect of resolutions numbered 9, 14 and 20 as set out in the revised notice of EGM enclosed with this supplemental circular) and an additional proposal (i.e. resolution numbered 18 as set out in the revised notice of EGM enclosed with this supplemental circular) will be submitted for the eligible Shareholders' consideration and approval at the EGM.

#### **New resolutions**

- (i) ***Resolution regarding the approval of the updated accountants' report and pro forma financial information review report in connection with Proposed Acquisition and the Proposed Non-public Issuance of A Shares (i.e. resolution numbered 18 as set out in the revised notice of EGM enclosed with this supplemental circular)***

The Company proposes to conduct the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

To ensure that the financial information are valid for the purposes of filings in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares, in accordance with the requirements under the relevant PRC laws, regulations and guidelines (including but not limited to the Measures for the Administration of Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) and Guidance No. 26 on the Format and Content of the Information Disclosure by Listed Companies – Material Asset Restructuring (《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》), the Company has engaged Ernst & Young Hua Ming LLP to audit the financial statements of the Target Company for the years of 2021 and 2022 and January to June 2023, and issued the relevant updated auditors' report. The Company has also engaged Ernst & Young Hua Ming LLP to prepare an updated review report on the pro forma consolidated financial information of the Group. The relevant auditors' report and pro forma consolidated financial information of the Group will be available on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

The Board has reviewed and approved the aforementioned updated auditors' report and updated review report on the pro forma consolidated financial information of the Group.

The resolution regarding the approval of the updated accountants' report and pro forma financial information review report in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares will be submitted by way of a special resolution for the eligible Shareholders' consideration and approval at the EGM.

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## LETTER FROM THE BOARD

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### Updated resolutions

- (ii) ***Resolution regarding the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) and its summary (i.e. resolution numbered 9 as set out in the revised notice of EGM enclosed with this supplemental circular)***

As disclosed in the Original Circular, in order to complete the Proposed Acquisition, the Company has previously prepared the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (《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》) and its summary. The Company has further supplemented the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions based on the audit and asset valuation results and prepared the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (《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)》) and its summary.

In accordance with the requirements under the relevant PRC laws, regulations and guidelines (including but not limited to the Measures for the Administration of Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) and Guidance No. 26 on the Format and Content of the Information Disclosure by Listed Companies – Material Asset Restructuring (《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》), the Company has further updated the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) (《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)(修訂稿)》) and its summary incorporating the relevant updates (including but not limited to the updated accountants' report and financial information in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares). Please refer to the overseas regulatory announcement of the Company dated 13 October 2023 for the aforementioned report.

The resolution regarding the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) and its summary will be submitted by way of a special resolution for the eligible Shareholders' consideration and approval at the EGM.

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## LETTER FROM THE BOARD

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- (iii) Resolution regarding the explanation on the completeness and legality of the statutory procedures and the effectiveness of the relevant legal documents submitted in respect of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (i.e. resolution numbered 14 as set out in the revised notice of EGM enclosed with this supplemental circular)*

The Company has conducted the necessary legal procedures in respect of the Proposed Acquisition and the Proposed Non-public Issuance at current stage in accordance with relevant laws, regulations and regulatory documents such as the Company Law of the PRC, the Securities Laws of the PRC, the Administrative Measures for Material Asset Restructuring, and the Provisions on Material Asset Restructuring, the Administrative Measures for the Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) and the Shanghai Listing Rules, as well as the articles of association of the Company. The legal procedures conducted by the Company in relation to the Proposed Acquisition and the Proposed Non-public Issuance are complete, lawful and effective and in compliance with the relevant laws and regulations and the articles of association of the Company. The legal documents submitted in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares to the regulatory authorities such as the Shanghai Stock Exchange are lawful and effective. In addition, in accordance with the Administrative Measures for Material Asset Restructuring and Guidance No. 26 on the Format and Content of the Information Disclosure by Listed Companies – Material Asset Restructuring (《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》), in respect of the relevant legal documents to be submitted in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares, the Board of the Company and the Directors have warranted and represented as follows:

There does not exist any false record, misleading representations or material omission in the legal documents submitted by the Company in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares, the Board of the Company and the Directors take corresponding legal liability in respect of the correctness, accuracy and completeness of such documents.

The resolution regarding the explanation on the completeness and legality of the statutory procedures and the effectiveness of the relevant legal documents submitted in respect of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares will be submitted by way of a special resolution for the eligible Shareholders' consideration and approval at the EGM.

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## LETTER FROM THE BOARD

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- (iv) ***Resolution regarding the dilution of immediate returns and remedial measures in connection with the Proposed Acquisition and Proposed Non-public Issuance of A Shares (i.e. resolution numbered 20 as set out in the revised notice of EGM enclosed with this supplemental circular)***

Pursuant to the requirements set out in the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (《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》), the Several Opinions of the State Council on Further Facilitating the Healthy Development of the Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》), and the Guidance Opinion on Matters Pertaining to Dilution of Return for the Current Period Resulting from Initial Offering and Refinancing or Material Asset Restructuring (《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》), in order to protect the interests of the investors, the Company has proposed specific remedial measures on the returns and to improve the continuous operational ability in respect of the risk of dilution on immediate returns. The controlling shareholder of the Company, the Directors and the senior management of Company has issued undertakings in connection with the remedial measures for the dilution on immediate returns in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

The resolutions regarding the dilution of immediate returns and remedial measures in connection with the Proposed Acquisition and Proposed Non-public Issuance of A Shares will be submitted by way of a special resolution for the eligible Shareholders' consideration and approval at the EGM.

For details of the other resolutions to be proposed at the EGM and/or the Class Meetings (i.e. resolutions numbered 1 to 8, 10 to 13, 15 to 17, 19 and 21 to 24 as set out in the revised notice of EGM enclosed with this supplemental circular, and the resolutions as set out in the revised notice of H Shares Class Meeting enclosed with this supplemental circular), please refer to pages 59 to 79 of the Original Circular.

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## LETTER FROM THE BOARD

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### VI. RECONVENING OF EGM AND H SHARES CLASS MEETING

#### Reconvening of the EGM

The EGM will be reconvened to be held at 2:30 p.m. on Thursday, 9 November 2023, to consider and 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.

The revised form of proxy for use in connection with the EGM is enclosed herewith. If you intend to appoint a proxy to attend the EGM, please complete the enclosed revised form of proxy in accordance with the instructions printed thereon and return the same to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for holding the EGM (that is, not later than 2:30 p.m. on Wednesday, 8 November 2023) or any adjournment thereof in person or by post. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish, but in such event the form(s) of proxy shall be deemed to be revoked.

For the avoidance of doubt, as the EGM has been cancelled and reconvened, and new resolution has been proposed at the EGM, any forms of proxy in connection with the EGM enclosed with the Original Circular which have been duly completed and returned in accordance with the instructions printed thereon will not be applicable to the reconvened EGM. **As such, relevant Shareholders who have duly completed and returned the forms of proxy in connection with the EGM enclosed with the Original Circular are required to re-submit the form of proxy for the EGM enclosed with this supplemental circular in order to appoint proxy(ies) for the reconvened EGM.**

Save as disclosed herein, the venue, attendance eligibility, other resolutions to be considered at and other relevant matters of the EGM shall remain unchanged. For details, please refer to the Original Circular.

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## LETTER FROM THE BOARD

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### **Reconvening of the H Shares Class Meeting**

The H Shares Class Meeting will be reconvened to be held at 2:30 p.m. on Thursday, 9 November 2023 (or immediately after the conclusion of the EGM and the A Shares Class Meeting or any adjournment thereof), to consider and approve, among other things, (i) the Proposed Acquisition; and (ii) the Proposed Non-public Issuance of A Shares.

The revised form of proxy for use in connection with the H Shares Class Meeting is enclosed herewith. If you intend to appoint a proxy to attend the H Shares Class Meeting, please complete the enclosed revised form of proxy in accordance with the instructions printed thereon and return the same to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for holding the H Shares Class Meeting (that is, not later than 2:30 p.m. on Wednesday, 8 November, 2023) or any adjournment thereof in person or by post. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the H Shares Class Meeting or any adjournment thereof if you so wish, but in such event the form(s) of proxy shall be deemed to be revoked.

For the avoidance of doubt, as the H Shares Class Meeting has been cancelled and reconvened, any forms of proxy in connection with the H Shares Class Meeting enclosed with the Original Circular which have been duly completed and returned in accordance with the instructions printed thereon will not be applicable to the reconvened H Shares Class Meeting. **As such, relevant Shareholders who have duly completed and returned the forms of proxy in connection with the H Shares Class Meeting enclosed with the Original Circular are required to re-submit the form of proxy for the H Shares Class Meeting enclosed with this supplemental circular in order to appoint proxy(ies) for the reconvened H Shares Class Meeting.**

Save as disclosed herein, the venue, attendance eligibility, resolutions to be considered at and other relevant matters of the H Shares Class Meeting Proxy Form shall remain unchanged. For details, please refer to the Original Circular.

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## LETTER FROM THE BOARD

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### VII. ADDITIONAL DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the list of documents set out under the section headed “13. Documents Available for Inspection” in Appendix XIII to the Original Circular, copies of the following documents are available for inspection on the website of the Company at [www.anhui-expressway.net](http://www.anhui-expressway.net), the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) from the date of this supplemental circular up to and including the date of the EGM and the Class Meetings:

- (i) the 2023 Interim Report;
- (ii) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this supplemental circular;
- (iii) the supplemental letter from Independent Board Committee, the text of which is set out in the section headed “Supplemental Letter from Independent Board Committee” in this supplemental circular;
- (iv) the supplemental letter from the Independent Financial Adviser, the text of which is set out in the section headed “Supplemental Letter from the Independent Financial Adviser” in this supplemental circular;
- (v) the accountant’s report on the Target Company, the text of which is set out in Appendix II to this supplemental circular;
- (vi) the report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this supplemental circular;
- (vii) the supplemental letter of confirmation from China United in relation to the Asset Valuation Report, the text of which is set out in Appendix V to this supplemental circular; and
- (viii) the additional written consents referred to in the paragraph headed “Experts’ Qualifications and Consents” in this letter.

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## LETTER FROM THE BOARD

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### VIII. EXTRACT OF THE RELEVANT PARTS OF A SHARE ANNOUNCEMENTS CONTAINING MATERIAL INFORMATION WITH TAKEOVERS CODE IMPLICATIONS

Shareholders' attention is also drawn to the overseas regulatory announcements setting out the announcements published on 13 October 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 Chinese version of the relevant parts of the following A Share Announcements containing material information with Takeovers Code implications are attached to this supplemental circular as Appendix VI:

- (i) the announcement on the resolutions of the thirty-eighth meeting of the ninth session of the Board of Directors (第九屆董事會第三十八次會議決議公告) (the "**Board Resolutions Announcement**");
- (ii) the announcement on prior approval opinion of the independent non-executive Directors in respect of the resolutions to be proposed at the thirty-eighth meeting of the ninth session of the Board of Directors (獨立董事關於擬提交公司九屆三十八次董事會審議事項的事前認可意見) (the "**Independent Director Prior Approval Opinion Announcement**");
- (iii) the announcement on the independent opinion of the independent non-executive Directors in respect of the resolutions to be proposed at the thirty-eighth meeting of the ninth session of the Board of Directors (獨立董事關於公司九屆三十八次董事會審議事項的獨立意見) (the "**Independent Director Opinion Announcement**");
- (iv) 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**");
- (v) 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)(修訂稿)) (the "**Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions (Revised)**");
- (vi) 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**");

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## LETTER FROM THE BOARD

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- (vii) the Report of the A share independent financial adviser on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and related transactions (Revised) (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(修訂稿)) (the “**A Share Independent Financial Adviser Opinion Announcement**”); and
- (viii) the Review report on the Pro Forma Consolidated Financial Information for the year ended 31 December 2022 and the six months ended 30 June 2023 (截至2022年12月31日止年度及截至2023年6月30日止六個月備考合併財務報表之審閱報告) (the “**Review Report on Pro Forma Financial Information**”).

Shareholders should note that the relevant pro forma financial information of the Enlarged Group as set out in the A Share Announcements and extracted in Appendix VI are prepared based on the financial information of the Group and the Target Company prepared in accordance with Accounting Standards for Business Enterprises, while the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this supplemental circular are prepared based on the financial information of the Group and the Target Company in accordance with the Hong Kong Financial Reporting Standards, after giving effect to the unaudited pro forma adjustments as described in the notes.

Therefore, Shareholders should note that the two sets of pro forma financial information of the Enlarged Group are subject to differences arising out of: (i) the different accounting standards adopted in their respective preparation; and (ii) the general practices adopted in the preparation basis of a pro forma financial information, including: (a) treatments of estimated transaction costs and expenses of approximately RMB15,958,000 arising out of the Proposed Acquisition (which has not been taken into account under the pro forma financial information of the Enlarged Group as set out in the A Share Announcements but has been taken into account under the pro forma financial information of the Enlarged Group as set out in Appendix III to this supplemental circular); and (b) treatments of the Cash Consideration payable by the Company under the Proposed Acquisition (which has been considered as an other payable of the Company under the pro forma financial information of the Enlarged Group as set out in the A Share Announcements but has been considered as decrease in cash and cash equivalent under the pro forma financial information of the Enlarged Group as set out in Appendix III to this supplemental circular).

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## LETTER FROM THE BOARD

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### IX. WARNING

**This supplemental circular is supplemental to and should be read in conjunction with the Original Circular.**

**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. GENERAL

Your attention is also drawn to the Supplemental Letter from Independent Board Committee, the Supplemental Letter from the Independent Financial Adviser and the additional information set out in this supplemental circular.

### XI. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the Board of the Company comprises Xiang Xiaolong (chairman), 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 supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

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## LETTER FROM THE BOARD

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The supplemental circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this supplemental circular and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this supplemental circular have been arrived at after due and careful consideration and there are no other facts not contained in this supplemental circular the omission of which would make any statement in this supplemental circular misleading.

By order of the Board  
**Anhui Expressway Company Limited**  
**Wu Changming**  
*Secretary to the Board*

\* *For identification purpose only.*



**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)**

13 October 2023

*To the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR**

**IN RELATION TO**

- (1) MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION**
  - (2) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS**
  - (3) APPLICATION FOR WHITEWASH WAIVER**
  - (4) REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING**
- AND**
- (5) REVISED NOTICE OF H SHARES CLASS MEETING**

We refer to the supplemental circular of the Company dated 13 October 2023 (the “**Supplemental Circular**”), of which this letter forms part. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Supplemental Circular.

We wish to draw your attention to the “Letter from the Board” set out on pages 1 to 19 of the Supplemental Circular and the “Supplemental Letter from the Independent Financial Adviser” set out on pages 22 to 31 of the Supplemental Circular and the additional information set out in the appendices thereto.

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## **SUPPLEMENTAL LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in the “Supplemental Letter from the Independent Financial Adviser” in the Supplemental Circular, we concur with the view of the Independent Financial Adviser and consider that while the Proposed Acquisition is not conducted in the ordinary and usual course of business of the Group, (i) the Proposed Acquisition is on normal commercial terms; and (ii) the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver are fair and reasonable so far as the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders are concerned and in the interests of the Company, the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders as a whole.

Accordingly, we recommend the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders to vote in favour of the resolutions in relation to the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver to be proposed at the EGM and the Class Meetings.

Yours faithfully,

**Independent Board Committee**

**Mr. Liu Hao    Mr. Zhang Jianping    Ms. Fang Fang**

*Independent non-executive Directors*



**Shenwan Hongyuan Capital (H.K.) Limited**  
Level 6, Three Pacific Place  
1 Queen's Road East  
Hong Kong

13 October 2023

*To: Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders*

Dear Sirs

**(1) MAJOR AND CONNECTED TRANSACTION – PROPOSED ACQUISITION**  
**(2) APPLICATION FOR WHITEWASH WAIVER**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver, details of which are set out in (i) the letter from the Board contained in the circular dated 26 July 2023 issued by the Company to the Shareholders (the “**Original Circular**”); and (ii) the letter from the Board (the “**Board Letter**”) contained in the supplemental circular dated 13 October 2023 issued by the Company to the Shareholders (the “**Supplemental Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Original Circular and the Supplemental Circular unless the context requires otherwise.

References are made to the announcements of the Company dated 3 April 2023, 17 April 2023, 28 April 2023, 5 May 2023, 16 May 2023, 20 June 2023, 11 August 2023, 11 September 2023 and 25 September 2023 in relation to, among other things, (i) the Proposed Acquisition; and (ii) the Whitewash Waiver.

After the dispatch of the Original Circular, as disclosed in the announcement of the Company dated 11 August 2023, as the Company has not yet obtained the SASAC Approvals at the time and the Company is required to further update the financial information in connection with the Proposed Acquisition for the purposes of the application for the approval of the Proposed Acquisition by the Shanghai Stock Exchange, the Company resolved to cancel the EGM and the H Shares Class Meeting which were originally scheduled to be convened on 18 August 2023, and to reconvene the EGM and the H Shares Class Meeting on a later date. The Company currently proposes to reconvene the EGM and the H Shares Class Meeting for the Shareholders and the H Shareholders (as the case may be) to consider, and if thought fit, approve the resolutions in relation to, amongst others, the Proposed Acquisition and the Whitewash Waiver.

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## **SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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We have been appointed, and approved by the Independent Board Committee, as the Independent Financial Adviser. As at the Latest Practicable Date, we are not connected with the Directors, chief executive, the supervisors or substantial shareholders of the Company or any of their respective associates and concert parties and are therefore considered suitable to give independent advice to the Independent Board Committee and the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders. We were not aware of any relationships or interest between us and the Company, Anhui Transportation Holding Group nor any other parties within the past two years that could be reasonably be regarded as a hindrance to our independence to act as the Independent Financial Adviser to the Independent Board Committee, the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders in respect of the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement)), and the Whitewash Waiver.

Save for the independent financial adviser engagement in relation to the Proposed Acquisition and the Whitewash Waiver, details of which have been set out in the Original Circular, there was no other engagement between us and the Company or Anhui Transportation Holding Group during the two years preceding the date hereof. Apart from normal professional fees payable to us by the Company in connection with the current appointment of us as independent financial adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or the Directors, chief executive, the supervisors or substantial shareholders of the Company or any of their respective associates and concert parties, and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate) and the approval of the Acquisition Agreement (as supplemented by the Supplemental Agreement and the Compensation Agreement)), and the Whitewash Waiver.

### **BASIS OF OUR OPINION**

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Original Circular and the Supplemental Circular (together, the “**Circulars**”) and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circulars and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such statements, information, opinions, representations and/or any change to the content of this letter as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

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## **SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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The Supplemental Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Supplemental Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the document misleading.

The Supplemental Circular also includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. All the Directors jointly and severally accept full responsibility for the accuracy of the information in this Supplemental Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Supplemental Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Supplemental Circular, the omission of which would make any of the statements in this Supplemental Circular misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver.

