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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)

- (1) MAJOR AND CONNECTED TRANSACTION – ACQUISITION AGREEMENT**
- (2) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS**
- (3) APPLICATION FOR WHITEWASH WAIVER AND**
- (4) RESUMPTION OF TRADING IN A SHARES**

MAJOR AND CONNECTED TRANSACTION – ACQUISITION AGREEMENT

The Board is pleased to announce that on 17 April 2023, the Company and Anhui Transportation Holding Group entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to purchase, and Anhui Transportation Holding Group has conditionally agreed to sell, the Target Assets, in consideration of (i) the allotment and issuance of the Consideration Shares and (ii) the payment of the Cash Consideration by the Company to Anhui Transportation Holding Group. The parties have agreed that the final consideration for the Proposed Acquisition shall not exceed RMB4,000 million. The final consideration for the Proposed Acquisition will be determined after arm's length negotiations between the parties with reference to the appraised value of the Target Assets set out in the Asset Valuation Report, subject to the report being filed with the competent state-owned assets supervision and administrative authorities or its authorised entities, and will be confirmed by way of entering into the Supplemental Agreement.

Shareholders and potential investors of the Company should note that the final consideration for the Proposed Acquisition may be adjusted downward subject to the finalisation of the appraised value of the Target Asset set out in the Asset Valuation Report and the parties' negotiation, and may be less than RMB4,000 million. As such, the amount of Consideration Shares which may be issued to Anhui Transportation Holding Group as set out in this announcement is indicative only and may reduce depending on the final consideration for the Proposed Acquisition to be agreed between the parties.

The Target Assets comprise 100% of the equity interests in the Target Company. The Target Company is principally engaged in the investment, operation and management of the Liuwu Expressway in Anhui Province in the PRC.

Further announcement(s) will be made by the Company in respect of, among other things, the appraised value of the Target Assets, a summary of the Asset Valuation Report, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued, upon the entering into of the Supplemental Agreement by the Company and Anhui Transportation Holding Group in or around June 2023 in accordance with the applicable laws and regulations.

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

After completion of the Proposed Acquisition, the Company proposed to conduct the Proposed Non-public Issuance of A Shares to not more than 35 specific target subscribers to raise ancillary funds. The total amount of ancillary funds to be raised thereunder shall not exceed 40% of the final Total Consideration for the Proposed Acquisition, and the number of A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

The Proposed Non-public Issuance of A Shares is subject to the approval of the Shanghai Stock Exchange and registration by CSRC and completion of the Proposed Acquisition, but the Proposed Acquisition is not conditional on completion of the Proposed Non-public Issuance of A Shares.

IMPLICATIONS UNDER THE LISTING RULES

Proposed Acquisition

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

As at the date of this announcement, Anhui Transportation Holding Group directly holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company, and is the controlling shareholder of the Company. Accordingly, Anhui Transportation Holding Group is a connected person of the Company. Therefore, the Proposed Acquisition constitutes a connected transaction of the Company which is subject to the reporting, announcement and Proposed Acquisition LR Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Proposed Non-public Issuance of A Shares

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

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

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

IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement, Anhui Transportation Holding Group holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company. Immediately following completion of the Proposed Acquisition, assuming that (i) the final Total Consideration for the Proposed Acquisition is RMB4,000 million; (ii) the issue price is the Adjusted Issue Price and there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; and (iii) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement, the shareholding of Anhui Transportation Holding Group in the Company will increase to approximately 47.76%.

Accordingly, upon completion of the Proposed Acquisition, pursuant to Rule 26.1 of the Takeovers Code, Anhui Transportation Holding Group will be required to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Anhui Transportation Holding Group and parties acting in concert with it, unless the Whitewash Waiver from strict compliance with Rule 26.1 of the Takeovers Code is obtained from the Executive.

As such, completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. An application will be made by Anhui Transportation Holding Group (on behalf of itself and parties acting in concert with it) to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Acquisition by more than 50% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM as required under the Takeovers Code. The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

Upon the entering into of the Supplemental Agreement (which is currently expected to be in or around June 2023), further announcement(s) will be made by the Company in respect of, among other things, the final consideration of the Proposed Acquisition, the number of the Consideration Shares proposed to be issued and further information on the effect on the shareholding and voting rights held by Anhui Transportation Holding Group in the Company as a result of the Proposed Acquisition.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive directors who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver) has been formed to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver. As each of Mr. Yang Xudong and Mr. Du Jian (each a non-executive Director) holds certain position in China Merchants Highway Network Technology Holding Company Limited (being a party presumed to be acting in concert with Anhui Transportation Holding Group), each of Mr. Yang Xudong and Mr. Du Jian is not considered as independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, the Independent Financial Adviser will be appointed 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. Further announcement(s) will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. Following completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of entering into of the Supplemental Agreement by the Company and Anhui Transportation Holding Group, which is currently expected to be in or around June 2023 and will be prior to the despatch of the circular in relation to, among other things, the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver.

