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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)

ANNOUNCEMENT

CONNECTED TRANSACTION: FEASIBILITY STUDY CONTRACT FOR RECONSTRUCTION AND EXPANSION PROJECT OF THE ANQING GEZIDUN TO SUSONG SECTION OF G50 HUYU EXPRESSWAY

The Board announces that on 30 October 2023, the Company entered into the feasibility study contract for the reconstruction and expansion project of the Anqing Gezidun to Susong section of the G50 Huyu Expressway (G50滬渝高速公路安慶鴿子墩至宿松段改擴建工程) (the “**Feasibility Study Contract**”) with Design Institute, pursuant to which, the Company entrusted Design Institute to carry out the feasibility study in respect of the reconstruction and expansion project of the Anqing Gezidun to Susong section of the G50 Huyu Expressway, prepare the Feasibility Study Contract and the project application report, and carry out the relevant special evaluation works which shall be completed in accordance with the requirements of the relevant documents during the feasibility study stage of the project.

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute is a subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction under the Feasibility Study Contract constitutes connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Feasibility Study Contract is more than 0.1% but all are less than 5%, the transaction contemplated under the Feasibility Study Contract is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

FEASIBILITY STUDY CONTRACT

Date: 30 October 2023

Parties

- (1) The Company (as service user); and
- (2) Design Institute (as service provider), a connected person of the Company under the Listing Rules.

Subject Matters

Pursuant to the Feasibility Study Contract, the Company shall engage Design Institute to carry out the feasibility study in respect of the reconstruction and expansion project of the Anqing Gezidun to Susong section of the G50 Huyu Expressway (the “**Project**”), prepare the feasibility study report and the project application report, including all investigations, site surveys, data collection, on-site surveys and testing, etc. for the preparation of the report, and carry out the relevant special evaluation works which shall be completed in accordance with the requirements of the relevant documents during the feasibility study stage of the project (including supporting documents on traffic organization, inspection and assessment of facilities related to existing projects, environmental assessment, water source protection, flood prevention, navigation demonstration, pre-examination of land use, planning and site selection, seismicity, energy conservation, geotechnical hazards, mine compression, cultural relics, road-related and railway-related issues, analysis and assessment of social stability risks, etc.).

Agreement Term

Pursuant to the Feasibility Study Contract, Design Institute is required to complete and submit the feasibility study report, the project application report and relevant special reports within six months from the date of receipt of the notice of bid-winning, and to assist in the review of the reports.

When otherwise required by the People’s Government of Anhui Province or industry authorities in respect of the commencement of the project, limitation periods for the above related works shall be adjusted as required.

Fees

Pursuant to the Feasibility Study Contract, the total fee charged by the Design Institute to the Company is RMB9,000,000 (including a provisional amount of RMB1,000,000, which is reserved for the fees for works that are unforeseen in advance or cannot be estimated accurately. Such amount may be used partially or fully, or may not be used at all, subject to the Company's review and approval).

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

According to the relevant terms of the Feasibility Study Contract and as confirmed by the parties, the payment time for the fees under the Feasibility Study Contract is as follows:

- (1) 30% of the project working fees will be paid upon completion of the project feasibility report and meeting the conditions for submission;
- (2) The fees of the approved works for the project will be paid upon approval of the project feasibility report and the relevant special study report(s);
- (3) The remaining fees will be paid upon approval of the construction drawing design for the Project.

The aforesaid fees will be paid out of the internal funds of the Company.

REASONS FOR AND BENEFITS OF FEASIBILITY STUDY CONTRACT

The existing four-lane standard of the Anqing Gezidun to Susong section of the Huyu Expressway (which is operated and managed by the Company) can no longer meet the current traffic demand and needs to be reconstructed and expanded. The feasibility study of the reconstruction and expansion project of the section is a mandatory task to be carried out prior to the commencement of construction. The Feasibility Study Contract has undergone open tenders and is the result of successful bid made by the Design Institute. During the bidding process, the Company has considered the Class-A Integrated Qualification for Engineering Design and Engineering Survey possessed by the Design Institute and decided to accept the tender of the Design Institute and entrust it to provide the aforementioned services.

CONFIRMATION OF THE BOARD

The Board has considered and approved the resolution relating to the Feasibility Study Contract. Xiang Xiaolong and Chen Jiping, directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong and Chen Jiping are considered to have interests in the transaction under the Feasibility Study Contract, and have abstained from voting on the resolution on the connected transaction under the Feasibility Study Contract under the Listing Rules. Save as aforesaid, none of the directors has any material interests in the transaction under the Feasibility Study Contract and is required to abstain from voting on the relevant Board resolution.

The Board (including the independent non-executive Directors) is of the view that the transaction under the Feasibility Study Contract (i) is fair and reasonable; (ii) is in the ordinary and usual course of business of the Group on normal commercial terms or on better terms; and (iii) is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute is a subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction under the Feasibility Study Contract constitutes connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Feasibility Study Contract is more than 0.1% but all are less than 5%, the transaction contemplated under the Feasibility Study Contract is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcements and annual reporting requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES TO FEASIBILITY STUDY CONTRACT

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

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

DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated in accordance with the laws of the PRC
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on Hong Kong Stock Exchange, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Design Institute”	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in the PRC
“Feasibility Study Contract”	the feasibility study contract entered into by the Company with Design Institute on 30 October 2023 in respect of the reconstruction and expansion project of the Anqing Gezidun to Susong section of the G50 Huyu Expressway
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on Hong Kong Stock Exchange
“percentage ratio(s)”	the percentage ratio(s) (except for profits ratio and equity capital ratio) prescribed under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

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

Hefei, Anhui, the PRC
30 October 2023

As at the date of this announcement, 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 announcement is originally prepared in Chinese. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

* *For identification purpose only*