This letter is issued for the information of the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders solely in connection with their consideration of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver. Except for its inclusion in the Supplemental Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

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## SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### UPDATED PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Acquisition and the Whitewash Waiver, apart from the principal factors and reasons set out in our letter included in the Original Circular, we have taken into consideration the following updated principal factors and reasons:

#### 1. Updates on financial performance of the Group

Set out below is a summary of financial information of the Group for the six months ended 30 June 2022 and 2023 as extracted from the Company's 2023 interim report (which were prepared in accordance with Hong Kong Financial Reporting Standards):

	For the six months ended	
	30 June	
	2022	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Revenue</b>	2,816,252	2,323,839
<b>Gross profit</b>	1,035,194	1,325,201
<b>Profit for the period</b>	647,267	860,914

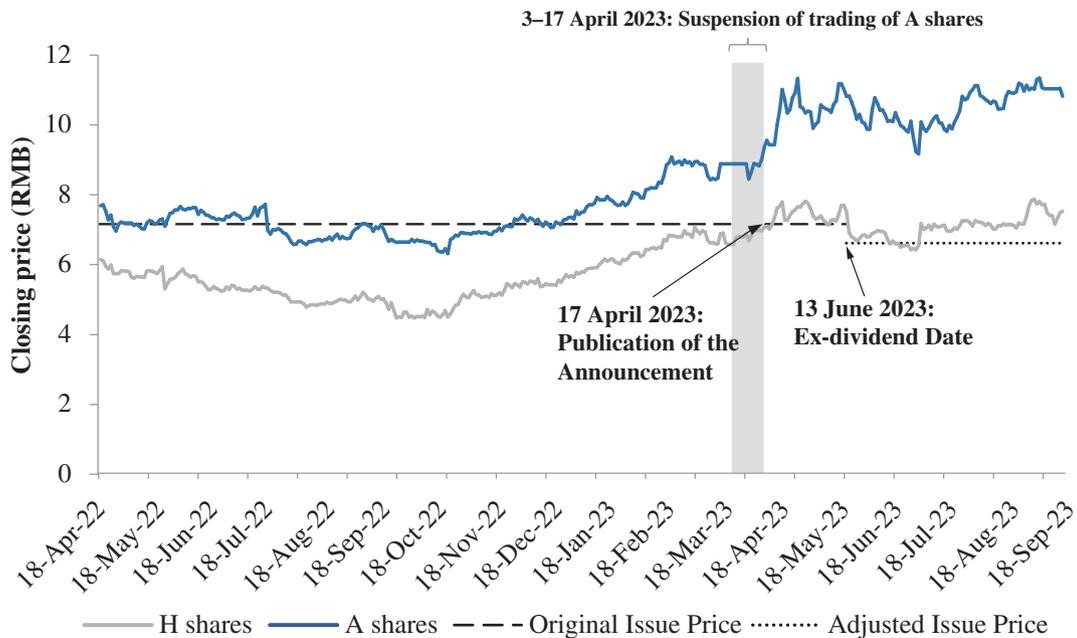
As set out in the table above, the revenue of Group decreased from RMB2,816.3 million for the six months ended 30 June 2022 to RMB2,323.8 million for the six months ended 30 June 2023 (“6M2023”) mainly due to the decrease of RMB755.5 million in revenue from construction or upgrade work under service concessions, which is partially offset by the increase of RMB263.0 million in toll roads and rental income due to the rebound in overall performance of the PRC domestic economy. The increase in gross profit and profit the period in 6M2023 were in line with the growth in revenue of the toll roads business, while the construction or upgrade work under service concessions recognised nil gross profit.

#### 2. Updates on price performance analysis

To assess the fairness and reasonableness of the issue price of the Consideration Shares, we have compared the Original Issue Price and the Adjusted Issue Price with reference to the historical closing prices of the A Shares. We have reviewed the share price performance from 17 April 2022, being the 12-month period prior to the Last Trading Day, and up to 10 October 2023, being the Latest Practicable Date (the “**Updated Review Period**”), which is extended from the latest practicable date of the Original Circular (i.e. 21 July 2023). We consider that the Updated Review

## SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Period is adequate to illustrate the Share price performance for conducting a reasonable comparison between the closing price of the Shares, the Original Issue Price of the Consideration Shares and the Adjusted Issue Price. The chart below illustrates (i) the daily closing price per A Share; (ii) the daily closing price per H Share; (iii) the Original Issue Price for the Consideration Shares from 17 April 2022 to 12 June 2023 (i.e. the day before ex-dividend date of final dividend for the year ended 31 December 2022 (the “**Ex-dividend Date**”)); and (iv) the Adjusted Issue Price from 13 June 2023 (i.e. the Ex-dividend Date) to the Latest Practicable Date.



For illustrative purposes, the Adjusted Issue Price represents:

- (i) a discount of approximately 8.2% to the closing price of HK\$8.25 per H Share on the Latest Practicable Date;
- (ii) a discount of approximately 6.3% to the average closing price of approximately HK\$8.08 per H Share for the last five consecutive trading days immediately prior to and including the Latest Practicable Date;
- (iii) a discount of approximately 5.9% to the average closing price of approximately HK\$8.05 per H Share for the last 30 consecutive trading days immediately prior to and including the Latest Practicable Date;
- (iv) a discount of approximately 39.0% to the closing price of RMB10.88 per A Share on the Latest Practicable Date;
- (v) a discount of approximately 40.3% to the average closing price of approximately RMB11.13 per A Share for the last five consecutive trading days immediately prior to and including the Latest Practicable Date;

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## SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (vi) a discount of approximately 39.5% to the average closing price of approximately RMB10.97 per A Share for the last 30 consecutive trading days immediately prior to and including the Latest Practicable Date; and
- (vii) a discount of approximately 17.3% to the Company's unaudited consolidated net asset value of approximately RMB8.03 per Share as at 30 June 2023 as set out in the interim report of the Company for the six months ended 30 June 2023.

*Note:* As Original Issue Price is determined before taking into account of the effect of payment of final dividend for FY2022, Original Issue Price and closing prices after ex-dividend date are not comparable and are not presented in the above illustration. Comparison between Adjusted Issue Price and closing prices before ex-dividend date are not presented in the above for the same reason.

Since the commencement of the Review Period up to the day of the publication of the Announcement, the Original Issue Price (i.e. RMB7.19 per Consideration Share) and the Adjusted Issue Price (i.e. RMB6.64 per Consideration Share) of the Consideration Shares are in the range of the closing price of A Share, which fluctuated between RMB6.34 per A Share and RMB9.13 per A Share with an average of RMB7.38 per A Share. Besides, during the same period, closing prices of H Shares of the Company fluctuated between HK\$4.93 and HK\$8.07 (equivalent to RMB4.48 and RMB7.10 per H Share, with an average closing price of approximately HK\$6.36 (equivalent to RMB5.56) per H Share. After the publication of the Announcement, the closing prices of A Share and H Share both surged and reached as high as RMB11.40 per A Share and HK\$8.89 (equivalent to RMB7.83) per H Share in May 2023, respectively, then retracted to RMB9.22 per A Share and HK\$7.05 per H Share respectively in July 2023. Subsequently, the price of A Share reached the all-time high during the Updated Review Period of RMB11.41 per A Share on 26 September 2023.

We noted that the Adjusted Issue Price represents a large discount of 39.0% to 40.3% to the closing price and average closing price per A Shares on the Latest Practicable Date, for the last five consecutive trading days and for the last 30 consecutive trading days immediately prior to and including the Latest Practicable Date, and represents a discount of 17.3% to the Company's unaudited consolidated net asset value as at 30 June 2023 (the "**Updated Latest Practicable Date Discounts**").

As mentioned in our letter included in the Original Circular, to assess the fairness and reasonableness of the Adjusted Issue Price in view of the aforementioned discounts, we attempted to identify transactions regarding (i) issuance of A shares to specific targets by companies listed on the main board of Shanghai Stock Exchange; (ii) issuance with issue price of the A shares were determined in advance to the shareholders' approval, which are of similar nature to the issuance of the Consideration Shares (i.e. issuance of shares with price determined by way of a price inquiry process conducted after the shareholders' approval are excluded) and (iii) the issuance with completion date from 1 January 2023 up to and including the Last Trading Day for comparison purpose. We identified 11 transactions which represent an exhaustive list under the above selection

## SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

criteria and we consider are sufficient, and we are therefore of the view that the Adjusted Issue Price Review Period is fair and reasonable for selecting the Comparable Transactions. Despite that the businesses, operations and prospects of the Group are not exactly the same as the listed companies involving in the Comparable Transactions, the Comparable Transactions are adequate and appropriate to demonstrate the market practices regarding issuance of A shares to specific targets by companies listed on main board of Shanghai Stock Exchange.

Company name (A-share stock code)	Completion date of A share issuance	Premium/(discount) of issue price compared to close price on the trading day immediately before shareholders' meeting for the approval of the issuance	Premium/(discount) of issue price compared to consolidated net asset value per share before shareholders' meeting for the approval of the issuance
China Yangtze Power Co., Ltd. – 中國長江電力股份有限公司(600900.SH)	10 January 2023	(30.0%)	115.0%
Hoshine Silicon Industry Co., Ltd. – 合盛矽業股份有限公司(603260.SH)	12 January 2023	(36.0%)	213.2%
Xinjiang Qingsong Building Materials and Chemicals (Group) Co., Ltd. – 新疆青松建材化工(集團)股份有限公司(600425.SH)	17 January 2023	(29.2%)	(21.8%)
Guangxi Huaxi Nonferrous Metal Co., Ltd – 南寧化工股份有限公司(600301.SH)	31 January 2023	(61.4%)	347.2%
Zhuzhou Smelter Group Co., Ltd. – 株洲冶煉集團股份有限公司(600961.SH)	11 February 2023	16.8%	388.0%
Sinoma International Engineering Co., Ltd – 中國中材國際工程股份有限公司(600970.SH)	13 February 2023	(8.0%)	33.8%
Wuxi Zhenhua Auto Parts Co., Ltd. – 無錫市振華汽車部件股份有限公司(605319.SH)	15 February 2023	1.2%	57.5%
Sunstone Development Co., Ltd. – 索通發展股份有限公司(603612.SH)	14 March 2023	(42.6%)	24.8%
China Avionics Systems Co., Ltd. – 中航航空電子系統股份有限公司(600372.SH)	16 March 2023	(0.8%)	201.6%
Jiajiayue Group Co., Ltd. – 家家悅集團股份有限公司(603708.SH)	24 March 2023	(22.2%)	159.5%
FESCO Group Co., Ltd. – 北京城鄉商業(集團)股份有限公司(600861.SH)	3 April 2023	(9.9%)	125.1%
	<b>Minimum</b>	<b>(61.4%)</b>	<b>(21.8%)</b>
	<b>Maximum</b>	<b>16.8%</b>	<b>388.0%</b>
	<b>Average</b>	<b>(20.2%)</b>	<b>149.4%</b>
<b>Discount of Adjusted Issue Price compared to closing price of A share on the Latest Practicable Date</b>		<b>(39.0%)</b>	
<b>Discount of Adjusted Issue Price compared to unaudited consolidated net asset value per Share as at 30 June 2023</b>			<b>(17.3%)</b>

According to the above table, the issue prices of the Comparable Transactions ranged from (i) a discount of approximately 61.4% to a premium of approximately 16.8%, with average discount of approximately 20.2% to the respective closing prices of the shares on the trading day immediately before shareholders' meeting for the approval of the issuance; and (ii) a discount of approximately 21.8% to a premium of approximately 388.0%, with average premium of approximately 149.4% to the respective consolidated net asset value per Share before shareholders' meeting for the approval of the issuance. The Updated Latest Practicable Date Discounts fall within the range of the above range. The large discounts exhibited in some of the Comparable Transactions and the Proposed Acquisition are due to the surge in share prices after the determination of the issue prices and announcement of the transactions, which may in turn due to various factors, including but not limited to positive reaction from investors in view of the potential transactions. Based on the above, we are of the view that the Updated Latest Practicable Date Discounts are fair and reasonable.

### **3. Updates on financial effects to the Group**

#### **(i) Earnings**

According to the updated accountants' report on the Target Company as set out in Appendix I to the Supplemental Circular, the Target Company was profit-making for the year ended 31 December 2022 and the six months ended 30 June 2023 with an audited net profit of RMB217.3 million and an audited net profit of RMB127.7 million, respectively. The Target Company's consolidation into the Group will be accretive to the earnings on a pro-forma basis. The actual effect on earnings or losses of the Group will depend on the future financial performance of the Target Company.

#### **(ii) Net assets value**

As set out in the updated Pro Forma Financial Information, the unaudited pro forma net assets value of the Enlarged Group would be approximately RMB15.6 billion, representing an increase of approximately RMB2.3 billion when compared to the unaudited consolidated net assets value of the Group as at 30 June 2023 of approximately RMB13.3 billion. As noted above, it is expected to have a positive effect on the net assets value of the Group immediately following the Proposed Acquisition. We note that the unaudited net assets value per Share attributable to the Shareholders (and excluding holders of other equity instruments) as at 30 June 2023 amounted to approximately RMB8.03 per Share (calculated based on 1,658,610,000 Shares in issue as at the Latest Practicable Date). Upon completion of the Proposed Acquisition, the number of Shares in issue will increase to 2,127,902,667 (assuming that there will be no change in the total issued share capital of the Company since the Latest Practicable Date, save for the issue of A Shares pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement)). On such basis, the unaudited pro forma net assets value per Share attributable to the Shareholders (and excluding holders of other equity instruments) will be approximately RMB7.34 per Share as at 30 June 2023.

***(iii) Effect of working capital***

As at 30 June 2023, the Group had cash and cash equivalent of approximately RMB2,599.2 million and net current assets of approximately RMB3,142.3 million. Based on the updated Pro Forma Financial Information, the cash and cash equivalent of the Enlarged Group would be approximately RMB2,349.9 million as at 30 June 2023, representing a decrease of approximately 9.6% as compared to that of the Group as at 30 June 2023; and the net current assets of the Enlarged Group would be approximately RMB2,832.2 million as at 30 June 2023, representing a decrease of approximately 9.8% as compared to that of the Group as at 30 June 2023.

***(iv) Gearing***

Based on the updated Pro Forma Financial Information, the gearing ratio (i.e. net debt over the sum of net debt and shareholders' equity) was 21.30% as compared to the gearing ratio of the Group of 23.00% as at 30 June 2023. The slight decrease in gearing ratio was mainly attributable to an increase total capital (i.e. sum of net debt and shareholders' equity) value by RMB2.55 billion, which was partially offset by the effect of the decrease in cash and cash equivalents of RMB249.3 million mainly due to payment of the Cash Consideration.

Based on the above, we concur with the Directors' view that the Proposed Acquisition would have a positive effect on the overall financial position of the Group. It should be noted that the aforementioned analysis is for illustrative purposes only and do not purport to represent how the future financial position of the Group will be upon completion of the Proposed Acquisition.

**OPINION AND RECOMMENDATION**

Having taken into consideration the above updates in principal factors and reasons considered, together with factors considered as stated in section headed "Principal Factors and Reasons Considered" in our letter included in the Original Circular, we are of the opinion that while the Proposed Acquisition is not conducted in the ordinary and usual course of business of the Group, the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver are in the interests of the Company, the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders as a whole, and the terms of the Acquisition Agreement (as supplemented by the Supplemental Agreement) are on normal commercial terms, and are fair and reasonable so far as the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders are concerned. Accordingly, we recommend the Proposed Acquisition to the LR Independent Shareholders and the Takeovers Code

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## **SUPPLEMENTAL LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Independent Shareholders, as well as the Independent Board Committee to recommend the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders, to vote in favour of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Wavier to be proposed at the EGM and the Class Meetings.

Yours faithfully

For and on behalf of

**Shenwan Hongyuan Capital (H.K.) Limited**

**Donald Leung**

*Executive Director*

*Corporate Finance*

*Note:* Mr. Leung is a licensed person registered with the Securities and Futures Commission and a responsible officer of Shenwan Hongyuan Capital (H.K.) Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has more than 17 years of experience in corporate finance advisory industry.

**1. FURTHER FINANCIAL INFORMATION OF THE GROUP**

**Summary of financial results**

In addition to (i) the summary of the audited consolidated financial results of the Group for each of the three years ended 31 December 2020, 31 December 2021 and 31 December 2022, as extracted from the annual reports of the Company for each of the three years ended 31 December 2020, 31 December 2021 and 31 December 2022 and which were prepared in accordance with Hong Kong Financial Reporting Standards and (ii) the summary of consolidated financial results of the Group for the three months ended 31 March 2023 which were prepared in accordance with the Generally Accepted Accounting Principles of the PRC, each of which were disclosed in Appendix I of the Original Circular, the following is a summary of the unaudited consolidated financial results of the Group for the six months ended 30 June 2023 together with the unaudited comparative figures for the corresponding period in 2022 as extracted from the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”) and which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>REVENUE</b>	2,323,839	2,816,252
Cost of sales	<u>(998,638)</u>	<u>(1,781,058)</u>
<b>Gross profit</b>	1,325,201	1,035,194
Other income and gains – net	16,574	66,540
Administrative expenses	(73,107)	(69,352)
Net impairment (losses)/reversal of impairment losses on financial assets	(119)	109
<b>Operating profit</b>	1,268,549	1,032,491
Finance costs	(106,230)	(118,045)
Share of gain of associates	<u>8,002</u>	<u>8,196</u>
<b>PROFIT BEFORE INCOME TAX</b>	1,170,321	922,642
Income tax expenses	<u>(309,407)</u>	<u>(275,375)</u>
<b>PROFIT FOR THE PERIOD</b>	<u><u>860,914</u></u>	<u><u>647,267</u></u>

	<b>Six months ended 30 June</b>	
	<b>2023</b> <i>RMB'000</i> (Unaudited)	<b>2022</b> <i>RMB'000</i> (Unaudited)
<b>Attributable to:</b>		
Owners of the Company	838,399	667,510
Non-controlling interests	<u>22,515</u>	<u>(20,243)</u>
	<u><u>860,914</u></u>	<u><u>647,267</u></u>
Basic and diluted earnings per share (expressed in RMB per share)	<u>0.5055</u>	<u>0.4025</u>
<b>Profit for the period</b>	860,914	647,267
<b>Other comprehensive income:</b>		
Items that will not be reclassified subsequently to profit or loss		
Change in value of financial assets at fair value through other comprehensive income (“FVOCI”), net of tax	<u>(15,960)</u>	<u>319</u>
<b>Total comprehensive income for the year</b>	<u><u>844,954</u></u>	<u><u>647,586</u></u>
<b>Attributable to:</b>		
Owners of the Company	822,439	667,829
Non-controlling interests	<u>22,515</u>	<u>(20,243)</u>
	<u><u>844,954</u></u>	<u><u>647,586</u></u>

In respect of dividend, a final dividend in respect of 2022 of RMB0.55 per Share (which amounted to a total dividend of RMB912,236 thousands) was proposed at the board meeting on 30 March 2023, approved by the Shareholders on 9 June 2023 and paid in July 2023. In addition, a final dividend in respect of 2021 of RMB0.55 per Share (which amounted to a dividend of RMB912,236 thousands) was proposed at the board meeting on 30 March 2021, approved by the Shareholders on 20 May 2022 and was paid in July 2022.

No dividend payment was recommended by the board in respect of each of the six months ended 30 June 2023 and 30 June 2022.

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial results of the Group for the six months ended 30 June 2023.

### **Unaudited consolidated financial statements for the six months ended 30 June 2023**

The Company is required to set out or refer to in this circular the unaudited consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the unaudited consolidated financial statements of the Company for the six months ended 30 June 2023 (which were prepared in accordance with the Hong Kong Financial Reporting Standards) (the “**2023 Interim Financial Statements**”), together with the significant accounting policies and the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2023 Interim Financial Statements are set out from pages 64 to 104 in the 2023 Interim Report which was published on 22 September 2023. The 2023 Interim Report is posted on the website of the Company (<http://www.anhui-expressway.net>) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0922/2023092200846.pdf>

The 2023 Interim Financial Statements (but not any other parts of the 2023 Interim Report in which they respectively appear) are incorporated by reference into this supplemental circular and form part of this supplemental circular.

## **2. STATEMENT OF INDEBTEDNESS**

### **Borrowings and long-term payables**

As at the close of business on 31 August 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this supplemental circular, the total borrowings and long-term payables of the Enlarged Group was RMB6,573.8 million, comprising of guaranteed and unsecured borrowings from banks of RMB3,060.0 million, pledged borrowings from banks and financial institutions of RMB3,436.2 million, and long-term payables from Anhui Transportation Holding Group of RMB77.6 million.

### **Contingent liabilities**

As at the close of business on 31 August 2023, the Enlarged Group did not have any significant contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 August 2023, the Enlarged Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances or acceptances credits or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

### **3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Please refer to Appendix I of the Original Circular for the financial and trading prospects of the Group. Since the publication of the Original Circular up to the Latest Practicable Date, there is no material adverse change in the trading prospect of the Enlarged Group as disclosed in the Original Circular.

### **4. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the financial resources available to the Enlarged Group (including but not limited to cash flow to be generated from operations, the available banking facilities and cash and cash equivalents), the Enlarged Group has sufficient working capital for its business operation, that is for at least the next 12 months from the date of this supplemental circular in the absence of unforeseen circumstances.

### **5. MATERIAL CHANGE**

Save for the fair value loss of approximately RMB70.8 million as disclosed in the interim report of the Company for the six months ended 30 June 2023 with respect to the Company's investment in the CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund being measured at fair value at each of the reporting period end, the Directors confirmed that:

- (a) there was no material change in the financial or trading position or outlook of the Group since 31 December 2022 (being the date to which the latest audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date; and
- (b) there was no material change in the financial or trading position or outlook of the Target Company since 30 June 2023 (being the date to which the latest audited financial statements of the Target Company were made up) and up to and including the Latest Practicable Date.