The terms of the Proposed Non-public Issuance of A Shares including, among other things, the proposed size of issuance and use of proceeds, are subject to the further approval by the Board after the terms of the Proposed Acquisition are finalized.

It is currently expected that the abovementioned audit and valuation work of the Target Company for the Proposed Acquisition will be completed in or around June 2023, following which, the terms of the Proposed Acquisition will be finalized.

EGM AND (IF APPLICABLE) CLASS MEETINGS

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

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

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

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

In the event that the articles of association of the Company has been amended in accordance with the changes in the PRC laws and regulations and/or the applicable listing rules prior to the holding of the EGM and (if applicable) Class Meetings, the Proposed Acquisition, the Specific Mandates, the Whitewash Waiver and/or the Proposed Non-Public Issuance of A Shares shall be approved in accordance with such amended articles of association of the Company and the other applicable laws, rules and regulations which are in effect as at the date of the EGM and (if applicable) the Class Meetings. Further announcement(s) will be made by the Company if and when appropriate.

RESUMPTION OF TRADING IN A SHARES

At the request of the Company, trading in the A Shares on the Shanghai Stock Exchange has been suspended from 3 April 2023 as the Company was contemplating the Proposed Acquisition which involves significant uncertainties. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A Shares on the Shanghai Stock Exchange from 18 April 2023.

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.

Reference is made to the announcement of the Company dated 3 April 2023 in respect of, amongst others, the agreement of intent in relation to the Proposed Acquisition and the possible application for Whitewash Waiver.

The Board is pleased to announce that on 17 April 2023, the Company and Anhui Transportation Holding Group entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to purchase, and Anhui Transportation Holding Group has conditionally agreed to sell, the Target Assets, in consideration of (i) the allotment and issuance of the Consideration Shares and (ii) the payment of the Cash Consideration by the Company to Anhui Transportation Holding Group.

After completion of the Proposed Acquisition, the Company proposed to conduct the Proposed Non-public Issuance of A Shares to not more than 35 specific target subscribers to raise ancillary funds. The total amount of ancillary funds to be raised thereunder shall not exceed 40% of the final Total Consideration for the Proposed Acquisition, and the number of A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

I. MAJOR AND CONNECTED TRANSACTION – ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

Date: 17 April 2023

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

Subject matter: Pursuant to the Acquisition Agreement, the Company has conditionally agreed to purchase and Anhui Transportation Holding Group has conditionally agreed to sell, the Target Assets, being 100% of the equity interests in the Target Company, at the Total Consideration, of which (i) 85% shall be settled by the allotment and issuance of the Consideration Shares and (ii) 15% shall be settled by the payment of the Cash Consideration by the Company to Anhui Transportation Holding Group.

Total Consideration: Pursuant to the relevant laws, rules and regulations in the PRC, the parties have agreed to engage a qualified asset appraisal agency in the PRC to conduct a valuation on the Target Assets and issue the Asset Valuation Report with the Valuation Benchmark Date of 31 December 2022.

The parties have agreed that the final Total Consideration for the Proposed Acquisition shall not exceed RMB4,000 million. The final Total Consideration for the Proposed Acquisition will be determined after arm's length negotiations between the parties with reference to the appraised value of the Target Assets set out in the Asset Valuation Report, subject to the report being filed with or confirmed by the competent state-owned assets supervision and administrative authorities or its authorised entities, and will be confirmed by way of entering into the Supplemental Agreement.

Shareholders and potential investors of the Company should note that the final Total Consideration for the Proposed Acquisition may be adjusted downward subject to the finalisation of the appraised value of the Target Asset set out in the Asset Valuation Report and the parties' negotiation, and may be less than RMB4,000 million. As such, the amount of Consideration Shares which may be issued to Anhui Transportation Holding Group as set out in this announcement is indicative only and may reduce depending on the final consideration for the Proposed Acquisition to be agreed between the parties.

