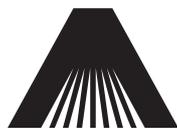


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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability as a joint stock company)

(Stock Code: 995)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION: THIN OVERLAY MAINTENANCE WORK CONTRACT

The Board announces that on 13 November 2023, Ningxuanhang Company (a subsidiary of the Company) entered into the general contracting contract for thin overlay maintenance with the Consortium formed by Design Institute, ATEGC and ATRMC, pursuant to which, Ningxuanhang Company shall engage the Consortium to provide plan design and maintenance construction services of pavement thin overlay maintenance work for the sections of Ningxuanhang Expressway administered by Ningguo Management Office.

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

As the continuing connected transactions under the Maintenance Work Contract and the Previous Maintenance Work Contracts are conducted with the same connected person (i.e. the Consortium), pursuant to the requirements under Rule 14A.83 of the Listing Rules, the continuing connected transactions under the Maintenance Work Contract and the Previous Maintenance Work Contracts may be aggregated and regarded as a single transaction.

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

DATE

13 November 2023

PARTIES

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

CONTRACT MATTERS

According to the Maintenance Work Contract, Ningxuanhang Company shall engage the Consortium to provide plan design and maintenance construction services of pavement thin overlay maintenance work for the sections of Ningxuanhang Expressway administered by Ningguo Management Office, which mainly includes maintenance plan design, related test and inspection, data analysis, technical services on construction site, pavement milling and resurfacing, thin overlay maintenance construction and other works.

CONTRACT TERM

The construction period under the Maintenance Work Contract shall be 8 months and the commencement time shall be subject to the order issued by the operation management unit (or the supervision engineer).

FEES

The estimated fees under the Maintenance Work Contract shall be RMB19,314,877.69, including RMB378,944 for work design and RMB18,935,933.69 for construction.

BASIS FOR FEES AND PAYMENT TERMS

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

According to the relevant terms of the Maintenance Work Contract and as confirmed by the parties, the design fee shall be paid in full based on the actual fees incurred after the design drawings have passed the review by the contractor and the completion and acceptance of all the maintenance constructions, and the construction fee shall be paid on a monthly basis according to the maintenance progress.

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

ANNUAL CAPS

For the financial years ending 31 December 2023 and 2024, the maximum annual total amounts for the transaction under the Maintenance Work Contract are RMB16,400,000 and RMB2,914,877.69, respectively.

The above Annual Caps have been determined with reference to factors including (1) the expected workload; (2) the total contractual amount under each contract and (3) the expected payment schedule.

As disclosed in the announcement of the Company dated 8 June 2023, the aggregate annual caps for the Previous Maintenance Work Contracts as of 31 December 2023 and for the year ending 31 December 2023 are RMB68,542,800.00 and RMB41,155,632.91 respectively. Accordingly, the Annual Caps for the Maintenance Work Contract and the Previous Maintenance Work Contracts as of 31 December 2023 and for the year ending 31 December 2023 are RMB84,942,800.00 and RMB44,070,510.60 in aggregate, respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

IMPLICATIONS UNDER THE LISTING RULES

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

As the continuing connected transactions under the Maintenance Work Contract and the Previous Maintenance Work Contracts are conducted with the same connected person (i.e. the Consortium), pursuant to the requirements under Rule 14A.83 of the Listing Rules, the continuing connected transactions under the Maintenance Work Contract and the Previous Maintenance Work Contracts may be aggregated and regarded as a single transaction.

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

CONFIRMATION BY THE BOARD

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

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

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

INFORMATION OF THE RELEVANT PARTIES

Ningxuanhang Company is mainly engaged in the construction, toll collection, maintenance and management of high-grade highways and supporting advertising services.

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

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

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

DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated under the PRC law
“Annual Cap(s)”	the maximum aggregate annual amount(s) for the continuing connected transactions contemplated under the Maintenance Work Contract
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司), a company incorporated under the PRC laws with limited liability
“ATRMC”	Anhui Transportation Road Maintenance Co., Ltd.* (安徽交控道路養護有限公司), a company incorporated under the PRC laws with limited liability
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on the Stock Exchange, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consortium”	the consortium formed by Design Institute, ATEGC and ATRMC to provide transactions under the Maintenance Work Contract
“Design Institute”	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in the PRC

“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maintenance Work Contract”	the general contracting contract for maintenance of pavement thin overlay entered into between Ningxuanhang Company and the Consortium on 13 November 2023
“Ningxuanhang Company”	Anhui Ningxuanhang Expressway Investment Company Limited* (安徽寧宣杭高速公路投資有限公司), a company incorporated under the PRC laws, its equity interest is held as to 51%, 10% and 39% by the Company, Xuancheng Transportation Investment Company Limited* (宣城市交通投資有限公司) and Anhui Transportation Holding Group, respectively
“percentage ratio(s)”	the percentage ratio(s) (other than the profits ratio and equity capital ratio) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement only, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Previous Maintenance Work Contracts”	5 general contracting contracts for integrated maintenance of roads and daily maintenance of expressways dated 8 June 2023 entered into by the Company and the Company’s subsidiaries with the Consortium, details of which are set out in the Company’s announcement dated 8 June 2023 titled “Continuing Connected Transactions: Maintenance Work Contracts”
“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
13 November 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*