*The following is the text of a report on the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.*



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

## **ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ANHUI EXPRESSWAY COMPANY LIMITED**

### **Introduction**

We report on the historical financial information of Anhui Province Liuwu Expressway Company Limited (the “**Target Company**”) set out on pages II-4 to II-66, which comprises the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Target Company for each of the years ended 31 December 2020, 2021 and 2022, and the six months ended 30 June 2023 (the “**Relevant Periods**”), and the balance sheet of the Target Company as at 31 December 2020, 2021 and 2022 and 30 June 2023, and a summary of significant accounting policies and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages II-4 to II-66 forms an integral part of this report, which has been prepared for inclusion in the supplemental circular of Anhui Expressway Company Limited (the “**Company**”) dated 13 October 2023 (the “**Supplemental Circular**”) in connection with the proposed acquisition of the Target Company.

### **Directors' responsibility for the Historical Financial Information**

The director of the Target Company is responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the director determines is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the balance sheet of the Target Company as at 31 December 2020, 2021 and 2022 and 30 June 2023 and of the financial performance and cash flows of the Target Company for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

**Review of interim comparative financial information**

We have reviewed the interim comparative financial information of the Target Company which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2023 and other explanatory information (the “**Interim Comparative Financial Information**”). The director of the Target Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance****Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

**Dividends**

We refer to note 18 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Periods.

*Ernst & Young*

*Certified Public Accountants*

Hong Kong

13 October 2023

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### I HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Year ended 31 December</b>		<b>Six months ended</b>		
		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>30 June</b>	
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<b>2022</b>	<b>2023</b>
					<i>RMB'000</i>	
					(unaudited)	
REVENUE	5	401,726	559,982	524,152	261,164	277,318
Cost of sales		<u>(206,846)</u>	<u>(205,588)</u>	<u>(225,197)</u>	<u>(99,884)</u>	<u>(102,768)</u>
Gross profit		194,880	354,394	298,955	161,280	174,550
Other income and gains – net	5	(3,214)	–	(4)	–	39
Administrative expenses		<u>(8,990)</u>	<u>(9,563)</u>	<u>(9,192)</u>	<u>(4,596)</u>	<u>(4,277)</u>
PROFIT BEFORE INCOME TAX	6	182,676	344,831	289,759	156,684	170,312
Income tax expenses	9	<u>(45,669)</u>	<u>(86,208)</u>	<u>(72,440)</u>	<u>(39,171)</u>	<u>(42,578)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>137,007</u>	<u>258,623</u>	<u>217,319</u>	<u>117,513</u>	<u>127,734</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### BALANCE SHEET

	Notes	As at 31 December			As at
		2020	2021	2022	30 June
		RMB'000	RMB'000	RMB'000	2023
					RMB'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Concession intangible assets	10	2,670,658	2,529,478	2,388,298	2,317,708
Property, plant and equipment	11	71,480	116,288	208,528	200,037
Intangible assets	12	553	–	–	–
Deferred income tax assets	13	111,095	105,347	99,598	96,725
Total non-current assets		<u>2,853,786</u>	<u>2,751,113</u>	<u>2,696,424</u>	<u>2,614,470</u>
<b>CURRENT ASSETS</b>					
Inventories	14	–	–	130	68
Receivables and prepayments	15	10,258	11,573	65,673	20,645
Cash and cash equivalents	16	–	–	–	300,596
Total current assets		<u>10,258</u>	<u>11,573</u>	<u>65,803</u>	<u>321,309</u>
<b>TOTAL ASSETS</b>		<u>2,864,044</u>	<u>2,762,686</u>	<u>2,762,227</u>	<u>2,935,779</u>
<b>EQUITY AND LIABILITIES</b>					
Paid-in capital	17	–	–	–	5,000
Reserves		<u>2,841,326</u>	<u>2,718,268</u>	<u>2,737,508</u>	<u>2,865,242</u>
Total equity		<u>2,841,326</u>	<u>2,718,268</u>	<u>2,737,508</u>	<u>2,870,242</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	19	13,251	35,003	17,074	17,354
Current income tax liabilities		9,071	8,775	5,736	38,454
Provisions	20	396	640	1,909	9,729
Total current liabilities		<u>22,718</u>	<u>44,418</u>	<u>24,719</u>	<u>65,537</u>
Total liabilities		<u>22,718</u>	<u>44,418</u>	<u>24,719</u>	<u>65,537</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,864,044</u>	<u>2,762,686</u>	<u>2,762,227</u>	<u>2,935,779</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### STATEMENTS OF CHANGES IN EQUITY

	Note	Reserves			Total	
		Paid-in capital RMB'000	Reserves before the Business Transfer (Note 2.1) RMB'000	Capital surplus RMB'000		Accumulated earnings RMB'000
<b>As at 1 January 2020</b>		–	2,996,064	–	–	2,996,064
Profit for the year		–	137,007	–	–	137,007
Distributions to ATHC (Note 2.1)	18	–	(291,745)	–	–	(291,745)
<b>As at 31 December 2020 and 1 January 2021</b>		–	2,841,326	–	–	2,841,326
Profit for the year		–	258,623	–	–	258,623
Distributions to ATHC (Note 2.1)	18	–	(381,681)	–	–	(381,681)
<b>As at 31 December 2021 and 1 January 2022</b>		–	2,718,268	–	–	2,718,268
Profit for the year		–	167,785	–	49,534	217,319
Distributions to ATHC (Note 2.1)	18	–	(198,079)	–	–	(198,079)
Transfer business to the Target Company (Note 2.1)		–	(2,687,974)	2,687,974	–	–
<b>As at 31 December 2022 and 1 January 2023</b>		<u>–</u>	<u>–</u>	<u>2,687,974</u>	<u>49,534</u>	<u>2,737,508</u>

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

		<b>Reserves</b>				
		<b>Reserves before the Business</b>				
	<i>Note</i>	<b>Paid-in capital</b>	<b>Transfer (Note 2.1)</b>	<b>Capital surplus</b>	<b>Accumulated earnings</b>	<b>Total</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2021 and 1 January 2022</b>		–	2,718,268	–	–	2,718,268
Profit for the period (unaudited)		–	117,513	–	–	117,513
Distributions to ATHC (Note 2.1) (unaudited)	<i>18</i>	–	(153,521)	–	–	(153,521)
<b>As at 30 June 2022 (unaudited)</b>		<u>–</u>	<u>2,682,260</u>	<u>–</u>	<u>–</u>	<u>2,682,260</u>
<b>As at 31 December 2022 and 1 January 2023</b>		–	–	2,687,974	49,534	2,737,508
Capital injection by ATHC		5,000	–	–	–	5,000
Profit for the period		–	–	–	127,734	127,734
Distributions to ATHC	<i>18</i>	–	–	–	–	–
<b>As at 30 June 2023</b>		<u>5,000</u>	<u>–</u>	<u>2,687,974</u>	<u>177,268</u>	<u>2,870,242</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2020	2021	2022	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(unaudited)						
Cash flows from operating activities						
Cash generated from operations	21	332,299	513,664	427,945	220,112	244,052
Income tax paid		(39,743)	(80,756)	(69,730)	(38,907)	(6,986)
Net cash generated from operating activities		<u>292,556</u>	<u>432,908</u>	<u>358,215</u>	<u>181,205</u>	<u>237,066</u>
Cash flows from investing activities						
Purchases of property, plant and equipment		(1,113)	(51,227)	(101,631)	(27,684)	–
Proceeds from disposal of property, plant and equipment		302	–	26	–	–
Net cash used in investing activities		<u>(811)</u>	<u>(51,227)</u>	<u>(101,605)</u>	<u>(27,684)</u>	<u>–</u>
Cash flows from financing activities						
Capital injection by the owner	17	–	–	–	–	5,000
Distributions paid to the owner (Note 2.1)	18	(291,745)	(381,681)	(198,079)	(153,521)	–
Decrease of amounts due from ATHC (Note 2.1)		–	–	–	–	165,670
Increase of amounts due from ATHC (Note 2.1)		–	–	(58,531)	–	(107,140)
Net cash (used in)/generated from financing activities		<u>(291,745)</u>	<u>(381,681)</u>	<u>(256,610)</u>	<u>(153,521)</u>	<u>63,530</u>
Net increase in cash and cash equivalents		–	–	–	–	300,596
Cash and cash equivalents at beginning of the year/period		–	–	–	–	–
Cash and cash equivalents at end of the year/period	16	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>300,596</u>

**II NOTES TO THE HISTORICAL FINANCIAL INFORMATION****1. GENERAL INFORMATION**

Anhui Province Liuwu Expressway Company Limited (the “**Target Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) in December 2022 as a limited liability company, by Anhui Transportation Holding Group Company Limited (“**安徽省交通控股集團有限公司**”, “**ATHC**”). The registered office of the Target Company is located at the north of the township of Jin’an District, Lu’an City, Anhui Province. Registered capital is RMB5,000 thousand. The Target Company is principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Target Company’s toll roads and concession periods granted are shown as follows:

<b>Toll road</b>	<b>Total Chargeable mileage (kilometres)</b>	<b>Concession periods granted</b>
Anhui section of Liuwu Expressway (“ <b>Liuwu Expressway</b> ”)	92.7	From 28 December 2009 to 27 December 2039

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years/ periods presented, unless otherwise stated.

### **2.1 BASIS OF PRESENTATION**

Pursuant to the Business Transfer, as more fully explained in the section headed “4. Information on the Target Company” in the circular of Anhui Expressway Company Limited (the “**Company**”) dated 26 July 2023 (the “**Original Circular**”), before ATHC transferring the relevant assets, liabilities and employees of Liuwu Expressway business to the Target Company with Nil consideration on 15 December 2022 (the date of establishment of the Target Company), the Liuwu Expressway business was operated by ATHC, and was accounted for as a business unit of ATHC. As the Business Transfer mainly involved transferring the business of Liuwu to the Target Company and has not resulted in any change of economic substance, the Historical Financial Information for the Relevant Periods has been presented as a continuation of the Target Company as if the Business Transfer had been completed at the beginning of the Relevant Periods.

Before 15 December 2022 (the date of establishment of the Target Company), the Liuwu Expressway did not hold any business unit specific bank accounts and all of its cash and cash equivalents were centrally controlled and managed by ATHC, through ATHC’s bank accounts, together with those cash and cash equivalents generated from other business units of ATHC. Pursuant to the Transfer Agreement corresponding to the Business Transfer, the Target Company is entitled to the profit or loss of Liuwu Expressway business on or after 30 September 2022, and the relevant assets transferred to the Target Company during the Business Transfer did not include any cash and cash equivalents. Consequently, when preparing the Historical Financial Information, (i) net cash and cash equivalents generated by Liuwu Expressway business before 30 September 2022 have been treated as distributions appropriated and paid to ATHC (the “**Distributions**”), so that nil cash and cash equivalents were reported at each balance sheet date before 30 September 2022, and (ii) ATHC received and paid cash and cash equivalents generated from the Liuwu Expressway business on behalf of the Target Company from 30 September to 15 December 2022.

For the purpose of presenting the Historical Financial information, the net assets of Liuwu Expressway business unit before the Business Transfer were presented as “Reserves before the Business Transfer” in the statements of changes in equity of the relevant periods and such balance as of the Business Transfer completion date was accounted for as capital surplus of the Target Company pursuant to the Transfer Agreement.

Before 15 December 2022 (the date of establishment of the Target Company), an income tax rate of 25% has been adopted for the calculation of income tax expenses in the Historical Financial Information, which was the applicable income tax rate of ATHC during the periods.

## **2.2 BASIS OF PREPARATION**

The Historical Financial Information has been prepared in accordance with basis of presentation set out in Note 2.1, significant accounting policies set out in Note 2.4 and significant accounting judgements and estimates set out in Note 3. These accounting policies and accounting estimates are in conformity with those of Anhui Expressway Company Limited, and in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 January 2023, together with the relevant transitional provisions, have been early adopted by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention. These financial statements are represented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

## **2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS**

The Target Company has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the Historical Financial Information.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>2</sup>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> <sup>1</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ <b>2020 Amendments</b> ”) <sup>1, 3</sup>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ <b>2022 Amendments</b> ”) <sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2024
- <sup>2</sup> No mandatory effective date yet determined but available for adoption
- <sup>3</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

The management of the Target Company is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the management of the Target Company considers that these new and revised HKFRSs may result in changes in accounting policies and are not expected to have a significant impact on the Target Company's balance sheet and financial performance.

#### **2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### *Fair value measurement*

The Target Company measures its financial assets at fair value through profit or loss at fair value at the end of each Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or paid to transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Target Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Target Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
  
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
  
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Target Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Relevant Periods.

*Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

*Related parties*

A party is considered to be related to the Target Company if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Target Company;
  - (ii) has significant influence over the Target Company; or
  - (iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Target Company are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Target Company are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to the parent of the Target Company.

*Property, plant and equipment and depreciation*

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Target Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Buildings	17 to 30 years
Safety, communication and signalling equipment	10 years
Toll stations and ancillary equipment	7 years
Motor vehicles	9 years
Other machinery and equipment	6 to 9 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

*Intangible assets (other than goodwill)*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### Service concession arrangements

The Target Company has entered into contractual service arrangements with local government authorities (“**the Grantor**”) for its participation in the construction, development, financing, operation and maintenance of various toll road infrastructure. Under these arrangements, the Target Company carries out the construction or upgrade work of toll roads for the granting authorities from the Grantor and receives in exchange of a right to operate the toll roads concerned and entitlement to the toll collection from users of the toll road services (the “**Service Concessions**”). The Target Company recorded the assets under the Service Concessions, including toll roads and the associated land use rights, as “concession intangible assets” on the balance sheet, to the extent that it received a right to charge users of the public service. The Target Company does not have obligation to return the assets other than toll roads and the associated land use rights to the Grantor at the end of concession period.

The Target Company account for revenue and costs relating to construction or upgrade work and operation services under the Service Concessions in accordance with HKFRS 15. Please refer to Note 2.4 revenue recognition for details.

Concession intangible assets are stated at cost, that is, the fair value of the consideration in exchange for the construction services provided under the service concession arrangements, less accumulated amortisation and impairment losses.

The amortisation of concession intangible assets is calculated using the straight-line method to allocate cost over the concession periods granted (Note 1).

Where the carrying amount of the concession intangible assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The concession periods are approved by the Grantor therefore the Target Company does not have renewal or termination option for the concession periods granted. At the end of a concession period, the Target Company has to return these concession intangible assets to the Grantor at specific conditions required by the law for toll roads. The Target Company does not have rights to receive specified assets at the end of concession period.

The pricing right of above toll roads is owned by the Grantor.

As part of its obligations under the respective Service Concessions, the Target Company assumes responsibility for maintenance and resurfacing of the toll roads it manages. Other than the aforementioned, the Target Company does not have obligations to acquire or build items of property, plant and equipment for toll road services.

#### Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 years.

#### *Investments and other financial assets*

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Target Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Target Company has applied the practical expedient of not adjusting the effect of a significant financing component, the Target Company initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Target Company has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Target Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Target Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in profit or loss.

*Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Target Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Target Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Target Company has transferred substantially all the risks and rewards of the asset, or (b) the Target Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Target Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Target Company continues to recognise the transferred asset to the extent of the Target Company's continuing involvement. In that case, the Target Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Target Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Target Company could be required to repay.

*Impairment of financial assets*

The Target Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Target Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each Relevant Periods, the Target Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Target Company compares the risk of a default occurring on the financial instrument as at the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Target Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Target Company may also consider a financial asset to be in default when internal or external information indicates that the Target Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Target Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
  
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
  
- Stage 3 – Financial assets that are credit-impaired at the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

#### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Target Company applies the practical expedient of not adjusting the effect of a significant financing component, the Target Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Target Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each Relevant Periods. The Target Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Financial liabilities*

## Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Target Company's financial liabilities include trade and other payables, borrowings and long-term payables.

## Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

## Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, borrowings and long-term payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

*Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises purchase cost, processing cost and other cost. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

*Cash and cash equivalents*

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash of generally within three months, are subject to an insignificant risk of changes in value and have a short maturity when acquired and form an integral part of the Target Company's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

*Paid-in capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

*Trade and other payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

*Provision*

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

As part of its obligations under the respective service concession arrangements, the Target Company assumes responsibility for the maintenance and resurfacing of the toll roads it operates during the concession periods. Provisions for maintenance and resurfacing are recognised when the Target Company has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

Provision for maintenance and resurfacing obligations is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, if any, are taken into account as a whole in reaching the best estimate of the provision.

The carrying amount of provisions is reviewed at the end of each Relevant Periods and adjusted to reflect the current best estimate.

*Income tax*

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Target Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Target Company has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

*Revenue recognition*

## Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Target Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Target Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Target Company and the customer at contract inception. When the contract contains a financing component which provides the Target Company with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

## (a) Toll income from toll road operation

Toll income from toll road operation is recognised when the vehicles is passing through and the Target Company receives the payment or has the right to receive payment.

*Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Target Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

*Contract liabilities*

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Target Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Target Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

*Employee benefits*

## Defined contribution pension schemes

Each company of the Target Company contributes on a monthly basis to defined contribution pension schemes in the PRC based on a percentage of the relevant employee's monthly salaries. The Target Company's contributions to defined contributions pension schemes are charged to profit or loss as they become payable to the schemes. The Target Company has no legal or constructive obligations to pay further contributions even if the schemes do not hold sufficient assets to pay all employees the benefits relating to employee in the current and prior periods.

As stipulated by the laws and regulations in the PRC, the Target Company contributes to the state-sponsored retirement schemes for its employee in the PRC (i.e., pension insurance). The Target Company's employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries and bonuses), and the Target Company contributes 16% of such relevant income since May 2019, subject to certain ceiling. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

In addition to the government-sponsored defined contribution pension schemes, the Target Company operates an additional employee pension scheme. All employees are entitled to an additional pension each year aggregating to 8% of the previous year's salaries.

#### Housing fund

According to the relevant rules and regulations of the Anhui Province, the Target Company and its employees are each required to make contributions, which are in proportion to the employees' salaries or wages of the prior year, to a housing fund. Contributions to a housing fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

#### *Borrowings costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### *Dividends*

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information.

#### *Foreign currencies*

The Historical Financial Information are presented in RMB, which is the Target Company's functional currency. Foreign currency transactions recorded by the Target Company are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each Relevant Period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Target Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Target Company determines the transaction date for each payment or receipt of the advance consideration.

### **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Target Company's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### ***Estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

***Estimation of amortisation periods of concession intangible assets***

The Target Company amortises the concession intangible assets using the straight-line method over the concession periods granted (Note 1). The concession periods are approved by the Grantor therefore the Target Company does not have renewal or termination option for the concession periods.

If the Grantor requires to extend or shorten the concession periods, management will revise the amortisation charges which are different to previously calculated, or recognise an impairment loss, if any.

**4. OPERATING SEGMENT INFORMATION**

Management reviews profit or loss of the Target Company as a whole to make decision about performance assessment and resource allocation. The operation of the Target Company constitutes one single operating segment under HKFRS8 “Operating Segments” and accordingly, no separate segment information is prepared. No segment assets and liabilities are presented as management does not regularly review segment assets and liabilities.

***Geographical information***

All of the Target Company’s revenue is generated in the PRC and all of its assets are located in the PRC. Accordingly, no geographical information is presented.

***Information about major customers***

No revenue amounted to 10% or more of the Target Company’ revenue was derived from sales to a single customer or a group of customers under common control in the Relevant Periods.