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. It is currently expected that the audit and valuation work for the Proposed Acquisition will be completed in or around June 2023 and the Asset Valuation Report will be issued by a qualified asset appraisal agency in the PRC in or around June 2023.

Shareholders and potential investors of the Company should note that further announcement(s) will be made by the Company in respect of, among other things, the appraised value of the Target Assets, a summary of the Asset Valuation Report, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued, upon the entering into of the Supplemental Agreement by the Company and Anhui Transportation Holding Group in or around June 2023 in accordance with the applicable laws and regulations.

**Issue of Consideration
Shares:**

In accordance with the relevant PRC laws and regulations and based on the negotiations between the parties, the issue price of the Consideration Shares shall be RMB7.19 per Consideration Share (the “**Original Issue Price**”), representing not less than 80% of the average trading prices of the A Shares for the 20, 60 or 120 trading days prior to the Pricing Benchmark Date of 18 April 2023 (rounded up to the nearest two decimal places).

During the period between the Pricing Benchmark Date and the date of issue of the Consideration Shares, in case of any ex-rights or ex-dividends events of the Company such as distribution of cash dividends, bonus issues, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues, the issue price of the Consideration Shares will be adjusted in accordance with the relevant PRC laws and regulations. The formulae for the adjustments are set out below:

1. In the event of distribution of cash dividends:

$$P1=P0-D$$

2. In the event of bonus issues, capitalization issues or conversion of share premium into share capital:

$$P1=P0/(1+N)$$

3. In the event of rights issues or allotment of shares:

$$P1=(P0+A \times K)/(1+K)$$

4. In the event of simultaneous (i) bonus issues, capitalization issues or conversion of share premium into share capital; (ii) rights issues or allotment of shares; and (iii) distribution of cash dividends:

$$P1=(P0 - D+A \times K)/(1+N+K)$$

where,

- (i) P0 is the issue price of the Consideration Shares before adjustment;
- (ii) N is the number of bonus shares or shares to be issued upon capitalization issue or conversion of share premium into share capital per Share;
- (iii) K is the number of new shares to be allotted per Share under rights issue or the allotment of shares;
- (iv) A is the issue price per new share under rights issue or allotment of shares;

- (v) D is the amount of cash dividend per Share; and
- (vi) P1 is the issue price of the Consideration Shares after adjustment.

The Company has declared its final dividend for the year ended 31 December 2022 on 31 March 2023, which is subject to shareholders' approval at the upcoming annual general meeting of the Company. In the event that such dividend declaration is approved by the Shareholders, Anhui Transportation Group and the Company have agreed that the issue price of the Consideration Shares shall be adjusted to RMB6.64 per Consideration Share (the "**Adjusted Issue Price**") in accordance with the formula for distribution of cash dividend set out above.

The number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group shall be calculated by dividing (i) the portion of the final Total Consideration to be settled by the issuance of Consideration Shares (being 85% of the Total Consideration) by (ii) the final issue price of the Consideration Shares (being (as the case may be) the Original Issue Price of RMB7.19 per Consideration Share or the Adjusted Issue Price of RMB6.64 per Consideration Share, subject to any further adjustment in accordance with the formulae as set out above). In the event of fractional shares, Anhui Transportation Holding Group shall waive such fractional shares.

Assuming that (i) the portion of the final Total Consideration for the Proposed Acquisition to be settled by the Consideration Shares Issuance is RMB3,400 million; and (ii) the final issue price of the Consideration Shares is the Original Issue Price (being RMB7.19), the number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group is 472,878,998 A Shares.

Assuming that (i) the portion of the final Total Consideration for the Proposed Acquisition to be settled by the Consideration Shares Issuance is RMB3,400 million; and (ii) the final issue price of the Consideration Shares is the Adjusted Issue Price (being RMB6.64), the number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group is 512,048,192 A Shares.

The final number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group shall be subject to the approval by the Shanghai Stock Exchange and registration with the CSRC. Pursuant to the relevant PRC laws and regulations, such approval by Shanghai Stock Exchange and registration with CSRC will only be obtained after the approval of the Proposed Acquisition at the EGM and (if applicable) the Class Meetings. Where adjustment will be required by the Shanghai Stock Exchange and the CSRC, it is expected that there will be downward (but not upward) adjustment to the number of Consideration Shares to be issued by the Company to Anhui Transportation Holding Group and further announcement(s) will be made by the Company.

The Consideration Shares will be issued under the Proposed Acquisition Specific Mandate to be sought at the EGM and (if applicable) the Class Meetings.

Lock-up period:

Pursuant to the Acquisition Agreement, Anhui Transportation Holding Group has undertaken that it shall not transfer any of the Consideration Shares within 36 months from the date of issue of the Consideration Shares (save for any transfer between entities controlled by the same beneficial owner), provided that if Anhui Transportation Holding Group is required to return the Consideration Shares to the Company pursuant to any performance guarantee and compensation arrangements which may be agreed between Anhui Transportation Holding Group and the Company in connection with the Proposed Acquisition, and such return has not been completed within the aforesaid 36 months lock-up period, the lock-up period shall be extended to the date on which the return of Consideration Shares by Anhui Transportation Holding Group to the Company is completed.

In the event that (i) the closing prices of the A Shares for twenty (20) consecutive trading days within six months following the completion of the Consideration Share Issuance or (ii) the closing price of the A Shares as at the end of the six-month period following completion of the Consideration Share Issuance is below the issue price of the Consideration Shares, the lock-up period will be automatically extended for six months.

The Shares which are already held by Anhui Transportation Holding Group prior to completion of the Proposed Acquisition shall not be transferred in any manner (save for any transfer between entities controlled by the same beneficial owner) within eighteen (18) months from the date of completion of the Consideration Share Issuance.

The lock-up undertaking shall also be applicable to any additional A Shares received by Anhui Transportation Holding Group as a result of bonus issues, capitalization issues, conversion of share premium into share capital and/or allotment of Shares of the Company after completion of the Consideration Share Issuance.

The above lock-up undertaking shall not be applicable to any transfer or repurchase of Shares for the purposes of giving effect to any performance guarantee and compensation arrangements which may be agreed between Anhui Transportation Holding Group and the Company in connection with the Proposed Acquisition.

Anhui Transportation Holding Group shall not transfer its Shares in the Company in the event that the regulator initiates investigation as a result of any false statement or misleading statement or material omission made by Anhui Transportation Holding Group in connection with the Proposed Acquisition until the conclusion of the investigation. In the event that Anhui Transportation Holding Group is found to have breached any laws or regulations, Anhui Transportation Holding Group undertakes to utilise the Shares subject to the lock-up undertaking to compensate the Company or any relevant investors.

If any applicable regulatory authorities of the PRC require a lock-up period of different length to be imposed, the lock-up period shall be the one as required by such regulatory authorities.

Conditions precedent to the effectiveness of the Acquisition Agreement: The effectiveness of the Acquisition Agreement is conditional upon the fulfilment of all of the following conditions:

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

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

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

The conditions set out in paragraphs (i), (ii) (in respect of the approval by the Board only) and (iii) above will be fulfilled by the time of the entering into of the Supplemental Agreement, which is currently expected to be in or around June 2023. The Supplemental Agreement will set out, among other things, the final consideration for the Proposed Acquisition, the number of the Consideration Shares proposed to be issued and (if applicable) any performance guarantee and compensation arrangements with respect to the Target Company.

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

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

Notwithstanding that the final consideration for the Proposed Consideration remains to be determined, it is currently expected that the Proposed Acquisition will not constitute a material assets reorganisation pursuant to the Administrative Measures for the Material Asset Reorganisations of Listed Companies (《上市公司重大資產重組管理辦法》).

There is no long stop date under the Acquisition Agreement in respect of the fulfilment and/or waiver of the conditions precedent. The parties will however endeavor to take necessary steps to procure the fulfillment of the conditions precedent and proceed with completion of the Proposed Acquisition.

Completion:

The parties agreed that:

- (a) within 15 business days after the notification by the Company to Anhui Transportation Holding Group of the fulfilment of the above conditions precedent, the parties shall execute all documents which are necessary for the transfer of the Target Assets to the Company. Completion of the Proposed Acquisition shall take place upon the completion of the change in industry and commerce registration in respect of 100% equity interests in the Target Company;
- (b) within 30 business days after the completion of the Proposed Acquisition, the Company shall complete the issue and allotment of the Consideration Shares to Anhui Transportation Holding Group; and
- (c) within 30 business days after the completion of the Proposed Acquisition, the Company shall pay the Cash Consideration to Anhui Transportation Holding Group.