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

**5. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended	
	2020	2021	2022	30 June	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Toll income from toll roads operation	401,726	559,982	524,152	261,164	276,966
Others	—	—	—	—	352
	<u>401,726</u>	<u>559,982</u>	<u>524,152</u>	<u>261,164</u>	<u>277,318</u>

	Year ended 31 December			Six months ended	
	2020	2021	2022	30 June	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
<b>Other income and gains – net</b>					
Interest income	—	—	—	—	39
Net losses from disposal of property, plant and equipment ( <i>Note 6</i> )	(3,214)	—	(4)	—	—
Other income and gains	<u>(3,214)</u>	<u>—</u>	<u>(4)</u>	<u>—</u>	<u>39</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### 6. PROFIT BEFORE TAX

The Target Company's profit before tax is arrived at after charging:

<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Taxes and surcharges	1,960	2,498	2,509	1,255	1,000
Employee benefit expense (including director's and chief executive's remuneration):					
Wages, salaries and allowances, social security and benefits	11,550	10,785	12,067	6,034	5,797
Defined contribution pension schemes	<u>452</u>	<u>1,551</u>	<u>2,172</u>	<u>1,086</u>	<u>842</u>
	<u>12,002</u>	<u>12,336</u>	<u>14,239</u>	<u>7,120</u>	<u>6,639</u>
Depreciation in respect of:					
– property, plant and equipment	<i>11</i> 6,945	6,419	9,361	3,163	8,491
Amortisation in respect of:					
– concession intangible assets	<i>10</i> 141,180	141,180	141,180	70,590	70,590
– intangible assets	<i>12</i> 604	553	–	–	–
Net losses from disposal of property, plant and equipment	<i>5</i> 3,214	–	4	–	–

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### 7. DIRECTOR'S AND SUPERVISOR'S REMUNERATION

	Year ended 31 December			Six months ended 30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	—	—	—	—	209
Defined contribution pension schemes	—	—	—	—	45
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>254</u>

The names of the directors and supervisors and their remuneration during the Relevant Periods are as follows:

	<i>Notes</i>	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Contribution to retirement benefit scheme	Discretionary bonus and other benefits	Total <i>RMB'000</i>
				<i>RMB'000</i>	<i>RMB'000</i>	
<b>Six months ended 30 June 2023</b>						
Executive directors:						
Mr. Liu Jun	i	—	82	19	—	101
Supervisors:						
Mr. Xu Yong	ii	—	53	10	—	63
Chief executives:						
Mr. Zhang Shunqing	iii	—	74	16	—	90
		<u>—</u>	<u>209</u>	<u>45</u>	<u>—</u>	<u>254</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

- (i) Mr. Liu Jun was appointed as an executive director in March 2023 and Mr. Liu Jun also acted as a chief executive of the Company.
- (ii) Mr. Xu Yong was appointed as a supervisor in March 2023.
- (iii) Mr. Zhang Shunqing was appointed as a chief executive in March 2023.

For each of the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022, the remuneration of the above director, supervisor and chief executive are Nil. Those director, supervisor and chief executive who did not receive any remuneration from the Target Company during the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 have positions in the Target Company's parent company (ATHC) that borne all of their remuneration. Save as disclosed above, there was no arrangement under which a director nor supervisor or chief executive has waived or agreed to waive any emoluments.

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Target Company for the six months ended 30 June 2023 included 3 director and supervisor and chief executive, respectively, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining 5, 5, 5, 5 and 2 highest paid employees who are not director, nor supervisor or chief executive of the Target Company for each of the years ended 31 December 2020, 2021 and 2022, and the six months ended 30 June 2022 and 2023 are as follows:

	Year ended 31 December			Six months ended	
				30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Salaries, allowances and					
benefits in kind	506	557	598	299	120
Defined contribution pension schemes	34	112	117	59	27
	540	669	715	358	147

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Year ended 31 December			Six months ended	
				30 June	
	2020	2021	2022	2022	2023
Nil to HKD1,000,000	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>2</u>

### 9. INCOME TAX

The amount of taxation charged to the income statement represents:

	Year ended 31 December			Six months ended	
				30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)				
Current taxation – CIT	39,921	80,460	66,691	36,297	39,705
Deferred taxation charged to the consolidated income statement <i>(Note 13)</i>	<u>5,748</u>	<u>5,748</u>	<u>5,749</u>	<u>2,874</u>	<u>2,873</u>
	<u>45,669</u>	<u>86,208</u>	<u>72,440</u>	<u>39,171</u>	<u>42,578</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Target Company is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Profit before tax	<u>182,676</u>	<u>344,831</u>	<u>289,759</u>	<u>156,684</u>	<u>170,312</u>
Tax at the statutory tax rate at 25%	<u>45,669</u>	<u>86,208</u>	<u>72,440</u>	<u>39,171</u>	<u>42,578</u>
Tax charge at the Target Company's effective tax rate	<u>45,669</u>	<u>86,208</u>	<u>72,440</u>	<u>39,171</u>	<u>42,578</u>

### 10. CONCESSION INTANGIBLE ASSETS

	As at 31 December			As at 30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Cost	4,235,405	4,235,405	4,235,405	4,235,405	4,235,405
Accumulated amortisation	<u>(1,564,747)</u>	<u>(1,705,927)</u>	<u>(1,847,107)</u>	<u>(1,776,517)</u>	<u>(1,917,697)</u>
Net book amount	<u>2,670,658</u>	<u>2,529,478</u>	<u>2,388,298</u>	<u>2,458,888</u>	<u>2,317,708</u>
Opening net book amount	2,811,838	2,670,658	2,529,478	2,529,478	2,388,298
Amortisation charges ( <i>Note 6</i> )	<u>(141,180)</u>	<u>(141,180)</u>	<u>(141,180)</u>	<u>(70,590)</u>	<u>(70,590)</u>
Closing net book amount	<u>2,670,658</u>	<u>2,529,478</u>	<u>2,388,298</u>	<u>2,458,888</u>	<u>2,317,708</u>

No borrowing costs have been capitalised in the years ended 31 December 2020, 2021, 2022 and the six months ended 30 June 2022 and 2023.

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

As at 31 December 2020, 2021 and 2022, and 30 June 2022 and 2023, the land use rights certificate for Xianhua toll station has not yet been obtained. The land use right for Dagudian toll station has been transferred to the Target Company, however, due to historical reasons during the construction period, the land use rights certificate for Dagudian toll station is in the same certificate for other expressway mainline land of Anhui Transportation Holding Group, and the certificate holder is Anhui Transportation Holding Group.

As at 31 December 2020, 2021 and 2022, and 30 June 2022 and 2023, there was no indication of impairment of the Target Company's intangible assets and no provision for impairment of intangible assets was required.

### 11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Safety, communication and signalling equipment	Toll stations and ancillary equipment	Motor vehicles	Other machinery and equipment	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2020</b>							
At 1 January 2020:							
Cost	68,755	153,945	16,455	3,843	93,422	7,062	343,482
Accumulated depreciation	(21,439)	(143,179)	(14,496)	(1,427)	(82,113)	-	(262,654)
Impairment	-	-	-	-	-	-	-
Net carrying amount	<u>47,316</u>	<u>10,766</u>	<u>1,959</u>	<u>2,416</u>	<u>11,309</u>	<u>7,062</u>	<u>80,828</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Buildings	Safety, communication and signalling equipment	Toll stations and ancillary equipment	Motor vehicles	Other machinery and equipment	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2020, net of accumulated depreciation and impairment	47,316	10,766	1,959	2,416	11,309	7,062	80,828
Additions	-	117	-	-	996	-	1,113
Disposals	(704)	(1,903)	(675)	(4)	(230)	-	(3,516)
Depreciation provided during the year (Note 6)	(2,198)	(1,543)	(397)	(412)	(2,395)	-	(6,945)
Transfers	-	1,084	-	-	5,978	(7,062)	-
	<u>44,414</u>	<u>8,521</u>	<u>887</u>	<u>2,000</u>	<u>15,658</u>	<u>-</u>	<u>71,480</u>
At 31 December 2020, net of accumulated depreciation and impairment	<u>44,414</u>	<u>8,521</u>	<u>887</u>	<u>2,000</u>	<u>15,658</u>	<u>-</u>	<u>71,480</u>
At 31 December 2020:							
Cost	67,730	136,208	3,357	3,805	92,932	-	304,032
Accumulated depreciation	(23,316)	(127,687)	(2,470)	(1,805)	(77,274)	-	(232,552)
Impairment	-	-	-	-	-	-	-
Net carrying amount	<u>44,414</u>	<u>8,521</u>	<u>887</u>	<u>2,000</u>	<u>15,658</u>	<u>-</u>	<u>71,480</u>
<b>31 December 2021</b>							
At 1 January 2021:							
Cost	67,730	136,208	3,357	3,805	92,932	-	304,032
Accumulated depreciation	(23,316)	(127,687)	(2,470)	(1,805)	(77,274)	-	(232,552)
Impairment	-	-	-	-	-	-	-
Net carrying amount	<u>44,414</u>	<u>8,521</u>	<u>887</u>	<u>2,000</u>	<u>15,658</u>	<u>-</u>	<u>71,480</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Buildings <i>RMB'000</i>	Safety, communication and signalling equipment <i>RMB'000</i>	Toll stations and ancillary equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Other machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2021, net of accumulated depreciation and impairment	44,414	8,521	887	2,000	15,658	–	71,480
Additions	–	–	–	401	–	50,826	51,227
Depreciation provided during the year <i>(Note 6)</i>	<u>(2,190)</u>	<u>(737)</u>	<u>(173)</u>	<u>(409)</u>	<u>(2,910)</u>	<u>–</u>	<u>(6,419)</u>
At 31 December 2021, net of accumulated depreciation and impairment	<u>42,224</u>	<u>7,784</u>	<u>714</u>	<u>1,992</u>	<u>12,748</u>	<u>50,826</u>	<u>116,288</u>
At 31 December 2021:							
Cost	67,730	136,208	3,357	4,206	92,932	50,826	355,259
Accumulated depreciation	(25,506)	(128,424)	(2,643)	(2,214)	(80,184)	–	(238,971)
Impairment	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net carrying amount	<u>42,224</u>	<u>7,784</u>	<u>714</u>	<u>1,992</u>	<u>12,748</u>	<u>50,826</u>	<u>116,288</u>
<b>31 December 2022</b>							
At 1 January 2022:							
Cost	67,730	136,208	3,357	4,206	92,932	50,826	355,259
Accumulated depreciation	(25,506)	(128,424)	(2,643)	(2,214)	(80,184)	–	(238,971)
Impairment	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net carrying amount	<u>42,224</u>	<u>7,784</u>	<u>714</u>	<u>1,992</u>	<u>12,748</u>	<u>50,826</u>	<u>116,288</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Buildings <i>RMB'000</i>	Safety, communication and signalling equipment <i>RMB'000</i>	Toll stations and ancillary equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Other machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022, net of accumulated depreciation and impairment	42,224	7,784	714	1,992	12,748	50,826	116,288
Additions	–	4,040	1,205	793	4,473	91,120	101,631
Disposals	–	–	–	(30)	–	–	(30)
Depreciation provided during the year <i>(Note 6)</i>	(3,873)	(1,402)	(532)	(406)	(3,148)	–	(9,361)
Transfers	119,130	10,091	8,702	–	4,023	(141,946)	–
At 31 December 2022, net of accumulated depreciation and impairment	<u>157,481</u>	<u>20,513</u>	<u>10,089</u>	<u>2,349</u>	<u>18,096</u>	<u>–</u>	<u>208,528</u>
At 31 December 2022:							
Cost	186,860	150,339	13,264	4,012	101,428	–	455,903
Accumulated depreciation	(29,379)	(129,826)	(3,175)	(1,663)	(83,332)	–	(247,375)
Impairment	–	–	–	–	–	–	–
Net carrying amount	<u>157,481</u>	<u>20,513</u>	<u>10,089</u>	<u>2,349</u>	<u>18,096</u>	<u>–</u>	<u>208,528</u>
<b>30 June 2022 (unaudited)</b>							
At 1 January 2022:							
Cost	67,730	136,208	3,357	4,206	92,932	50,826	355,259
Accumulated depreciation	(25,506)	(128,424)	(2,643)	(2,214)	(80,184)	–	(238,971)
Impairment	–	–	–	–	–	–	–
Net carrying amount	<u>42,224</u>	<u>7,784</u>	<u>714</u>	<u>1,992</u>	<u>12,748</u>	<u>50,826</u>	<u>116,288</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Buildings <i>RMB'000</i>	Safety, communication and signalling equipment <i>RMB'000</i>	Toll stations and ancillary equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Other machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022, net of accumulated depreciation and impairment	42,224	7,784	714	1,992	12,748	50,826	116,288
Additions	-	-	-	-	-	27,684	27,684
Depreciation provided during the period (unaudited) ( <i>Note 6</i> )	(1,095)	(368)	(82)	(218)	(1,400)	-	(3,163)
At 30 June 2022, net of accumulated depreciation and impairment (unaudited)	<u>41,129</u>	<u>7,416</u>	<u>632</u>	<u>1,774</u>	<u>11,348</u>	<u>78,510</u>	<u>140,809</u>
At 30 June 2022: (unaudited)							
Cost	67,730	136,208	3,357	4,206	92,932	78,510	382,943
Accumulated depreciation	(26,601)	(128,792)	(2,725)	(2,432)	(81,584)	-	(242,134)
Impairment	-	-	-	-	-	-	-
Net carrying amount	<u>41,129</u>	<u>7,416</u>	<u>632</u>	<u>1,774</u>	<u>11,348</u>	<u>78,510</u>	<u>140,809</u>
<b>30 June 2023</b>							
At 1 January 2023:							
Cost	186,860	150,339	13,264	4,012	101,428	-	455,903
Accumulated depreciation	(29,379)	(129,826)	(3,175)	(1,663)	(83,332)	-	(247,375)
Impairment	-	-	-	-	-	-	-
Net carrying amount	<u>157,481</u>	<u>20,513</u>	<u>10,089</u>	<u>2,349</u>	<u>18,096</u>	<u>-</u>	<u>208,528</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Buildings <i>RMB'000</i>	Safety, communication and signalling equipment <i>RMB'000</i>	Toll stations and ancillary equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Other machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023, net of accumulated depreciation and impairment	157,481	20,513	10,089	2,349	18,096	-	208,528
Depreciation provided during the period (Note 6)	<u>(4,444)</u>	<u>(1,022)</u>	<u>(768)</u>	<u>(216)</u>	<u>(2,041)</u>	<u>-</u>	<u>(8,491)</u>
At 30 June 2023, net of accumulated depreciation and impairment	<u>153,037</u>	<u>19,491</u>	<u>9,321</u>	<u>2,133</u>	<u>16,055</u>	<u>-</u>	<u>200,037</u>
At 30 June 2023:							
Cost	186,860	150,339	13,264	4,012	101,428	-	455,903
Accumulated depreciation	(33,823)	(130,848)	(3,943)	(1,879)	(85,373)	-	(255,866)
Impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net carrying amount	<u>153,037</u>	<u>19,491</u>	<u>9,321</u>	<u>2,133</u>	<u>16,055</u>	<u>-</u>	<u>200,037</u>

**12. INTANGIBLE ASSETS**

	<b>Acquired computer software licences</b> <i>RMB'000</i>
<b>31 December 2020</b>	
Cost at 1 January 2020, net of accumulated amortisation	1,157
Amortisation provided during the year ( <i>Note 6</i> )	<u>(604)</u>
At 31 December 2020	<u><u>553</u></u>
At 31 December 2020:	
Cost	1,357
Accumulated amortisation and impairment	<u>(804)</u>
Net carrying amount	<u><u>553</u></u>
<b>Acquired computer software licences</b> <i>RMB'000</i>	
<b>31 December 2021</b>	
Cost at 1 January 2021, net of accumulated amortisation	553
Amortisation provided during the year ( <i>Note 6</i> )	<u>(553)</u>
At 31 December 2021	<u><u>–</u></u>
At 31 December 2021:	
Cost	1,357
Accumulated amortisation and impairment	<u>(1,357)</u>
Net carrying amount	<u><u>–</u></u>

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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**Acquired computer  
software licences**  
*RMB'000***31 December 2022**

Cost at 1 January 2022, net of accumulated amortisation	–
Amortisation provided during the year ( <i>Note 6</i> )	–
	<hr/>
At 31 December 2022	–
	<hr/> <hr/>
At 31 December 2022:	
Cost	1,357
Accumulated amortisation and impairment	(1,357)
	<hr/>
Net carrying amount	–
	<hr/> <hr/>

**Acquired computer  
software licences**  
*RMB'000***30 June 2022 (unaudited)**

Cost at 1 January 2022, net of accumulated amortisation	–
Amortisation provided during the period (unaudited) ( <i>Note 6</i> )	–
	<hr/>
At 30 June 2022 (unaudited)	–
	<hr/> <hr/>
At 30 June 2022 (unaudited):	
Cost	1,357
Accumulated amortisation and impairment	(1,357)
	<hr/>
Net carrying amount	–
	<hr/> <hr/>

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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**Acquired computer  
software licences**  
*RMB'000***30 June 2023**

Cost at 1 January 2023, net of accumulated amortisation	–
Amortisation provided during the period ( <i>Note 6</i> )	–
	<hr/>
At 30 June 2023	–
	<hr/> <hr/>
At 30 June 2023:	
Cost	1,357
Accumulated amortisation and impairment	(1,357)
	<hr/>
Net carrying amount	–
	<hr/> <hr/>

**13. DEFERRED TAX**

The movements in deferred tax assets during the periods are as follows:

*Deferred tax assets*

	<b>Amortisation difference between accounting and tax regulations RMB'000</b>
Gross deferred tax assets at 1 January 2020	116,843
Deferred tax charged to the income statement ( <i>Note 9</i> )	<u>(5,748)</u>
Gross deferred tax assets at 31 December 2020 and 1 January 2021	111,095
Deferred tax charged to the income statement ( <i>Note 9</i> )	<u>(5,748)</u>
Gross deferred tax assets at 31 December 2021 and 1 January 2022	105,347
Deferred tax charged to the income statement ( <i>Note 9</i> )	<u>(5,749)</u>
Gross deferred tax assets at 31 December 2022 and 1 January 2023	99,598
Gross deferred tax assets at 31 December 2021 and 1 January 2022	105,347
Deferred tax charged to the income statement (unaudited) ( <i>Note 9</i> )	<u>(2,874)</u>
Gross deferred tax assets at 30 June 2022 (unaudited)	102,473
Gross deferred tax assets at 31 December 2022 and 1 January 2023	99,598
Deferred tax charged to the income statement ( <i>Note 9</i> )	<u>(2,873)</u>
Gross deferred tax assets at 30 June 2023	<u><u>96,725</u></u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. As at 31 December 2020, 2021 and 2022, and 30 June 2022 and 2023, the offset amount was nil.

As at 31 December 2020, 2021 and 2022, and 30 June 2022 and 2023, the Company had no deductible temporary differences and deductible losses for unrecognized deferred income tax assets.

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

**14. INVENTORIES**

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Materials and spare parts	–	–	130	68
Less: Provision of write-down	–	–	–	–
	<u>–</u>	<u>–</u>	<u>130</u>	<u>68</u>

**15. RECEIVABLES AND PREPAYMENTS**

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Receivables:				
Toll road income receivable	10,258	11,573	7,142	20,567
Receivables from related parties	–	–	58,531	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Less: Provision for impairment	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Prepayments:				
Prepaid expenses	–	–	–	78
	<u>–</u>	<u>–</u>	<u>–</u>	<u>78</u>
	<u>10,258</u>	<u>11,573</u>	<u>65,673</u>	<u>20,645</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

The ageing analysis of the receivables is as follows:

	As at 31 December			As at
	2020	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<u>10,258</u>	<u>11,573</u>	<u>65,673</u>	<u>20,567</u>

As at 31 December 2020, 2021 and 2022, receivables and prepayments are collected by ATHC on behalf of the Target Company (Note 24).

### 16. CASH AND CASH EQUIVALENTS

	As at 31 December			As at
	2020	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	<u>–</u>	<u>–</u>	<u>–</u>	<u>300,596</u>

As at 31 December 2020, 2021 and 2022 and 30 June 2023, cash and bank balances were denominated in RMB.

### 17. PAID-IN CAPITAL

	As at 31 December			As at
	2020	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Paid-in capital	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,000</u>

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

**18. DISTRIBUTIONS TO ATHC**

	Year ended 31 December			Six months ended	
				30 June	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Distributions to ATHC	<u>291,745</u>	<u>381,681</u>	<u>198,079</u>	<u>153,521</u>	<u>–</u>

**19. TRADE AND OTHER PAYABLES**

	As at 31 December			As at
				30 June
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits for construction projects	250	355	305	321
Staff salaries and welfare	–	–	–	2,472
Other taxation payables	1,987	1,896	1,602	5,514
Service fee payable for collection of toll roads income	2,638	870	699	771
Service fee payable for repair and maintenance	8,376	31,882	14,468	5,755
Service fee payable for toll roads management	–	–	–	2,461
Others	<u>–</u>	<u>–</u>	<u>–</u>	<u>60</u>
	<u>13,251</u>	<u>35,003</u>	<u>17,074</u>	<u>17,354</u>

As at 31 December 2020, 2021 and 2022 and 30 June 2023, trade and other payables of RMB3,229 thousand, RMB3,215 thousand, RMB2,314 thousand and RMB1,971 thousand were aged over one year.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the fair values of trade and other payables, except for staff salaries and welfare and other taxation payables, approximated their carrying amounts.

As at 31 December 2020, 2021 and 2022, trade and other payables are paid by ATHC on behalf of the Target Company (Note 24).