**Post-Completion
Adjustment and
other undertakings**

The parties agree that within 60 business days after the completion of the Proposed Acquisition, an auditor will be appointed to review the net asset value of the Target Company as at the nearest month end to the date of the completion. In the event that the consolidated net asset value of the Target Company as at the nearest month end to the date of completion decreases when compared to the consolidated net asset value as at the Valuation Benchmark Date, Anhui Transportation Holding Group shall pay the shortfall to the Company in cash.

In addition, the Target Company shall not make any distribution during the period from the Valuation Benchmark Date up to (and including) to the date of completion of the Proposed Acquisition unless the prior written consent of the Company is obtained.

Termination:

The Acquisition Agreement shall be terminated in the following circumstances:

- (i) if the parties mutually agree to terminate the Acquisition Agreement in writing prior to the date of completion of the Proposed Acquisition;

- (ii) if the Proposed Acquisition becomes unable to be implemented due to occurrence of force majeure events;
- (iii) if any of the conditions precedent to the effectiveness of the Acquisition Agreement is not satisfied; or
- (iv) upon notice by a non-defaulting party to a defaulting party, if the defaulting party commits a material breach of the terms of the Acquisition Agreement or applicable laws and/or regulations, which makes the performance and completion of the Acquisition Agreement impossible.

Information on the Target Company

As at the date of this announcement, the Target Company is a wholly-owned subsidiary of Anhui Transportation Holding Group. The unaudited net asset value of the Target Company as at 31 December 2022 was RMB2,582.45 million. Upon completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

The Target Company is a limited liability company established in the PRC on 15 December 2022. The Target Company is principally engaged in the investment, operation and management of the Liuwu Expressway in Anhui Province in the PRC.

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

	For the year ended 31 December 2021	For the year ended 31 December 2022
	(unaudited)	(unaudited)
	<i>RMB</i>	<i>RMB</i>
Net profit before taxation	336,067,322.42	283,833,377.95
Net profit after taxation	252,050,491.82	212,875,033.46

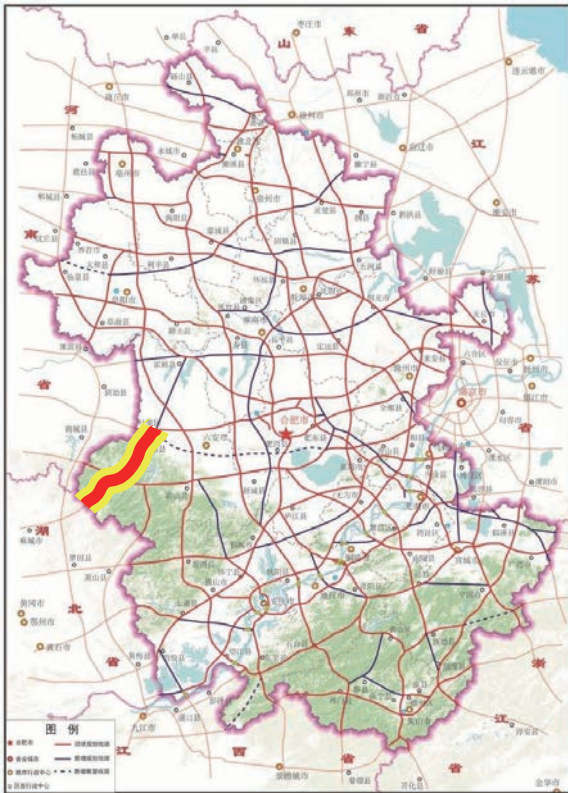
Pursuant to Rules 14.58(6) and (7) of the Listing Rules, the Company is required to disclose the above financial information relating to the Target Company in this announcement. Pursuant to Rule 10 of the Takeovers Code, disclosure of unaudited financial information relating to the profits of the Target Company constitute profit forecasts and should be reported on in accordance with Rule 10 of the Takeovers Code, and the reports must be included in this announcement in accordance with Rule 10.4 of the Takeovers Code. Due to the time constraint in issuing this announcement in compliance with Chapters 14 and 14A of the Listing Rules, the parties have encountered practical difficulties in meeting the reporting requirements under Rule 10 of the Takeovers Code for the purpose of this announcement. The unaudited financial information relating to the profits of the Target Company does not meet the standard required under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the financial information of the Target Company in assessing the merits and demerits of the Proposed Acquisition. The audited financial information of the Target Company will be included in the circular to be sent to the Shareholders in relation to (amongst others) the Proposed Acquisition and the Whitewash Waiver.