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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**20. PROVISION****31 December 2020**

	<b>Total</b> <i>RMB'000</i>
At 1 January 2020	–
Additional provision	33,107
Amounts utilised during the year	<u>(32,711)</u>
At 31 December 2020	<u><u>396</u></u>

**31 December 2021**

	<b>Total</b> <i>RMB'000</i>
At 1 January 2021	396
Additional provision	33,121
Amounts utilised during the year	<u>(32,877)</u>
At 31 December 2021	<u><u>640</u></u>

**31 December 2022**

	<b>Total</b> <i>RMB'000</i>
At 1 January 2022	640
Additional provision	45,666
Amounts utilised during the year	<u>(44,397)</u>
At 31 December 2022	<u><u>1,909</u></u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

**30 June 2023**

	<b>Total</b> <i>RMB'000</i>
At 1 January 2023	1,909
Additional provision	9,563
Amounts utilised during the period	(1,743)
At 30 June 2023	9,729

As at 31 December 2020, 2021 and 2022, provisions are paid by ATHC on behalf of the Target Company (Note 24).

### 21. NOTES TO THE STATEMENT OF CASH FLOWS

Cash generated from operating activities

	<i>Notes</i>	<b>Six months ended</b>				
		<b>Year ended 31 December</b>			<b>30 June</b>	
		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>				
PROFIT BEFORE INCOME TAX		182,676	344,831	289,759	156,684	170,312
ADJUSTMENTS FOR:						
Amortisation of concession intangible assets	<i>10</i>	141,180	141,180	141,180	70,590	70,590
Depreciation of property, plant and equipment	<i>11</i>	6,945	6,419	9,361	3,163	8,491
Amortisation of intangible assets	<i>12</i>	604	553	–	–	–
Net loss on disposal of property, plant and equipment	<i>5</i>	3,214	–	4	–	–
		334,619	492,983	440,304	230,437	249,393

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	<i>Notes</i>	Six months ended				
		Year ended 31 December			30 June	
		2020	2021	2022	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)				
(Increase)/decrease in inventories		–	–	(130)	–	62
Decrease/(increase) in receivables and prepayments		14,458	(1,315)	4,431	4,690	(13,503)
(Decrease)/increase in other operating liabilities		(17,174)	21,752	(17,929)	(25,342)	280
Increase in provision	<i>20</i>	<u>396</u>	<u>244</u>	<u>1,269</u>	<u>10,327</u>	<u>7,820</u>
Cash generated from operating activities		<u>332,299</u>	<u>513,664</u>	<u>427,945</u>	<u>220,112</u>	<u>244,052</u>

Before 15 December 2022 (the date of establishment of the Target Company), the Liuwu Expressway did not hold any business unit specific bank accounts and all of its cash and cash equivalents were centrally controlled and managed by ATHC, through ATHC's bank accounts, together with those cash and cash equivalents generated from other business units of ATHC. Pursuant to the Transfer Agreement corresponding to the Business Transfer, the Target Company is entitled to the profit or loss of Liuwu Expressway business on or after 30 September 2022, and the relevant assets transferred to the Target Company during the Business Transfer did not include any cash and cash equivalents. Consequently, when preparing the Historical Financial Information, (i) net cash and cash equivalents generated by Liuwu Expressway business before 30 September 2022 have been treated as distributions appropriated and paid to ATHC (the “Distributions”), so that nil cash and cash equivalents were reported at each balance sheet date before 30 September 2022, and (ii) ATHC received and paid cash and cash equivalents generated from the Liuwu Expressway business on behalf of the Target Company from 30 September to 15 December 2022.

### 22. CONTINGENT LIABILITIES

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Target Company did not have any significant contingent liabilities.

**23. COMMITMENTS**

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	As at 31 December			As at
	2020	2021	2022	30 June
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Contracted but not provided for				
– Property, plant and equipment	–	18,055	–	2,299

**24. RELATED PARTY TRANSACTIONS**

The Target Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the PRC government. It owns a significant portion of the expressway assets in Anhui Province.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Target Company. On that basis, related parties include ATHC and its subsidiaries (other than the Target Company), other government-related entities and their subsidiaries, other entities and corporations in which the Target Company is able to control or exercise significant influence and key management personnel of the Target Company and ATHC as well as their close family members. The Target Company believes that these transactions are carried out on terms that are similarly and consistently applied to all other customers or suppliers. However, due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Target Company. As a result, these transactions with other government-related entities and their subsidiaries are exempted from the related party transaction disclosure requirements as set out in HKAS 24 (Revised).

The Target Company's director believes that information in respect of related party transactions has been adequately disclosed in the Historical Financial Information and are of the view that the following companies are related parties that had material transactions or balances with the Target Company during the periods.

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

**(a) Information about related parties**

Name	Relationships with the Target Company
ATHC	Parent company
Anhui Transport Consulting & Design Institute Co., Ltd. (“安徽省交通規劃設計研究總院股份有限公司”, “ATCD”)	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre Co., Ltd. (“安徽省高速公路試驗檢測科研中心有限公司”, “AERC”)	Subsidiary of ATHC
Anhui Expressway Network Operation Co., Ltd (“安徽省高速公路聯網運營有限公司”, “AENO”)	Subsidiary of ATHC
Anhui Transportation Engineering Group Co., Ltd. (formerly named Anhui Gaolu Construction Co., Ltd.) (“安徽交控工程集團有限公司”, 原名“安徽省高路建設有限公司”, “ATEGC”)	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. (“安徽省中興工程監理有限公司”, “AZPMC”)	Subsidiary of ATHC
Anhui Transportation United Card Holding Co., Ltd. (“安徽交通一卡通控股有限公司”, “ATUCC”)	Subsidiary of ATHC
Anhui Transportation Information Industry Co., Ltd. (“安徽交控信息產業有限公司”, “ATII”)	Subsidiary of ATHC
Anhui Transportation Material Technology Co., Ltd. (“安徽交控材料科技有限公司”, 原名“安徽省環宇公路建設開發有限責任公司”, “ATMT”)	Subsidiary of ATHC
Anhui Jinggong Construction General Co., Ltd. (“安徽省經工建設集團有限公司”, “AJCG”)	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. (“安徽省七星工程測試有限公司”, “AQPT”)	Subsidiary of ATHC
Anhui Jiaoyun Group Automobile Sales Co., Ltd (“安徽交運集團汽車銷售有限公司”, “AJASC”)	Subsidiary of ATHC
Anhui Shengxuan Municipal Garden Engineering Co., Ltd. (“安徽省盛軒市政園林工程有限公司”, “ASGEC”)	Subsidiary of ATHC



## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	Year ended 31 December			Six months ended	
				30 June	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(unaudited)
Toll road income received on behalf of					
the Target Company (iii)					
AENO	401,726	559,982	524,152	261,164	276,966
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
					(unaudited)
Collection on behalf of the Target					
Company (iv)					
ATHC	422,790	575,466	544,333	273,689	131,515
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Payment on behalf of the Target					
Company (iv)					
ATHC	(131,045)	(193,785)	(287,724)	(120,168)	(24,375)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*Notes:*

- (i) During the relevant periods, the transactions were carried out in accordance with the terms and conditions similar to those offered by third parties in the ordinary course of business.
- (ii) It mainly represented payable to these related parties for the purchases, construction, maintenance and testing services in connection with expressway.
- (iii) During the years ends 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, the net amounts collected by related parties were RMB401,726 thousand, RMB559,982 thousand, RMB524,152 thousand, RMB261,164 thousand and RMB276,966 thousand, respectively.
- (iv) During the years ends 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, ATHC collects and pays on behalf of the Target Company before the completion of Business Transfer (Note 2.1).

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

*(c) Outstanding balances with related parties*

	As at 31 December			As at
	2020	2021	2022	30 June
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Trade payables				
ATEGC	232	9,747	2,552	1,693
ATII	–	–	11	45
AJASC	–	–	24	24
AERC	115	210	156	–
ATMT	646	646	–	–
ATCD	415	387	440	440
AJCG	363	429	499	499
AQPT	1,855	263	–	–
ASGEC	538	–	–	–
	<u>4,164</u>	<u>11,682</u>	<u>3,682</u>	<u>2,701</u>
Other payables				
ATHC	–	–	–	2,461
ATUCC	–	513	412	454
AENO	2,638	357	287	317
ATMT	50	50	–	–
	<u>2,688</u>	<u>920</u>	<u>699</u>	<u>3,232</u>

**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

**(d) Receivables**

	As at 31 December 2020		As at 31 December 2021		As at 31 December 2022		As at 30 June 2023	
	Provision		Provision		Provision		Provision	
	Book value	impairment	Book value	impairment	Book value	impairment	Book value	impairment
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ATHC	-	-	-	-	58,531	-	-	-
AENO	10,258	-	11,573	-	7,142	-	20,567	-
	<u>10,258</u>	<u>-</u>	<u>11,573</u>	<u>-</u>	<u>65,673</u>	<u>-</u>	<u>20,567</u>	<u>-</u>

**25. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial instruments as at the end of the Relevant Periods are as follows:

As at 31 December 2020

***Financial assets***

**Financial assets at  
amortised cost  
*RMB'000***

Receivables 10,258

***Financial liabilities***

**Financial liabilities  
at amortised cost  
*RMB'000***

Trade and other payables  
(exclude Staff salaries and welfare and Other taxation payables) 11,264

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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As at 31 December 2021

***Financial assets***

**Financial assets  
at amortised cost**  
*RMB'000*

Receivables 11,573

***Financial liabilities***

**Financial liabilities  
at amortised cost**  
*RMB'000*

Trade and other payables  
(exclude Staff salaries and welfare and Other taxation payables) 33,107

As at 31 December 2022

***Financial assets***

**Financial assets  
at amortised cost**  
*RMB'000*

Receivables 65,673

***Financial liabilities***

**Financial liabilities  
at amortised cost**  
*RMB'000*

Trade and other payables  
(exclude Staff salaries and welfare and Other taxation payables) 15,472

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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As at 30 June 2023

***Financial assets***

	<b>Financial assets at amortised cost</b> <i>RMB'000</i>
Receivables and prepayments	20,567
Cash and cash equivalents	<u>300,596</u>
	<u><u>321,163</u></u>

***Financial liabilities***

	<b>Financial liabilities at amortised cost</b> <i>RMB'000</i>
Trade and other payables (exclude Staff salaries and welfare and Other taxation payables)	<u><u>9,368</u></u>

**26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The nominal value less impairment provision of receivables, trade and other payables are assumed to approximate their fair values due to short period of maturity dates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Target Company for similar financial instruments.

## **27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Target Company's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Target Company's operations. The Target Company has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

The main risks arising from the Target Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The director reviews and agrees policies for managing each of these risks and they are summarised below.

The Target Company's activities do not expose it to significant interest rate risk because it has no long-term debt obligations with a floating interest rate.

The Target Company's activities do not expose it to significant foreign exchange risk because it principally operates in the PRC and RMB is the currency of the primary economic environment in which the Target Company operates.

### ***Credit risk***

The Target Company's credit risk mainly arises from cash and other financial assets. The carrying amounts of financial assets represented the Target Company's maximum exposure in relation to financial assets.

The Target Company's cash are mainly bank deposits deposited with reputable state-owned banks and other large and medium-sized listed banks with high credit ratings, which the Target Company believes does not have significant credit risk and will hardly incur significant losses due to bank defaults.

Other financial assets at amortised cost include receivables. Receivables are mainly due from related parties and the government, and are considered be low credit risk where they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Please refer to Note 15 for details.

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

Except for the cash and receivables as mentioned above, the Target Company does not have any significant concentration of credit risk exposure associated with a particular single counterparty or a particular group of counterparties having similar characteristics.

### *Liquidity risk*

The Target Company's toll road income is settled in cash.

The table below analyses the Target Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet and balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

<b>As at 31 December 2020</b>					
<b>Within</b>	<b>1 to 3</b>	<b>3 to 5</b>	<b>Over</b>	<b>Total</b>	
<b>1 year</b>	<b>years</b>	<b>years</b>	<b>5 years</b>		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade and other payables, excluding other taxation payables, staff salaries and welfare	11,264	–	–	–	11,264
	<u>11,264</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,264</u>
<b>As at 31 December 2021</b>					
<b>Within</b>	<b>1 to 3</b>	<b>3 to 5</b>	<b>Over</b>	<b>Total</b>	
<b>1 year</b>	<b>years</b>	<b>years</b>	<b>5 years</b>		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade and other payables, excluding other taxation payables, staff salaries and welfare	33,107	–	–	–	33,107
	<u>33,107</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>33,107</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	<b>As at 31 December 2022</b>				
	<b>Within</b>	<b>1 to 3</b>	<b>3 to 5</b>	<b>Over</b>	<b>Total</b>
	<b>1 year</b>	<b>years</b>	<b>years</b>	<b>5 years</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and other payables, excluding other taxation payables, staff salaries and welfare	<u>15,472</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>15,472</u>

	<b>As at 30 June 2023</b>				
	<b>Within</b>	<b>1 to 3</b>	<b>3 to 5</b>	<b>Over</b>	<b>Total</b>
	<b>1 year</b>	<b>years</b>	<b>years</b>	<b>5 years</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and other payables, excluding other taxation payables, staff salaries and welfare	<u>9,368</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9,368</u>

### ***Capital management***

The Target Company's objectives for managing capital are to safeguard the Target Company's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Target Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to the others in the industry, the Target Company monitors capital using the Assets-liabilities ratio. This ratio is calculated as total liabilities divided by total assets.

The assets-liabilities ratio as at the end of the Relevant Periods were as follows:

	<b>As at 31 December</b>			<b>As at</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>30 June</b>
				<b>2023</b>
Assets-liabilities ratio	<u>0.79%</u>	<u>1.61%</u>	<u>0.89%</u>	<u>2.23%</u>

**28. SUBSEQUENT EVENTS**

Except as disclosed elsewhere in this report, the Target Company has no material subsequent events in respect of any period subsequent to 30 June 2023 and up to the date of this report.

**29. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 30 June 2023 and up to the date of this report.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

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**A.    UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND  
LIABILITIES OF THE ENLARGED GROUP**

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of Anhui Expressway Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”), as enlarged after completion of the acquisition of 100% of the entire equity interests in Anhui Province Liuwu Company Limited (the “**Target Company**”) from Anhui Transportation Holding Group Company Limited (“**ATHC**”) (the “**Acquisition**”) (the “**Enlarged Group**”) (the “**Unaudited Pro Forma Financial Information**”), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effects of the Acquisition, as if the Acquisition had been completed on 30 June 2023.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed on 30 June 2023 or any future date.

The Unaudited Pro Forma Financial Information has been prepared based on the unaudited condensed consolidated balance sheet of the Group as at 30 June 2023 included in the published 2023 interim report of the Company and the balance sheet of the Target Company as at 30 June 2023 as set out in the accountants’ report of the Target Company in Appendix II to the supplemental circular of the Company dated 13 October 2023 (the “**Supplemental Circular**”), after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this Supplemental Circular.

	<b>The Group</b>	<b>The Target</b>	<b>Pro forma adjustments</b>		<b>Unaudited</b>
	<b>as at</b>	<b>Company</b>			<b>pro forma</b>
	<b>30 June</b>	<b>as at</b>			<b>total for the</b>
	<b>2023</b>	<b>30 June</b>			<b>Enlarged</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<b>Group</b>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<b>as at</b>
					<b>30 June</b>
					<b>2023</b>
					<i>RMB'000</i>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Concession intangible assets	13,834,832	2,317,708	–	–	16,152,540
Right-of-use assets	57,893	–	–	–	57,893
Property, plant and equipment	1,183,111	200,037	–	–	1,383,148
Investment properties	304,974	–	–	–	304,974
Intangible assets	3,151	–	–	–	3,151
Investment in associates	154,628	–	–	–	154,628
Deferred income tax assets	103,537	96,725	–	–	200,262
Financial assets at fair value					
through profit or loss (“FVPL”)	689,823	–	–	–	689,823
Financial assets at fair value					
through other comprehensive	94,229	–	–	–	94,229
	<u>16,426,178</u>	<u>2,614,470</u>	<u>–</u>	<u>–</u>	<u>19,040,648</u>
Total non-current assets					

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

	<b>The Group as at 30 June 2023 RMB'000 Note 1</b>	<b>The Target Company as at 30 June 2023 RMB'000 Note 2</b>	<b>Pro forma adjustments</b>		<b>Unaudited pro forma total for the Enlarged Group as at 30 June 2023 RMB'000</b>
			<i>RMB'000 Note 3</i>	<i>RMB'000 Note 4</i>	
<b>Current assets</b>					
Inventories	4,200	68	–	–	4,268
Receivables and prepayments	386,619	20,645	–	–	407,264
Time deposits with original maturity over three months	2,552,752	–	–	–	2,552,752
Cash and cash equivalents	<u>2,599,158</u>	<u>300,596</u>	<u>(549,901)</u>	<u>–</u>	<u>2,349,853</u>
<b>Total current assets</b>	<u>5,542,729</u>	<u>321,309</u>	<u>(549,901)</u>	<u>–</u>	<u>5,314,137</u>
<b>TOTAL ASSETS</b>	<u>21,968,907</u>	<u>2,935,779</u>	<u>(549,901)</u>	<u>–</u>	<u>24,354,785</u>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Long-term payables	77,560	–	–	–	77,560
Borrowings	6,029,148	–	–	–	6,029,148
Deferred income tax liabilities	34,662	–	–	–	34,662
Deferred income	<u>107,388</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>107,388</u>
<b>Total non-current liabilities</b>	<u>6,248,758</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,248,758</u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

	<b>The Group as at 30 June 2023 RMB'000 Note 1</b>	<b>The Target Company as at 30 June 2023 RMB'000 Note 2</b>	<b>Pro forma adjustments</b>		<b>Unaudited pro forma total for the Enlarged Group as at 30 June 2023 RMB'000</b>
			<i>RMB'000</i> Note 3	<i>RMB'000</i> Note 4	
<b>CURRENT LIABILITIES</b>					
Trade and other payables	1,771,925	17,354	–	15,958	1,805,237
Current income tax liabilities	78,600	38,454	–	–	117,054
Provisions	79,385	9,729	–	–	89,114
Borrowings	470,567	–	–	–	470,567
	<u>2,400,477</u>	<u>65,537</u>	<u>–</u>	<u>15,958</u>	<u>2,481,972</u>
Total current liabilities					
	<u>2,400,477</u>	<u>65,537</u>	<u>–</u>	<u>15,958</u>	<u>2,481,972</u>
<b>TOTAL LIABILITIES</b>	<u>8,649,235</u>	<u>65,537</u>	<u>–</u>	<u>15,958</u>	<u>8,730,730</u>
<b>NET ASSETS</b>	<u>13,319,672</u>	<u>2,870,242</u>	<u>(549,901)</u>	<u>(15,958)</u>	<u>15,624,055</u>

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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**NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**

1. The balances are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2023 as set out in the published interim report of the Company for the period ended 30 June 2023.
2. The balances are extracted from the balance sheet of the Target Company as at 30 June 2023 as set out in the accountants' report of the Target Company in Appendix II to this Supplemental Circular.
3. On 17 April 2023, the Group entered into the acquisition agreement with ATHC, the ultimate controlling shareholder of the Company, and pursuant to which the Group has conditionally agreed to acquire 100% of the entire equity interests in the Target Company. On 20 June 2023, the Group entered into the supplemental agreement to the acquisition agreement with ATHC, pursuant to which, among other things, the final consideration for the Acquisition and the number of the consideration shares proposed to be issued have been determined by the parties. 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 Group to ATHC. 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.

As the Group and the Target Company are under common control by ATHC and the control is not transitional, the Acquisition is accounted for using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants. Accordingly, no goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination to the extent of the continuation of the controlling party or parties' interests will be recognised as a result of the Acquisition.

For the purpose of this pro forma financial information, the total consideration is assumed to be RMB3,666,003,900, among which the cash consideration is assumed to be RMB549,900,585, as if the acquisition of equity interests in the Target Company had been completed as at 30 June 2023. The pro forma adjustment represents decreases in cash and cash equivalents balances by RMB549,900,585.

4. For the purpose of the Unaudited Pro Forma Financial Information, the transaction expenses, such as professional services fees, that are directly attributable to the Acquisition are estimated to be RMB15,958,000.
5. No other adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2023 and of the Target Company entered into subsequent to 30 June 2023.

**B.      REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED  
GROUP**

*The following is the text of a report on the unaudited pro forma information of the Enlarged Group received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purposes of incorporation into this supplemental circular.*



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**To the Directors of Anhui Expressway Company Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Anhui Expressway Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2023 and related notes as set out in Appendix III to the supplemental circular dated 13 October 2023 (the “**Supplemental Circular**”), issued by the Company (the “**Unaudited Pro Forma Financial Information**”), in connection with the acquisition of 100% of the entire equity interests in Anhui Province Liuwu Company Limited (the “**Target Company**”) from Anhui Transportation Holding Group Company Limited (the “**Acquisition**”). The applicable criteria on the basis of which the Directors have compiled the unaudited Pro Forma Financial Information are described in Appendix III to the Supplemental Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of Acquisition on the Group’s assets and liabilities as at 30 June 2023 as if the Acquisition had taken place on 30 June 2023. As part of this process, information about the Group’s assets and liabilities has been extracted by the Directors from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2023 as set out in the published interim report of the Company for the period ended 30 June 2023. Information about assets and liabilities of the Target Company has been extracted by the Directors from financial information of the Target Company as at 30 June 2023, on which an accountants’ report has been published in Appendix II to the Supplemental Circular.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**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 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 management 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, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

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The purpose of the Unaudited Pro Forma Financial Information included in the Supplemental Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE ENLARGED GROUP**

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**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

*Certified Public Accountants*

Hong Kong

13 October 2023

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**APPENDIX IV      UPDATED MANAGEMENT DISCUSSION AND ANALYSIS  
OF THE TARGET COMPANY**

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**UPDATED MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY**

Please refer to Appendix IV to the Original Circular for the management discussion and analysis of the operation results and the business review of the Target Company for the three years ended 31 December 2020, 2021 and 2022 and the two months ended 28 February 2023.

Set out below is the statement of profit or loss and other comprehensive income of the Target Company for the six months ended 30 June 2022 and 2023 as extracted from the accountants' report of the Target Company set out in Appendix II to this supplemental circular.

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	
Revenue	261,164	277,318
Cost of sales	<u>(99,884)</u>	<u>(102,768)</u>
Gross profit	161,280	174,550
Other income and gains – net	–	39
Administrative expenses	<u>(4,596)</u>	<u>(4,277)</u>
Profit before income tax	156,684	170,312
Income tax expenses	<u>(39,171)</u>	<u>(42,578)</u>
Profit and total comprehensive income for the period	<u><u>117,513</u></u>	<u><u>127,734</u></u>

**Revenue**

During the six months ended 30 June 2023, the Target Company's revenue primarily represented the toll income from operation of the Liuwu Expressway. The Target Company's revenue increased by 6.2% from approximately RMB261.2 million for the six months ended 30 June 2022 to approximately RMB277.3 million for the six months ended 30 June 2023, mainly due to the increase in traffic volume following the recovery from the COVID-19 pandemic.

**Other income and gains – net**

The Target Company recorded other income and gains of approximately RMB thirty-nine thousand for the six months ended 30 June 2023, which represented interest income generated during the period.

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## **APPENDIX IV      UPDATED MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY**

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### **Cost of sales**

The Target Company's cost of sales primarily consisted of (i) amortisation of concession intangible assets; (ii) depreciation of property, plant and equipment; (iii) repair and maintenance expenses; (iv) employee benefit expenses; and (v) service fee for the collection of toll roads income, which increased slightly by approximately 2.9% from approximately RMB99.9 million for the six months ended 30 June 2022 to approximately RMB102.8 million for the six months ended 30 June 2023, mainly attributable to the increase of the depreciation charge of the fixed assets resulted from the commencement of the operation of Xianhua interchange (仙花互通) in late 2022, partially offset by the decrease of toll road construction cost and maintenance cost.

### **Administrative expenses**

The Target Company's administrative expenses mainly consisted of road asset management fee and employee benefit expenses for managerial staff. The Target Company's administrative expenses remained relatively stable at approximately RMB4.6 million and RMB4.3 million for the six months ended 30 June 2022 and 2023, respectively.

### **Profit and total comprehensive income for the period**

The Target Company's profit and total comprehensive income for the period increased by 8.7% from approximately RMB117.5 million for the six months ended 30 June 2022 to approximately RMB127.7 million for the six months ended 30 June 2023. The increase in net profit was primarily attributable to the increase in revenue during the period as driven by the increase in traffic volume.

### **Capital structure, liquidity and financial resources**

During the six months ended 30 June 2023, the operations and working capital requirements of Liuwu Expressway was primarily financed by the cash flow from operation, the Target Company did not have any interest-bearing borrowings as at 30 June 2023.

As at 30 June 2023, the Target Company had cash and cash equivalents of approximately RMB300.6 million, all of which were denominated in RMB.

### **Gearing Ratio**

The Target Company did not have any interest-bearing borrowings as at 30 June 2023, the gearing ratio of the Target Company (total interest-bearing borrowings as a percentage of total equity) was not applicable.

**Significant investments**

There was no significant investment held by the Target Company as at 30 June 2023.

**Material acquisitions and disposals of subsidiaries, associates and joint ventures**

There was no material acquisitions and disposals of subsidiaries, associates and joint ventures made by the Target Company during the six months ended 30 June 2023.

**Employee and remuneration policies**

The Target Company's employee benefit expenses including wages, salaries and allowances, social security and benefits and defined contribution pension schemes decreased by 7.0% from approximately RMB7.1 million for the six months ended 30 June 2022 to approximately RMB6.6 million for the six months ended 30 June 2023, primarily due to decrease in managerial staff resulted from the outsourcing of certain business function.

As at 30 June 2023, the Target Company had 73 employees based in the PRC. The Target Company will recruit, employ, promote and remunerate its employees based on their qualifications, experiences, competency, performances and contribution.

**Charge on assets**

As at 30 June 2023, there was no charge over any asset of the Target Company.

**Foreign currency and hedging**

The Target Company conducts its business in the PRC and all transactions are denominated in RMB. Therefore, the Target Company has no foreign exchange risk exposure. In addition, the Target Company has not used any financial instrument to hedge potential fluctuation in interest rates and exchange rates.

**Contingent liabilities**

As at 30 June 2023, the Target Company did not have any contingent liabilities.

**Future plans for material investments or capital assets**

As at the Latest Practicable Date, the Target Company did not plan to launch new business or make material investments or capital assets.

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**APPENDIX V      FURTHER LETTER OF CONFIRMATION ISSUED BY CHINA UNITED  
IN RESPECT OF THE ASSET VALUATION REPORT**

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

13 October 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 August 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 August 2023. Accordingly, as at 31 August 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.**

**Relevant parts of the A Share Announcements containing material information with Takeovers Code implications (Chinese version)****(A) Extract from the Board Resolutions Announcement**

根據《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)《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》(中國證券監督管理委員會公告[2015]31號)等相關規定，為保護投資者利益，針對發行股份及支付現金購買資產並募集配套資金(「**本次交易**」)導致的對公司即期回報被攤薄的風險，公司對填補回報並增強公司持續回報能力提出了具體措施，公司控股股東、公司董事、高級管理人員出具了《關於本次交易攤薄即期回報採取填補措施的承諾函》。

獨立董事已認可該事項並發表了事前認可意見和同意的獨立意見。本議案尚需提交公司股東大會審議。

公司已按照《公司法》《證券法》《上市公司重大資產重組管理辦法》《上市公司信息披露管理辦法》《上海證券交易所股票上市規則》等相關法律、法規、規範性文件及《公司章程》的規定，就本次交易相關事項，履行了現階段必需的法定程序。該等法定程序完整、合法、有效，符合相關法律法規及《公司章程》的規定，公司向上交所等監管機構所提交的關於本次交易的各項法律文件合法有效。同時，根據《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》的規定，就本次交易相關事宜擬提交的相關法律文件，公司董事會及全體董事作出如下聲明和保證：

公司就本次交易提交的法律文件不存在虛假記載、誤導性陳述或者重大遺漏，公司董事會及全體董事對該等文件的真實性、準確性和完整性承擔相應的法律責任。

獨立董事已認可該事項並發表了事前認可意見和同意的獨立意見。本議案尚需提交公司股東大會審議。

**(B) Extract of the Independent Director Prior Approval Opinion Announcement**

根據《上市公司獨立董事管理辦法》《上海證券交易所股票上市規則》(以下簡稱「《上市規則》」)、《上市公司重大資產重組管理辦法》(以下簡稱「《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、規範性文件及《安徽皖通高速公路股份有限公司章程》(以下簡稱「《公司章程》」)的有關規定，我們作為公司的獨立董事，本著獨立、審慎原則，在認真審閱了有關資料和聽取有關人員匯報的基礎上，對擬提交公司第九屆董事會第三十八次會議審議事項，發表如下事前認可意見：

- (一) 為保證本次交易申報文件中的財務數據處於有效期內，根據《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》等相關法律、法規及規範性文件之規定，公司聘請了安永華明會計師事務所(特殊普通合夥)對標的公司2021年、2022年及2023年1-6月的財務報表進行了審計，並出具了《安徽省六武高速公路有限公司已審備考財務報表》(安永華明(2023)專字第60904999\_B08號)；同時，公司聘請了安永華明會計師事務所(特殊普通合夥)對公司出具了《安徽皖通高速公路股份有限公司備考合併財務報表及審閱報告》(安永華明(2023)專字第60904999\_B09號)。安永華明會計師事務所特殊普通合夥具備出具上述加期審計報告、備考審閱報告的法定資格，不存在損害公司及全體股東尤其是中小股東利益的情形。
- (二) 公司就本次交易編製的《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)(修訂稿)》及其摘要，符合《公司法》《證券法》《重組管理辦法》《上海證券交易所上市公司自律監管指引第6號—重大資產重組(2023年修訂)》及其他相關法律、法規及規範性文件的規定及監管規則的要求，具備基本的可行性和可操作性。
- (三) 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。
- (四) 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。

基於以上判斷，我們對本次交易事項表示事前認可，同意將本次交易有關的議案提交公司第九屆董事會第三十八次會議審議。

**(C) Extract of the Independent Director Opinion Announcement**

根據《上市公司獨立董事管理辦法》《上海證券交易所股票上市規則》(以下簡稱「《上市規則》」)、《上市公司重大資產重組管理辦法》(以下簡稱「《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、規範性文件及《安徽皖通高速公路股份有限公司章程》(以下簡稱「《公司章程》」)的有關規定，我們作為公司的獨立董事，對公司第九屆董事會第三十八次會議審議事項進行了認真審議，並仔細查閱了相關資料。基於我們的獨立判斷，現發表如下獨立意見：

- (一) 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。
- (二) 本次交易所涉及的相關議案已經公司第九屆董事會第三十八次會議審議通過。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。
- (三) 為保證本次交易申報文件中的財務數據處於有效期內，根據《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》等相關法律、法規及規範性文件之規定，公司聘請了安永華明會計師事務所特殊普通合夥對標的公司2021年、2022年及2023年1-6月的財務報表進行了審計，並出具了《安徽省六武高速公路有限公司已審備考財務報表》(安永華明(2023)專字第60904999\_B08號)；同時，公司聘請了安永華明會計師事務所特殊普通合夥對公司出具了《安徽皖通高速公路股份有限公司備考合併財務報表及審閱報告》(安永華明(2023)專字第60904999\_B09號)。安永華明會計師事務所特殊普通合夥具備出具上述加期審計報告、備考審閱報告的法定資格，不存在損害公司及全體股東尤其是中小股東利益的情形。
- (四) 公司就本次交易編製的《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)(修訂稿)》及其摘要，符合《公司法》《證券法》《重組管理辦法》《上海證券交易所上市公司自律監管指引第6號—重大資產重組(2023年修訂)》及其他相關法律、法規和規範性文件的規定及監管規則的要求，具備基本的可行性和可操作性。
- (五) 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。
- (六) 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。

**(D) Extract of the Dilution of Immediate Returns Announcement****一. 本次交易攤薄即期回報情況**

根據上市公司2023年1-6月未經審計的財務報表、安永華明會計師事務所特殊普通合夥) 出具的《安徽皖通高速公路股份有限公司審計報告》(安永華明(2023)專字第60904999\_B08 號及《安徽皖通高速公路股份有限公司備考合併財務報表及審閱報告》(安永華明(2023)專 字第60904999\_B09號)，不考慮募集配套資金影響，本次交易完成前後上市公司的主要財 務指標如下：

項目	2023年6月30日／ 2023年1-6月		2022年12月31日／ 2022年度	
	本次交易前 (合併)	本次交易後 (備考合併)	本次交易前 (合併)	本次交易後 (備考合併)
總資產(萬元)	2,192,654.61	2,486,232.51	2,130,336.88	2,406,559.58
總負債(萬元)	863,838.23	925,381.95	779,880.66	837,342.55
歸屬於母公司所有者權益 (萬元)	1,183,611.74	1,415,645.92	1,192,481.24	1,411,242.04
營業收入(萬元)	232,383.89	260,115.73	520,636.64	573,051.80
歸屬於母公司所有者淨利潤 (萬元)	83,950.04	96,723.41	144,501.71	166,186.97
加權平均淨資產收益率(%)	6.80	6.63	12.48	12.09
基本每股收益(元／股)	0.51	0.45	0.87	0.78

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。

## (E) Extract of the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and Related Transactions (Revised)

## 第一節 本次交易概況

## 四. 本次交易對上市公司的影響

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1-6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，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1-6月／2023年6月30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	2,192,654.61	2,486,232.51	2,130,336.88	2,406,559.58
負債總計	863,838.23	925,381.95	779,880.66	837,342.55
歸屬於母公司所有者				
權益	1,183,611.74	1,415,645.92	1,192,481.24	1,411,242.04
營業收入	232,383.89	260,115.73	520,636.64	573,051.80
歸屬於母公司所有者				
淨利潤	83,950.04	96,723.41	144,501.71	166,186.97
加權平均淨資產				
收益率(%)	6.80	6.63	12.48	12.09
基本每股收益(元／股)	0.51	0.45	0.87	0.78

## 第二節 上市公司基本情況

## 一. 主要財務資料及財務指標

上市公司2020年度、2021年度、2022年度和2023年1-6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數據

單位：萬元

項目	2023年6月30日	2022年12月31日	2021年12月31日	2020年12月31日
總資產	<b>2,192,654.61</b>	2,130,336.88	1,992,086.30	2,076,273.34
總負債	<b>863,838.23</b>	779,880.66	797,585.36	862,129.74
淨資產	<b>1,328,816.39</b>	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	<b>1,183,611.74</b>	1,192,481.24	1,138,910.95	1,150,351.21

## (二) 合併利潤表主要數據

單位：萬元

項目	2023年1-6月	2022年度	2021年度	2020年度
營業收入	<b>232,383.89</b>	520,636.64	392,095.82	293,381.75
利潤總額	<b>117,179.01</b>	197,693.20	211,912.74	118,341.64
淨利潤	<b>86,201.57</b>	141,400.40	154,531.59	81,672.57
歸屬於母公司股東的淨利潤	<b>83,950.04</b>	144,501.71	151,416.79	86,925.59

## (三) 合併現金流量表主要數據

單位：萬元

項目	2023年1-6月	2022年度	2021年度	2020年度
經營活動產生的現金流量				
淨額	<b>142,812.23</b>	193,770.00	209,706.08	170,632.40
投資活動產生的現金流量				
淨額	<b>-130,484.32</b>	-247,704.19	20,018.39	-122,502.25
籌資活動產生的現金流量				
淨額	<b>-42,796.93</b>	8,327.23	-91,104.49	-42,274.44
現金及現金等價物淨增加額	<b>-30,469.03</b>	-45,606.97	138,619.99	5,855.71

## (四) 主要財務指標

單位：萬元

項目	2023年6月30日／	2022年12月31日／	2021年12月31日／	2020年12月31日／
	2023年1-6月	2022年度	2021年度	2020年度
基本每股收益(元／股)	<b>0.51</b>	0.87	0.91	0.52
毛利率	<b>57.50%</b>	43.24%	59.69%	47.91%
資產負債率	<b>39.40%</b>	36.61%	40.04%	41.52%
加權平均淨資產收益率	<b>6.80%</b>	12.48%	12.58%	7.74%

## 第四節 標的公司基本情況

## 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6月30日，六武公司的主要資產情況如下：

單位：萬元

項目	金額	佔比
貨幣資金	<b>30,059.65</b>	10.24%
預付款項	<b>7.84</b>	0.00%
其他應收款	<b>2,056.69</b>	0.70%
存貨	<b>6.78</b>	0.00%
固定資產	<b>20,003.70</b>	6.81%
無形資產	<b>231,770.79</b>	78.95%
遞延所得稅資產	<b>9,672.46</b>	3.29%

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。

## 第十節 財務會計信息

## 二. 上市公司備考合併財務報表審閱報告

## (二) 備考合併資產負債表

單位：萬元

項目	2023年6月30日	2022年12月31日
貨幣資金	555,505.27	473,149.93
交易性金融資產	-	-
預付款項	315.60	92.97
其他應收款	28,415.29	53,774.43
存貨	426.79	483.56
其他流動資產	1,740.86	475.32
<b>流動資產合計</b>	<b>586,403.80</b>	<b>527,976.21</b>
長期股權投資	15,462.76	14,662.53
其他權益工具投資	9,422.90	11,550.89
其他非流動金融資產	68,982.33	71,159.94
投資性房地產	30,497.42	35,228.93
固定資產	112,328.64	116,220.22
在建工程	25,749.64	26,028.07
無形資產	1,615,723.93	1,584,023.91
遞延所得稅資產	21,661.09	19,708.90
<b>非流動資產合計</b>	<b>1,899,828.72</b>	<b>1,878,583.37</b>
<b>資產總計</b>	<b>2,486,232.51</b>	<b>2,406,559.58</b>
應付賬款	59,616.57	61,991.12
預收款項	5,816.93	4,143.51
應付職工薪酬	9,055.11	2,847.80
應交稅費	12,991.20	5,035.17
其他應付款	154,769.84	64,369.44
一年內到期的非流動負債	50,430.25	49,603.58
其他流動負債	8,911.46	7,291.31
<b>流動負債合計</b>	<b>301,591.36</b>	<b>195,281.94</b>
長期借款	602,914.81	620,198.59
長期應付款	7,755.97	7,755.97
遞延收益	10,738.76	11,385.27
遞延所得稅負債	2,381.06	2,720.78
<b>非流動負債合計</b>	<b>623,790.59</b>	<b>642,060.61</b>
<b>負債合計</b>	<b>925,381.95</b>	<b>837,342.55</b>
歸屬於本公司股東權益合計	1,415,645.92	1,411,242.04
少數股東權益	145,204.65	157,974.99
<b>所有者權益合計</b>	<b>1,560,850.57</b>	<b>1,569,217.03</b>
<b>負債和所有者權益總計</b>	<b>2,486,232.51</b>	<b>2,406,559.58</b>

## (三) 備考合併利潤表

單位：萬元

項目	2023年1-6月	2022年度
營業收入	260,115.73	573,051.80
減：營業成本	108,935.16	317,806.21
稅金及附加	1,058.44	3,268.08
管理費用	7,741.32	17,343.81
財務費用	5,256.04	14,426.60
其中：利息費用	10,622.97	22,652.06
利息收入	5,364.20	8,031.67
加：其他收益	679.53	1,598.87
投資收益	3,459.44	3,809.04
公允價值變動(損失)收益	-7,080.04	61.36
信用減值損失	-11.92	-12.61
資產減值轉回	-	-
資產處置收益	24.03	864.88
營業利潤	134,195.82	226,528.64
加：營業外收入	16.57	126.60
減：營業外支出	2.21	32.80
利潤總額	134,210.17	226,622.44
減：所得稅費用	35,235.23	63,536.77
淨利潤	98,974.94	163,085.67
少數股東損益	2,251.53	-3,101.31
歸屬於母公司股東的淨利潤	96,723.41	166,186.97
綜合收益總額	97,378.95	163,113.48
歸屬於本公司股東的綜合收益總額	95,127.43	166,214.79
歸屬於少數股東的綜合收益(損失)總額	2,251.53	-3,101.31
基本每股收益(元/股)	0.45	0.78
稀釋每股收益(元/股)	0.45	0.78

## 第十一節 同業競爭和關聯交易

## 二. 關聯交易

本次交易完成前後，上市公司的關聯方交易金額及佔比情況具體如下：

項目	2023年1-6月		2022年度	
	交易前	交易後(備考)	交易前	交易後(備考)
關聯銷售情況(萬元)	657.39	657.39	1,121.70	1,121.70
營業收入(萬元)	232,383.89	260,115.73	520,636.64	573,051.80
佔營業收入比例	0.28%	0.25%	0.22%	0.20%
關聯採購情況(萬元)	6,379.57	7,021.42	28,331.55	38,264.21
營業成本(萬元)	98,758.56	108,935.16	295,490.81	317,806.21
佔營業成本比例	6.46%	6.45%	9.59%	12.04%