The original cost of investment made by Anhui Transportation Holding Group in the Target Company (taking into account only the initial cost of investment and the initial financing provided at the time of acquisition of the concession right of the Liuwu Expressway) was approximately RMB5,372 million.

The Target Company currently owns the concession rights of the Liuwu Expressway. Liuwu Expressway opened on 28 December 2009. It starts from Dagudian (大顧店) of Yeji District, Lu'an City (六安市葉集區), joining the Heliuye Expressway (合六葉高速公路), passing through several towns of Yaoli Town (姚李鎮) in Yeji District, Liu'an City (六安市葉集區), as well as Baitafan (白塔畈), Meishan (梅山), Huaishuwan (槐樹灣), Gubei (古碑), Nanxi (南溪) and Banzhuyuan (斑竹園) in Jinzhai County (金寨縣) from northeast to southwest, and ending at Changling pass (長嶺關) at the junction of Anhui and Hubei provinces. The Liuwu Expressway connects to the Hubei section of the Lu'an-Wuhan Expressway (六安至武漢高速公路湖北段). The total chargeable mileage of the Liuwu Expressway is 92.7 kilometers. Liuwu Expressway is designed as a two-way four-lane expressway.

The Liuwu Expressway is an important part of the Shanghai-Chengdu Expressway (滬蓉高速公路). The Shanghai-Chengdu Expressway connects the eastern part to the western part of China, starting from Shanghai and extending to Chengdu, Sichuan through the Jiangsu, Anhui, Hubei provinces and Chongqing, many of which are cities which are ranked top 10 in terms of GDP in China. The Liuwu Expressway, as an important part of the Shanghai-Chengdu Expressway, plays a pivotal role in the strengthening of the integration of the regional transportation, improvement and upgrading of the expansion of the neighbouring cities, and the improvement of the regional socio-economic development.

For reference, a map showing the location of the Liuwu Expressway is depicted below:



Further information of the Liuwu Expressway is set out below:

Total chargeable mileage: 92.7 kilometres

Design Speed: 100 kilometre/hour

Concession Period: 28 December 2009 to 27 December 2039

Toll Rates: please refer to the tables below.

Passenger vehicle

Category	Vehicle type	Authorised seat capacity	Toll rate (RMB/kilometre)
Category 1	Micro and small	9 or less	0.45
Category 2	Medium Passenger trailer	10 to 19 –	0.80
Category 3	Large	39 or less	1.10
Category 4		40 or more	1.30

Goods vehicles and specialised vehicles

Category	Vehicle classification (JT/T489—2019)	Toll rate (RMB/kilometre)
Category 1	2 axles with vehicle length less than 6000 mm and maximum permissible gross vehicle mass less than 4500 kg	0.45
Category 2	2 axles, with vehicle length not less than 6000 mm or maximum permissible gross vehicle mass not less than 4500 kg	0.90
Category 3	3 axles	1.35
Category 4	4 axles	1.70
Category 5	5 axles	1.85
Category 6	6 axles	2.20

For trucks with more than six axles: based on the charging standard for Category 6 trucks, for each additional axle, the charging standard is determined by a factor of 1.1.

For trucks with 10 axles and above, the toll rate shall be calculated in accordance with the toll rate for goods vehicle with 10 axles.

Additional toll rate for large bridges and tunnels

Category	Vehicle classification (JT/T489—2019)			Toll rate (RMB/vehicle)
	Private vehicle	Authorised seat capacity	Goods vehicle	
Category 1	Micro and small	9 or less	2 axles with vehicle length less than 6000 mm and maximum permissible gross mass less than 4500 kg	10
	Medium Passenger car	10 to 19	2 axles, with vehicle length not less than 6000 mm or maximum permissible gross mass not less than 4500 kg	
Category 2		–		15
Category 3	Large	39 or less	3 axles	20
Category 4	–	40 or more	4 axles	25
Category 5	–	–	5 axles	30
Category 6	–	–	6 axles	30

For the toll rate for goods vehicle of category 5 or above, the additional toll rate shall be calculated in accordance with the toll rate for category 5 vehicles

The toll rates of the Liuwu Expressway are subject to the approval of provincial people's government of the PRC. The toll rates of the Liuwu Expressway are primarily based on the classification of vehicles by reference to the number of seats (in the case of passenger vehicles) and number of axles (in the case of goods vehicles).