本次交易完成後，公司2022年關聯銷售佔營業收入的比例較交易前減少0.02個百分點，關聯採購佔營業成本的比例較交易前增加2.45個百分點；公司2023年1-6月關聯銷售佔營業收入的比例較交易前減少0.03個百分點，關聯採購佔營業成本的比例較交易前減少0.01個百分點。

本次交易完成後，上市公司將儘量避免及減少與控股股東及其控制的其他企業之間的關聯交易。對於必要的關聯交易，上市公司將嚴格遵循《上市規則》《公司章程》及關聯交易相關制度，依法履行相應決策程序，確保關聯交易價格公允、合理，並及時履行信息披露義務。

**(F) Extract of the A Share Independent Financial Advisor Inspection Opinion Announcement****一. 本次交易攤薄即期回報情況**

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。

**二. 上市公司對防範本次交易攤薄即期回報及提高未來回報能力採取的措施**

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。上市公司制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。

**(G) Extract of the A Share Independent Financial Advisor 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《發行註冊管理辦法》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》第十一條相關規定。
- 本次交易符合《重組管理辦法》第四十三條相關規定。
- 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。

- 申請文件及問詢回覆中的相關信息真實、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。
- 本次交易評估引用了第三方數據，所引用的資料具備真實性及權威性。
- 標的公司與主要客戶、供應商的交易內容、交易金額及佔比情況合理，定價具備公允性，交易規模與標的資產業務規模相匹配。
- 報告期內，前五大供應商中，安徽交控集團為標的公司的控股股東，安徽舜禹水務股份有限公司為安徽交控集團及安徽省國資委參股上市公司。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。
- 標的公司未對上述資產計提壞賬準備和減值準備的依據合理、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有一定的季節性波動，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，標的公司毛利率水準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。
- 標的公司業務發展雖然一定程度受宏觀經濟及政策因素影響，但報告期內持續盈利。目前，我國經濟運行平穩，預計未來能夠保持穩定增長。因此，標的公司盈利能力具備連續性和穩定性。

**(H) Extract of the Review Report on Pro Forma Financial Information**

## 審閱報告

安永華明(2023)專字第60904999\_B09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6月30日的備考合併資產負債表，2022年度及截至2023年6月30日止六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資料實施分析程序，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資訊，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6月30日止六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、目標公司截至2023年6月30日止六個月期間及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(特殊普通合伙)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。目標公司截至2023年6月30日止六個月期間以及2022年度經審計的備考財務報表經安永華明會計師事務所(特殊普通合伙)審計，並出具了安永華明(2023)專字第60904999\_B08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(本集團合併目標公司)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資訊，未列報本公司(母公司)財務資訊。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目標公司100%股權，交易於2022年1月1日前已完成。
4. 如附註一中所述，本公司及目標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，將目標公司的資產、負債按照其在最終控制方財務報表中的賬面價值併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，目標公司截至2023年6月30日止六個月期間及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，將本集團與目標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資訊可靠性的固有限制，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6月30日的合併財務狀況、2022年度及截至2023年6月30日止六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 A Share Announcements containing material information with Takeovers Code implications (English translation)****(A) Extracts from the Board Resolutions Announcement**

Pursuant to the Opinions of the General Office of the State Council on Further Enhancing the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market (Guo Ban Fa [2013] No. 110), the Several Opinions of the State Council on Further Facilitating the Healthy Development of the Capital Market (Guo Fa [2014] No. 17), the Guidance Opinions on Matters Pertaining to Dilution of Return for the Current Period Resulting from Initial Public Offering and Refinancing or Material Asset Restructuring (CSRC Announcement [2015] No. 31) and other relevant regulations, in order to protect the interests of investors and address the risk of dilution of the Company's immediate return resulting from the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (the "**Transaction**"), the Company has proposed specific measures to fill in the return and enhance the Company's ability to make sustainable returns, and the controlling shareholders of the Company, directors and the senior management of the Company have issued the Letter of Undertaking on the Remedial Measures Adopted in Relation to the Dilution of Immediate Return in the Transaction.

The independent directors have recognized the matter and given their prior approval opinions and independent opinions of agreement. The resolution shall be submitted to the general meeting of the Company for consideration.

The Company has conducted the necessary legal procedures in respect of the Transaction at current stage in accordance with relevant laws, regulations and regulatory documents such as the Company Law, the Securities Laws, the Administrative Measures for Material Asset Restructuring of Listed Companies, the Administrative Measures for the Information Disclosure of Listed Companies and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, as well as the articles of association. The legal procedures are complete, lawful and effective and in compliance with the relevant laws and regulations and the articles of association. The legal documents submitted by the Company in connection with the Transaction to the regulatory authorities such as the Shanghai Stock Exchange are lawful and effective. In addition, in accordance with the Administrative Measures for Material Asset Restructuring of Listed Companies and Standard No. 26 on the Content and Format of Information Disclosure by Companies Offering Securities to the Public – Material Asset Restructuring of Listed Companies, in respect of the relevant legal documents to be submitted in connection with the Transaction, the board of directors of the Company and the directors have represented and warranted as follows:

There does not exist any false record, misleading representations or material omission in the legal documents submitted by the Company in connection with the Transaction, the board of directors of the Company and the directors take corresponding legal liability in respect of the truth, accuracy and completeness of such documents.

The independent directors have recognized the matter and given their prior approval opinions and independent opinions of agreement. The resolution shall be submitted to the general meeting of the Company for consideration.

**(B) Extract of the Independent Director Prior Approval Opinion Announcement**

In accordance with the requirements of the Administrative Measures for Independent Directors of Listed Companies, Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “Listing Rules”), the Administrative Measures for the Material Asset Restructuring of Listed Companies (the “Administrative Measures for Restructuring”) and the Administrative Measures for the Registration of Securities Issuance by Listed Companies, and other relevant laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association of Anhui Expressway Company Limited (the “Articles of Association”), we, as an independent director of the Company, have, on the basis of the principle of independence and prudence, carefully reviewed the relevant information and listened to the reports of the relevant officers, and expressed our prior approval opinions on the matters to be submitted for consideration at the thirty-eighth meeting of the ninth session of the Board of the Company as follows:

- (I) In order to ensure that the financial data in the application documents of the Transaction are within the validity period, in accordance with the provisions of relevant laws, regulations and regulatory documents such as the Administrative Measures for Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) and Standard No. 26 on the Content and Format of Information Disclosure by Companies Offering Securities to the Public – Material Asset Restructuring of Listed Companies (《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》), the Company has engaged Ernst & Young Hua Ming LLP to audit the financial statements of the Target Company for the years of 2021 and 2022 and January to June 2023, and issued the Audited Pro Forma Financial Statements of Anhui Liuwu Expressway Co., Ltd. (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B08). At the same time, the Company has engaged Ernst & Young Hua Ming LLP to issue the Pro Forma Consolidated Financial Statements and Review Report of Anhui Expressway Company Limited (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B09) to the Company. Ernst & Young Hua Ming LLP is legally qualified to issue the aforesaid updated accountants’ report and pro forma financial information review report, and there are no circumstances that are prejudicial to the interests of the Company and all shareholders, in particular the small and medium-sized shareholders.

- (II) The Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) and its summary prepared by the Company in respect of the Transaction are in compliance with the requirements of the Company Law, the Securities Law, the Administrative Measures for Restructuring, Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 6 – Material Asset Restructuring (Revision in 2023) and other relevant laws, regulations and regulatory documents and regulation rules, and basically possesses feasibility and operability.
- (III) The Company has conducted a careful, prudent and objective analysis of the impact of the Transaction on the dilution of the immediate return and proposed specific measures to make up for the return, and the relevant key participants have undertaken that the safeguard measures can be practically fulfilled.
- (IV) The statutory procedures that have been performed at this stage of the Transaction are complete and effective, and are in compliance with relevant laws, regulations, regulatory documents and the provisions of the Articles of Association of the Company, and the legal documents that are proposed to submit to the Shanghai Stock Exchange and other regulatory authorities are legal and effective.

Based on the above judgment, we express our prior approval of the Transaction and agree to submit the resolution relating to the Transaction to the thirty-eighth meeting of the ninth session of the Board of the Company for consideration.

**(C) Extract of the Independent Director Opinion Announcement**

In accordance with the requirements of the Administrative Measures for Independent Directors of Listed Companies, Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “Listing Rules”), the Administrative Measures for the Material Asset Restructuring of Listed Companies (the “Administrative Measures for Restructuring”) and the Administrative Measures for the Registration of Securities Issuance by Listed Companies, and other relevant laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association of Anhui Expressway Company Limited (the “Articles of Association”), we, as an independent director of the Company, have, carefully reviewed the matters considered at the thirty-eighth meeting of the ninth session of the Board of the Company and carefully examined the relevant information. Based on our independent judgment, we hereby express our independent opinion as follows:

- (I) The relevant resolutions in respect of the Transaction have been approved by us in advance before they were submitted for consideration at this Board meeting.

- (II) The relevant resolutions in respect of the Transaction have been considered and approved at the thirty-eighth meeting of the ninth session of the Board of the Company. The summoning, convening, voting procedures and manner of this Board meeting are in compliance with the relevant national laws, regulations, rules, regulatory documents and the Articles of Association of the Company, and there are no circumstances that are prejudicial to the interests of the Company and its shareholders, in particular the small and medium-sized investors.
- (III) In order to ensure that the financial data in the application documents of the Transaction are within the validity period, in accordance with the provisions of relevant laws, regulations and regulatory documents such as the Administrative Measures for Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) and Standard No. 26 on the Content and Format of Information Disclosure by Companies Offering Securities to the Public – Material Asset Restructuring of Listed Companies (《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》), the Company has engaged Ernst & Young Hua Ming LLP to audit the financial statements of the Target Company for the years of 2021 and 2022 and January to June 2023, and issued the Audited Pro Forma Financial Statements of Anhui Liuwu Expressway Co., Ltd. (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B08). At the same time, the Company has engaged Ernst & Young Hua Ming LLP to issue the Pro Forma Consolidated Financial Statements and Review Report of Anhui Expressway Company Limited (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B09) to the Company. Ernst & Young Hua Ming LLP is legally qualified to issue the aforesaid updated accountants' report and pro forma financial information review report, and there are no circumstances that are prejudicial to the interests of the Company and all shareholders, in particular the small and medium-sized shareholders.
- (IV) The Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) and its summary prepared by the Company in respect of the Transaction are in compliance with the requirements of the Company Law, the Securities Law, the Administrative Measures for Restructuring, Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 6 – Material Asset Restructuring (Revision in 2023) and other relevant laws, regulations and regulatory documents and regulation rules, and basically possesses feasibility and operability.
- (V) The Company has conducted a careful, prudent and objective analysis of the impact of the Transaction on the dilution of the immediate return and proposed specific measures to make up for the return, and the relevant key participants have undertaken that the safeguard measures can be practically fulfilled.

- (VI) The statutory procedures that have been performed at this stage of the Transaction are complete and effective, and are in compliance with relevant laws, regulations, regulatory documents and the provisions of the Articles of Association of the Company, and the legal documents that are proposed to submit to the Shanghai Stock Exchange and other regulatory authorities are legal and effective.

**(D) Extract of the Dilution of Immediate Returns Announcement**

***I. Dilution of immediate return from the Transaction***

According to the unaudited financial statements of the listed company for the period from January to June 2023, the Audited Pro Forma Financial Statements of Anhui Expressway Company Limited (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B08) and the Pro Forma Consolidated Financial Statements and Review Report of Anhui Expressway Company Limited (Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B09) issued by Ernst & Young Hua Ming LLP, excluding the effect of the raising of ancillary funds, the key financial indicators of the listed company before and after the completion of the Transaction are set out below:

Items	30 June 2023/ January-June 2023		31 December 2022/ For the year of 2022	
	Prior to the transaction (Consolidated)	After the transaction (Pro forma consolidated)	Prior to the transaction (Consolidated)	After the transaction (Pro forma consolidated)
Total assets (RMB'0,000)	2,192,654.61	2,486,232.51	2,130,336.88	2,406,559.58
Total liabilities (RMB'0,000)	863,838.23	925,381.95	779,880.66	837,342.55
Total equity attributable to owners of the parent company (RMB'0,000)	1,183,611.74	1,415,645.92	1,192,481.24	1,411,242.04
Operating income (RMB'0,000)	232,383.89	260,115.73	520,636.64	573,051.80
Net profit attributable to owners of the parent company (RMB'0,000)	83,950.04	96,723.41	144,501.71	166,186.97
Weighted average return on net assets (%)	6.80	6.63	12.48	12.09
Basic earnings per share (RMB/share)	0.51	0.45	0.87	0.78

The Transaction is conducive to the enhancement of the asset size, revenue size and profit size of the listed company. However, as the total share capital size of the listed company will increase after the Transaction, the earnings per share of the listed company will decrease as compared with that before the Transaction. Investors are hereby reminded to pay attention to the risk of possible dilution of the immediate return of the Transaction.

**(E) Extract of the Report on the Proposed Acquisition and Proposed Non-public Issuance of A Shares and Related Transactions (Revised)**

**Section I Summary of the Transaction**

***IV. Impact of the transactions on the listed company***

Based on the audited financial report of the Company for 2022, the unaudited financial statements for January to June 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 ancillary fund raising, is set forth in the table below:

*Unit: RMB'0,000*

Items	January – June 2023/30 June 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	2,192,654.61	2,486,232.51	2,130,336.88	2,406,559.58
Total liabilities	863,838.23	925,381.95	779,880.66	837,342.55
Total equity attributable to owners				
of the parent company	1,183,611.74	1,415,645.92	1,192,481.24	1,411,242.04
Operating income	232,383.89	260,115.73	520,636.64	573,051.80
Net profit attributable to owners				
of the parent company	83,950.04	96,723.41	144,501.71	166,186.97
Weighted average return on net assets (%)	6.80	6.63	12.48	12.09
Basic earnings per share (RMB/share)	0.51	0.45	0.87	0.78

**Section II Basic Information of the Listed Company****I. Key Financial Information and Financial Indicators**

The key financial data and financial indicators in the Company's consolidated financial statements for 2020, 2021, 2022 and January – June 2023 are as follows:

*(I) Key data in the consolidated balance sheet**Unit: RMB'0,000*

Items	30 June 2023	31 December 2022	31 December 2021	31 December 2020
Total assets	<b>2,192,654.61</b>	2,130,336.88	1,992,086.30	2,076,273.34
Total liabilities	<b>863,838.23</b>	779,880.66	797,585.36	862,129.74
Net assets	<b>1,328,816.39</b>	1,350,456.22	1,194,500.94	1,214,143.60
Owners' equity attributable to shareholders of the parent company	<b>1,183,611.74</b>	1,192,481.24	1,138,910.95	1,150,351.21

*(II) Key data in the consolidated income statement**Unit: RMB'0,000*

Items	January – June 2023	2022	2021	2020
Operating income	<b>232,383.89</b>	520,636.64	392,095.82	293,381.75
Total profit	<b>117,179.01</b>	197,693.20	211,912.74	118,341.64
Net profit	<b>86,201.57</b>	141,400.40	154,531.59	81,672.57
Net profit attributable to shareholders of the parent company	<b>83,950.04</b>	144,501.71	151,416.79	86,925.59

*(III) Key data in the consolidated cash flow statement**Unit: RMB'0,000*

Items	January – June 2023	2022	2021	2020
Net cash flows from operating activities	142,812.23	193,770.00	209,706.08	170,632.40
Net cash flows from investing activities	-130,484.32	-247,704.19	20,018.39	-122,502.25
Net cash flows from financing activities	-42,796.93	8,327.23	-91,104.49	-42,274.44
Net increase in cash and cash equivalents	-30,469.03	-45,606.97	138,619.99	5,855.71

*(IV) Key financial indicators**Unit: RMB'0,000*

Items	30 June 2023/ January – June 2023	31 December 2022/2022	31 December 2021/2021	31 December 2020/2020
Basic earnings per share <i>(RMB/share)</i>	0.51	0.87	0.91	0.52
Gross margin	57.50%	43.24%	59.69%	47.91%
Asset-liability ratio	39.40%	36.61%	40.04%	41.52%
Weighted average return on net assets	6.80%	12.48%	12.58%	7.74%

## Section IV Basic Information of the Target Company

V. *Ownership of major assets, external guarantees and major liabilities and contingent liabilities*(I) *Major assets and their ownership*

According to the Audit Report issued by Ernst & Young, as of 30 June 2023, the major assets of Liwu Company were as follows:

*Unit: RMB'0,000*

<b>Item</b>	<b>Amount</b>	<b>Proportion</b>
Monetary funds	<b>30,059.65</b>	10.24%
Prepayments	<b>7.84</b>	0.00%
Other receivables	<b>2,056.69</b>	0.70%
Inventory	<b>6.78</b>	0.00%
Fixed assets	<b>20,003.70</b>	6.81%
Intangible assets	<b>231,770.79</b>	78.95%
Deferred income tax assets	<b>9,672.46</b>	3.29%

As at the date of signing of this restructuring report, the ownership of the major assets owned and utilized by Liuwu Company remains clear, and there is no restriction of rights such as mortgages, pledges or other situations involving litigation, arbitration, judicial enforcement or other significant disputes or other circumstances that impede the transfer of ownership.

## Section X Financial Accounting Information

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

## (II) Pro forma consolidated balance sheet

Unit: RMB'0,000

Items	30 June 2023	31 December 2022
Monetary funds	555,505.27	473,149.93
Financial assets held for trading	–	–
Prepayments	315.60	92.97
Other receivables	28,415.29	53,774.43
Inventory	426.79	483.56
Other current assets	1,740.86	475.32
<b>Total current assets</b>	<b>586,403.80</b>	<b>527,976.21</b>
Long-term equity investments	15,462.76	14,662.53
Investment in other equity instruments	9,422.90	11,550.89
Other non-current financial assets	68,982.33	71,159.94
Investment property	30,497.42	35,228.93
Fixed assets	112,328.64	116,220.22
Construction in progress	25,749.64	26,028.07
Intangible assets	1,615,723.93	1,584,023.91
Deferred income tax assets	21,661.09	19,708.90
<b>Total non-current assets</b>	<b>1,899,828.72</b>	<b>1,878,583.37</b>
<b>Total assets</b>	<b>2,486,232.51</b>	<b>2,406,559.58</b>
Accounts payable	59,616.57	61,991.12
Receipts in advance	5,816.93	4,143.51
Salary payable to staff	9,055.11	2,847.80
Taxes payable	12,991.20	5,035.17
Other payables	154,769.84	64,369.44
Non-current liabilities due within one year	50,430.25	49,603.58
Other current liabilities	8,911.46	7,291.31
<b>Total current liabilities</b>	<b>301,591.36</b>	<b>195,281.94</b>
Long-term loans	602,914.81	620,198.59
Long-term payables	7,755.97	7,755.97
Deferred revenue	10,738.76	11,385.27
Deferred income tax liabilities	2,381.06	2,720.78
<b>Total non-current liabilities</b>	<b>623,790.59</b>	<b>642,060.61</b>
<b>Total liabilities</b>	<b>925,381.95</b>	<b>837,342.55</b>
Total equity attributable to the shareholders of the Company	1,415,645.92	1,411,242.04
Minority interests	145,204.65	157,974.99
<b>Total owners' equity</b>	<b>1,560,850.57</b>	<b>1,569,217.03</b>
<b>Total liabilities and owners' equity</b>	<b>2,486,232.51</b>	<b>2,406,559.58</b>

(III) *Pro forma consolidated income statement**Unit: RMB'0,000*

Items	January – June 2023	2022
<b>Operating income</b>	<b>260,115.73</b>	<b>573,051.80</b>
Less: Operating costs	<b>108,935.16</b>	317,806.21
Taxes and surcharges	<b>1,058.44</b>	3,268.08
Management fees	<b>7,741.32</b>	17,343.81
Finance costs	<b>5,256.04</b>	14,426.60
Of which: interest charges	<b>10,622.97</b>	22,652.06
Interest income	<b>5,364.20</b>	8,031.67
Add: Other gains	<b>679.53</b>	1,598.87
Investment income	<b>3,459.44</b>	3,809.04
(Loss) Gain on fair value changes	<b>-7,080.04</b>	61.36
Credit impairment loss	<b>-11.92</b>	-12.61
Reversal of asset impairment	–	–
Gain on disposal of assets	<b>24.03</b>	864.88
<b>Operating profit</b>	<b>134,195.82</b>	<b>226,528.64</b>
Add: Non-operating income	<b>16.57</b>	126.60
Less: Non-operating expenses	<b>2.21</b>	32.80
<b>Total profit</b>	<b>134,210.17</b>	<b>226,622.44</b>
Less: Income tax expense	<b>35,235.23</b>	63,536.77
<b>Net profit</b>	<b>98,974.94</b>	<b>163,085.67</b>
Minority gain (loss)	<b>2,251.53</b>	-3,101.31
Net profit attributable to shareholders of the parent company	<b>96,723.41</b>	166,186.97
<b>Total comprehensive income</b>	<b>97,378.95</b>	<b>163,113.48</b>
Total comprehensive income attributable to the shareholders of the Company	<b>95,127.43</b>	166,214.79
Total comprehensive income (loss) attributable to minority shareholders	<b>2,251.53</b>	-3,101.31
Basic earnings per share ( <i>RMB/share</i> )	<b>0.45</b>	0.78
Diluted earnings per share ( <i>RMB/share</i> )	<b>0.45</b>	0.78

## Section XI Horizontal Competition and Related Party Transactions

## II. Related party transactions

Before and after the completion of the Transaction, the amount and proportion of related party transactions of the listed company are as follows:

Items	January-June 2023		For the year of 2022	
	Prior to the transaction	After the transaction (Pro forma)	Prior to the transaction	After the transaction (Pro forma)
Related party sales (RMB'0,000)	657.39	657.39	1,121.70	1,121.70
Operating income (RMB'0,000)	232,383.89	260,115.73	520,636.64	573,051.80
<b>Proportion in operating income</b>	<b>0.28%</b>	<b>0.25%</b>	<b>0.22%</b>	<b>0.20%</b>
Related party purchase (RMB'0,000)	6,379.57	7,021.42	28,331.55	38,264.21
Operating cost (RMB'0,000)	98,758.56	108,935.16	295,490.81	317,806.21
<b>Proportion in operating cost</b>	<b>6.46%</b>	<b>6.45%</b>	<b>9.59%</b>	<b>12.04%</b>

Upon completion of the Transaction, the proportion of the Company's related party sales to operating income in 2022 decreased by 0.02 percentage point compared with that before the Transaction, and the proportion of related party purchases to operating costs increased by 2.45 percentage points compared with that before the Transaction; the proportion of the Company's related party sales to operating income from January to June 2023 decreased by 0.03 percentage point compared with that before the Transaction, and the proportion of related party purchases to operating costs decreased by 0.01 percentage point compared with that before the Transaction.