Information on the parties to the Acquisition Agreement

Information on the Company

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

Information on Anhui Transportation Holding Group

Anhui Transportation Holding Group is a state-owned enterprise established in the PRC on 27 April 1993 and is the controlling shareholder of the Company holding approximately 31.63% of the Company's issued share capital as at the date of this announcement. Anhui Transportation Holding Group is principally engaged in transportation, investment and asset management, as well as real estate and construction. Anhui Transportation Holding Group is owned as to 100% by the State-owned Assets Supervision and Administration Commission of Anhui Province.

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

The Board is pleased to announce that, on 17 April 2023, the Board has approved the Proposed Non-public Issuance of A Shares to raise ancillary funds after completion of the Proposed Acquisition. The total amount of ancillary funds to be raised thereunder shall not exceed 40% of the final Total Consideration for the Proposed Acquisition, and the number of A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

The Proposed Non-public Issuance of A Shares is subject to the approval of the Shanghai Stock Exchange and registration by CSRC and completion of the Proposed Acquisition, but the Proposed Acquisition is not conditional on completion of the Proposed Non-public Issuance of A Shares.

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

Class and par value of Shares to be issued: A Shares with a nominal value of RMB1.00 each.

Target subscribers: The Proposed Non-public Issuance of A Shares will be carried out by way of non-public issue of A Shares to not more than 35 specific target subscribers. Such specific target subscribers may include, but not limited to, any securities investment fund management company, securities firm, financial services company, asset management company, insurance company, other legal person or natural person investors in the PRC. Any securities investment fund management company, securities firm or qualified investors participating in the Proposed Non-public Issuance of A Shares through two or more portfolio funds will be regarded as one target subscriber.

As at the date of this announcement, the Company has not entered into any agreement with any potential subscribers in respect of the Proposed Non-public Issuance of A Shares, nor has the Company received any persons' indication to participate in the Proposed Non-public Issuance of A Shares.

**Number of A Shares
to be issued:**

The total amount of ancillary funds to be raised under the Proposed Non-public Issuance of A Shares shall not exceed 40% of the final Total Consideration for the Proposed Acquisition, and the number of A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares.

The number of A Shares to be issued under the Proposed Non-public Issuance of A Shares will be:

- (i) calculated by dividing the total amount of ancillary funds raised by the issue price to be determined according to the paragraph headed “Price Determination Date, pricing principles and issue price” (rounded down to the nearest share); and
- (ii) adjusted if there occurs any ex-right or ex-dividend event (such as distribution of cash dividend, bonus issue, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues) between the Price Determination Date and the date of issuance of the A Shares under the Proposed Non-public Issuance of A Shares in accordance with the applicable PRC laws and regulations.

**Price Determination
Date, pricing
principles and issue
price:**

Subject to satisfaction of the conditions precedent of the Proposed Non-public Issuance of A Shares as further detailed below and after completion of the Proposed Acquisition, the Company shall determine to commence the Proposed Non-public Issuance of A Shares taking into account the proposal for use of proceeds and market conditions and the Offering Period of the Proposed Non-public Issuance of A Shares shall commence accordingly. The Proposed Non-public Issuance of A Shares will be conducted by way of a price inquiry process conducted in accordance with the requirements under the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》), which involves the issuance of invitation for subscription to eligible specific target subscribers after obtaining approval and registration documents from the Shanghai Stock Exchange and the CSRC. The Price Determination Date shall be the first date of the Offering Period.

The issue price shall not be lower than the Non-public Issuance Benchmark Price, being (i) 80% of the Average Trading Price; or (ii) the Floor Price (being the latest audited net asset value per Share of the Company before Price Determination Date, subject to adjustments due to ex-rights or ex-dividends event of the Company (such as distribution of cash dividend, bonus issue, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues) during the period between the date in respect of which the last audited consolidated balance sheet of the Company was prepared and the Price Determination Date), whichever is higher.

According to the annual results announcement of the Company for the year ended 31 December 2022, the audited net asset per Share of the Company as at 31 December 2022 was approximately RMB7.1896 (for the avoidance of doubt, without taking into account the proposed final dividend for the year ended 31 December 2022 of RMB0.55 per Share which remains subject to approval by the Shareholders as at the date of this announcement).

The final issue price will be determined by negotiations between the Board and its authorized person(s) with the authorization by the Shareholders at the EGM and the PRC independent financial adviser (the lead underwriter) based on the price inquiry results in accordance with the relevant PRC laws and regulations.