Upon completion of the Transaction, the Company will endeavor to avoid and minimize related party transactions with the controlling shareholders and other enterprises under their control. For necessary related party transactions, the Company will strictly comply with the Listing Rules, the Articles of Association and the rules concerning related party transactions and fulfill the corresponding decision-making procedures in accordance with the law to ensure that the prices of related party transactions are fair and reasonable, and fulfill the information disclosure obligations in a timely manner.

**(F) Extract of the A Share Independent Financial Adviser Inspection Opinion Announcement****I. Details of the dilution of immediate return from the Transaction**

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 advised to be aware of the risk of diluting immediate returns in the Transaction.

**II. Measures taken by the Company to prevent the dilution of immediate returns and to enhance its ability to provide future returns from the Transaction**

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.

**(G) Extract of 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 Issuance and Registration.
- 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 Minority 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 Several Opinions of the State Council on Further Facilitating 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 the Guidance Opinions on Matters Pertaining to Dilution of Return for the Current Period Resulting from Initial Public Offering and Refinancing or Material Asset Restructuring (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 No. 26 on Format 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 of the Administrative Measures for Restructuring.
- The Transaction is in compliance with the relevant provisions of Article 43 of the Administrative Measures for Restructuring.
- 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 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 No. 26 on Format 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 subject 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 Restructuring 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.
- In the valuation in the Transaction, third-party information have been quoted and the information quoted are authentic and authoritative.
- The content, amount and percentage of transactions between the Target Company and major customers and suppliers are reasonable, the pricing is fair and the scale of such transactions matches the scale of business of the Target Assets.
- During the reporting period, among the top five suppliers, Anhui Transportation Holding Group was the controlling shareholder of the Target Company and Anhui Shun Yu Water Co., Ltd. (安徽舜禹水務股份有限公司) is a listed company with equity participation by Anhui Transportation Holding Group and SASAC of Anhui. 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 bad debts and impairment on above 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; the revenue of the Target Company during the reporting period were subject to certain seasonal fluctuations, did not involve overseas distribution 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.
- Although the business development of the Target Company is subject to macroeconomic and policy factors to a certain extent, it has continued to be profitable during the reporting period. Currently, China's economy is running steadily and is expected to maintain stable growth in the future. Therefore, the profitability of the Target Company is continuous and stable.

**(H) Extract of the Review Report on Pro Forma Financial Information**

**REVIEW REPORT**

Ernst & Young Hua Ming (2023) Zhuan Zi No. 60904999\_B09  
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 30 June 2023, the pro forma consolidated income statement for the year 2022 and the six months ended 30 June 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. The content of this paragraph does not affect the proposed review conclusions.

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.

## II. 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 six months ended 30 June 2023 and the audited consolidated financial statements for the year 2022, and the audited pro forma financial statements of the Target Company during the six months ended 30 June 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 six months ended 30 June 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\_B08).
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 thus acquiring 100% interest in Target Company held by Anhui Transportation Holding Group, 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 six months ended 30 June 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 30 June 2023, the consolidated results of operations for the year of 2022 and during the six months ended 30 June 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.

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Anhui Expressway Company Limited (the “**Company**”) will be held at 2:30 p.m. on Thursday, 9 November 2023 (or at any adjournment thereof) at the conference room of the Company at 520 Wangjiang West Road, Hefei, Anhui, the PRC to consider and, if thought fit, pass the following resolutions.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 13 October 2023 (the “**Supplemental Circular**”).

#### RESOLUTIONS

1. To consider and approve the resolution regarding the special arrangements for the adjustment of future cash dividend of the Company;
2. To consider and approve the resolution regarding the satisfaction of the conditions for the Proposed Acquisition, the Proposed Non-public Issuance of A Shares and the related party transactions by the Company;
3. To consider and approve the resolution regarding the plan on the Proposed Acquisition and the related party transactions of the Company:
  - 3.01 Counterparty;
  - 3.02 Asset to be acquired;
  - 3.03 Total Consideration and basis for determining the Total Consideration;
  - 3.04 Settlement mechanism of the Total Consideration;
  - 3.05 Types of shares to be issued and par value;
  - 3.06 Target subscriber for the Consideration Shares and the method of issuance;

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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- 3.07 Pricing Benchmark Date and the issue price of the Consideration Shares;
  - 3.08 Number of Consideration Shares to be issued;
  - 3.09 Location of listing of the Consideration Shares;
  - 3.10 Lock-up arrangements;
  - 3.11 Payment of Cash Consideration;
  - 3.12 Profit and loss attribution during the transitional period;
  - 3.13 Arrangements on the accumulated and undistributed profit of the Company;
  - 3.14 Validity period of the resolutions in connection with the Proposed Acquisition and the related party transactions;
- 4. To consider and approve the resolution regarding the Proposed Acquisition and Proposed Non-public Issuance of A Shares constituting a related party transaction;
  - 5. To consider and approve the resolution regarding the Proposed Acquisition and Proposed Non-public Issuance of A Shares not constituting a material asset restructuring and new listing;
  - 6. To consider and approve the resolution regarding the entering into of the Acquisition Agreement with the counterparty with conditions to its effectiveness;
  - 7. To consider and approve the resolution regarding the entering into of the Supplemental Agreement with the counterparty with conditions to its effectiveness;
  - 8. To consider and approve the resolution regarding the entered into of the Compensation Agreement with the counterparty with conditions to its effectiveness;
  - 9. To consider and approve the resolution regarding the Report on the Proposed Acquisition, Proposed Non-public Issuance of A Shares and related party transactions (Draft) (Revised) and its summary;
  - 10. To consider and approve the resolution regarding the compliance of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares with Article 4 of Guidelines for the Supervision of Listed Companies No. 9 – Regulatory Requirements for Listed Companies Planning and Implementing Major Asset Reorganizations of the PRC;

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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11. To consider and approve the resolution regarding the compliance of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares with Article 11 of the Administrative Measures for Major Asset Restructuring of Listed Companies of the PRC;
12. To consider and approve the resolution regarding the compliance of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares with Article 43 of the Administrative Measures for Major Asset Restructuring of Listed Companies of the PRC;
13. To consider and approve the resolution regarding the non-existence of the relevant circumstances prohibiting participation in material asset restructuring of listed companies as stated under Article 12 of the Guidelines for the Supervision of Listed Companies No. 7 – Supervision of Abnormal Stock Transactions Related to Major Asset Restructurings of Listed Companies of the PRC in respect of the relevant entities under the Proposed Acquisition and the Proposed Non-public Issuance of A Shares;
14. To consider and approve the resolution regarding the explanation on the completeness and legality of the statutory procedures and the effectiveness of the relevant legal documents submitted in respect of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares;
15. To consider and approve the resolution regarding the independence of the Valuer, the reasonableness of the assumptions used in the asset valuation, the relevance of the methodology and the purpose of the asset valuation and the fairness of the appraised value of the Target Assets;
16. To consider and approve the resolution regarding the fluctuation of the Company's share trading price in the 20 trading days prior to the announcement of the Proposed Acquisition and Proposed Non-public Issuance of A Shares;
17. To consider and approve the resolution regarding the approval of the accountants' report, pro forma financial information review report and asset valuation report in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares;
18. To consider and approve the resolution regarding the updated accountants' report and pro forma financial information review report in connection with Proposed Acquisition and the Proposed Non-public Issuance of A Shares;
19. To consider and approve the resolution regarding the authorisation by the shareholders' meeting for the Board and its authorised persons to implement related matters in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares;

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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20. To consider and approve the resolution regarding the dilution of immediate returns and remedial measures in connection with the Proposed Acquisition and Proposed Non-public Issuance of A Shares;
21. To consider and approve the resolution regarding the approval of the Proposed Acquisition in accordance with the Takeovers Code;
22. To consider and approve the resolution regarding the approval of the Whitewash Waiver in accordance with the Takeovers Code;
23. To consider and approve the resolution regarding the waiver for Anhui Transportation Holding Group from making an offer in connection with the Proposed Acquisition pursuant to the PRC laws and regulations; and
24. To consider and approve the resolution regarding the plan on the Proposed Non-public Issuance of A Shares:
  - 24.01 Types of shares to be issued and par value;
  - 24.02 Target subscribers and method of issuance;
  - 24.03 Pricing Benchmark Date and the issue price of the shares to be issued;
  - 24.04 Number of shares to be issued and amount of ancillary funds to be raised;
  - 24.05 Location of listing of the shares;
  - 24.06 Lock-up arrangements;
  - 24.07 Use of proceeds for the ancillary funds raised;
  - 24.08 Validity period of the resolutions in connection with the Proposed Non-public Issuance of A Shares.

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

Hefei, Anhui, the PRC  
13 October 2023

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Details of the resolutions are set out in the Original Circular (as supplemented by the Supplemental Circular). Resolutions number 1 to 20 and 22 to 24 above are proposed as special resolutions while resolution number 21 above is proposed as an ordinary resolution.

As set out in the Original Circular (as supplemented by the Supplemental Circular), it is conditions precedent to the Acquisition Agreement that the Acquisition Agreement and the Proposed Acquisition is approved by the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders, and that the grant of Whitewash Waiver is approved by the Takeovers Code Independent Shareholders. Accordingly, (a) the special resolution number 3 is required to be passed by (i) not less than two-thirds of the votes cast by way of poll by the eligible Shareholders present and voting in person or by proxy at the EGM; and (ii) a majority by way of poll by Proposed Acquisition LR Independent Shareholders present and voting in person or by proxy at the EGM; (b) the ordinary resolution number 21 is required to be passed by more than 50% of the independent votes that are cast by the Takeovers Code Independent Shareholders in person or by proxy at the EGM; and (c) the special resolution number 22 is required to be passed by at least 75% of the independent votes that are cast by the Takeovers Code Independent Shareholders in person or by proxy at the EGM.

In addition, as set out in the Original Circular (as supplemented by the Supplemental Circular), it is a condition precedent to the Proposed Non-public Issuance of A Shares that the Proposed Non-public Issuance of A Shares are approved by the Non-public Issuance Independent Shareholders at the EGM. Accordingly, the special resolution number 24 is required to be passed by (i) not less than two-thirds of the votes cast by way of poll by the eligible Shareholders present and voting in person or by proxy at the EGM; and (ii) a majority by way of poll by Non-public Issuance Independent Shareholders present and voting in person or by proxy at the EGM.

2. For the purpose of holding the EGM, the register of H Shares members of the Company (the “**Register of Members**”) will be closed from Monday, 6 November 2023 to Thursday, 9 November 2023 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Holders of the Company’s H Shares (the “**H Shareholders**”) whose names appear on the Register of Members on Thursday, 9 November 2023 are entitled to attend and vote at the EGM.
3. In order to attend and vote at the EGM, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Hong Kong Registrars Limited, the Company’s H Share registrar, not later than 4:30 p.m. on Friday, 3 November 2023.

The address of Hong Kong Registrars Limited is as follows:

Hong Kong Registrars Limited  
Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

4. Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM.
5. The form of proxy must be signed by the Shareholder or his/her attorney duly authorised in writing or, in the case of a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the Form of Proxy is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified. As set out in the Supplemental Circular, **relevant Shareholders who have duly completed and returned the forms of proxy in connection with the EGM enclosed with the Original Circular are required to re-submit the form of proxy for the EGM enclosed with the Supplemental Circular in order to appoint proxy(ies) for the reconvened EGM.**

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## REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

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6. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.
7. If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her legal representative or his/her duly authorised attorney, and specify the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the EGM, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities, or other notarised copy of the licence issued by such legal person Shareholder. The form of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the EGM. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the EGM or any adjournment thereof should he/she so wish.
8. Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in the notice of the EGM will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM.
9. Where there are joint registered holders of any share of the Company, only the person whose name stands first on the Register of Members in respect of such share may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
10. The EGM is estimated to last for half a day. Shareholders who attend the EGM in person or by proxy shall bear their own transportation and accommodation expenses.

*As at the date of this notice, the Board comprises Xiang Xiaolong (Chairman), Chen Jiping, being the executive directors; Yang Xudong and Du Jian, being the non-executive directors; and Liu Hao, Zhang Jianping and Fang Fang, being the independent non-executive directors.*

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## REVISED NOTICE OF H SHARES CLASS MEETING

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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)**

### NOTICE OF H SHARES CLASS MEETING

**NOTICE IS HEREBY GIVEN** that a class meeting of H Shareholders (the “**H Shares Class Meeting**”) of Anhui Expressway Company Limited (the “**Company**”) will be held at 2:30 p.m. on Thursday, 9 November 2023 (or immediately after the conclusion of the EGM and the A Shares Class Meeting or any adjournment thereof), or at any adjournment thereof at the conference room of the Company at 520 Wangjiang West Road, Hefei, Anhui, the PRC to consider and, if thought fit, pass the following resolutions.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 13 October 2023 (the “**Supplemental Circular**”).

### RESOLUTIONS

1. To consider and approve the resolution regarding the plan on the Proposed Acquisition and the related party transactions of the Company:
  - 1.01 Counterparty;
  - 1.02 Asset to be acquired;
  - 1.03 Total Consideration and basis for determining the Total Consideration;
  - 1.04 Settlement mechanism of the Total Consideration;
  - 1.05 Types of shares to be issued and par value;
  - 1.06 Target subscriber for the Consideration Shares and the method of issuance;
  - 1.07 Pricing Benchmark Date and the issue price of the Consideration Shares;
  - 1.08 Number of Consideration Shares to be issued;

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## REVISED NOTICE OF H SHARES CLASS MEETING

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- 1.09 Location of listing of the Consideration Shares;
- 1.10 Lock-up arrangements;
- 1.11 Payment of Cash Consideration;
- 1.12 Profit and loss attribution during the transitional period;
- 1.13 Arrangements on the accumulated and undistributed profit of the Company;
- 1.14 Validity period of the resolutions in connection with the Proposed Acquisition and the related party transactions;
- 2. To consider and approve the resolution regarding the entering into of the Acquisition Agreement with the counterparty with conditions to its effectiveness;
- 3. To consider and approve the resolution regarding the entering into of the Supplemental Agreement with the counterparty with conditions to its effectiveness;
- 4. To consider and approve the resolution regarding the entered into of the Compensation Agreement with the counterparty with conditions to its effectiveness;
- 5. To consider and approve the resolution regarding the authorisation by the shareholders' meeting for the Board and its authorised persons to implement related matters in connection with the Proposed Acquisition and the Proposed Non-public Issuance of A Shares; and
- 6. To consider and approve the resolution regarding the plan on the Proposed Non-public Issuance of A Shares:
  - 6.01 Types of shares to be issued and par value;
  - 6.02 Target subscribers and method of issuance;
  - 6.03 Pricing Benchmark Date and the issue price of the shares to be issued;
  - 6.04 Number of shares to be issued and amount of ancillary funds to be raised;
  - 6.05 Location of listing of the shares;
  - 6.06 Lock-up arrangements;

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## REVISED NOTICE OF H SHARES CLASS MEETING

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- 6.07 Use of proceeds for the ancillary funds raised; and
- 6.08 Validity period of the resolutions in connection with the Proposed Non-public Issuance of A Shares.

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

Hefei, Anhui, the PRC

13 October 2023

*Notes:*

1. Details of the resolutions are set out in the Original Circular (as supplemented by the Supplemental Circular). All the resolutions proposed at the H Shares Class Meeting are proposed as special resolutions.
2. For the purpose of holding the H Shares Class Meeting, the register of H Shares members of the Company (the “**Register of Members**”) will be closed from Monday, 6 November 2023 to Thursday, 9 November 2023 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Holders of the Company’s H Shares (the “**H Shareholders**”) whose names appear on the Register of Members on Thursday, 9 November 2023 are entitled to attend and vote at the H Shares Class Meeting.
3. In order to attend and vote at the H Shares Class Meeting, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Hong Kong Registrars Limited (“**Hong Kong Registrars Limited**”), the Company’s H Share registrar, not later than 4:30 p.m. on Friday, 3 November 2023.

The address of Hong Kong Registrars Limited is as follows:

Hong Kong Registrars Limited  
Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

4. Each H Shareholder who has the right to attend and vote at the H Shares Class Meeting is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the H Shares Class Meeting.
5. The form of proxy must be signed by the Shareholder or his/her attorney duly authorised in writing or, in the case of a legal person, must either be executed under its common seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If the form of proxy is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified. As set out in the Supplemental Circular, relevant Shareholders who have duly completed and returned the forms of proxy in connection with the H Shares Class Meeting enclosed with the Original Circular are required to re-submit the form of proxy for the H Shares Class Meeting enclosed with the Supplemental Circular in order to appoint proxy(ies) for the reconvened H Shares Class Meeting.

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## REVISED NOTICE OF H SHARES CLASS MEETING

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6. To be valid, for H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the H Shares Class Meeting or any adjournment thereof in order for such documents to be valid.
7. If a proxy attends the H Shares Class Meeting on behalf of a Shareholder, he/she should produce his/her identity card and the form of proxy signed by the Shareholder or his/her legal representative or his/her duly authorised attorney, and specify the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the H Shares Class Meeting, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities, or other notarised copy of the licence issued by such legal person Shareholder. The form of proxy duly signed and submitted by HKSCC Nominees Limited are deemed to be valid, and it is not necessary for the proxy(ies) appointed by HKSCC Nominees Limited to produce the signed form of proxy when the proxy(ies) attend(s) the H Shares Class Meeting. Completion and return of the form of proxy will not preclude a Shareholder from attending in person and voting at the H Shares Class Meeting or any adjournment thereof should he/she so wish.
8. Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in the notice of the H Shares Class Meeting will be voted on by poll. Results of the poll voting will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the H Shares Class Meeting.
9. Where there are joint registered holders of any share of the Company, only the person whose name stands first on the Register of Members in respect of such share may vote at the H Shares Class Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto.
10. The H Shares Class Meeting is estimated to last for half a day. Shareholders who attend the H Shares Class Meeting in person or by proxy shall bear their own transportation and accommodation expenses.

*As at the date of this notice, the Board comprises Xiang Xiaolong (Chairman), Chen Jiping, being the executive directors; Yang Xudong and Du Jian, being the non-executive directors; and Liu Hao, Zhang Jianping and Fang Fang, being the independent non-executive directors.*