The specific time of issuance of the Proposed Non-public Issuance of A Shares shall be determined by the Company and the PRC independent financial adviser (the lead underwriter) taking into account the proposal for use of proceeds and market conditions.

The Non-public Issuance Benchmark Price will be adjusted if there occurs any ex-right or ex-dividend event (such as distribution of cash dividend, bonus issue, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues) between the Price Determination Date and the date of issuance of the Proposed Non-public Issuance of A Shares in accordance with the applicable PRC laws and regulations.

All the target subscribers will subscribe for the A Shares under the Proposed Non-public Issuance of A Shares at the same issue price in cash.

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

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.

None of the conditions above may be waived by any party to the Proposed Non-public Issuance of A Shares and therefore, if any of the conditions above is not satisfied, the Company will not proceed with the Proposed Non-public Issuance of A Shares.

In respect of the condition set out in paragraph (v) above, as at the date of this announcement, the Company is not aware of any other approval and/or filings which are required to be obtained by it in respect of the Proposed Non-public Issuance of A Shares.

None of the conditions precedent has been fulfilled as at the date of this announcement.

Lock-up period: All target subscribers shall not transfer the A Shares subscribed under the Proposed Non-public Issuance of A Shares within six months from the date of completion of the Proposed Non-public Issuance of A Shares, provided that if any applicable regulatory authorities of the PRC require a lock-up period of different length to be imposed, the lock-up period shall be the one as required by such regulatory authorities.

The lock-up undertaking shall also be applicable to any additional A Shares received by the target subscribers in respect of the relevant A Shares subscribed under the Proposed Non-public Issuance of A Shares as a result of bonus issues, conversion of share premium into share capital, capitalization issues and/or rights issue of the Company after completion of the Proposed Non-public Issuance of A Shares.

Place of listing of the A Shares to be issued: The A Shares to be issued under the Proposed Non-public Issuance of A Shares will be listed and traded on the Shanghai Stock Exchange.

Use of proceeds: The net proceeds from the Proposed Non-public Issuance of A Shares (after deducting all applicable costs and expenses incurred in connection with the Proposed Non-public Issuance of A Shares) are intended to be used to (i) replenish the working capital of the Group; (ii) repay the debts of the Group and (iii) refinance the Cash Consideration for the Proposed Acquisition.

In addition, the net proceeds utilized for replenishing the working capital of the Group and repaying the debts of the Group in aggregate shall not exceed 50% of the net proceeds from the Proposed Non-public Issuance of A Shares or 25% of the final Total Consideration for the Proposed Acquisition, whichever is higher.

Further announcement(s) will be made by the Company in respect of the specific use and allocation of the net proceeds.

The Proposed Acquisition is not conditional upon completion of the Proposed Non-public Issuance of A Shares. The result of the Proposed Non-public Issuance of A Shares shall not affect completion of the Proposed Acquisition.

If the Proposed Non-public Issuance of A Shares does not proceed or the actual proceeds to be raised from the Proposed Non-public Issuance of A Shares are less than the proposed use of proceeds, the Company will make up for the shortfall by utilizing its internal resources or other means of financing. The Company may make appropriate adjustments as to the order of priority, allocation amount and methods in respect of the proposed use of proceeds based on the net proceeds actually raised.

Specific mandate to issue A Shares:

The Company will issue the A Shares under Proposed Non-public Issuance of A Shares pursuant to the Non-public Issuance the Specific Mandate to be sought from the Non-public Issuance Independent Shareholders at the EGM and (if applicable) the Class Meetings.

Distribution of profit:

Upon completion of the Proposed Non-public Issuance of A Shares, the existing Shareholders and the holders of the new A Shares to be issued under the Proposed Non-public Issuance of A Shares will be entitled to share the Company's cumulative undistributed profits prior to completion of the Proposed Non-public Issuance of A Shares based on their respective proportion of shareholding and have the same right to distributions or dividends.

Rights of the A Shares to be issued:

The A Shares to be issued under the Proposed Non-public Issuance of A Shares, when fully paid and issued, will rank pari passu in all respects amongst themselves and with the A Shares in issue at the time of the issuance of such A Shares.

The Company will adjust the terms and conditions of the Proposed Non-public Issuance of A Shares in accordance with the latest requirements under the applicable PRC laws and regulations in the event of any inconsistency.

Possible Connected Transaction

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

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

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

III. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

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

Scenario 1: Assuming the issue price of the Consideration Shares is the Original Issue Price

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

- (i) as at the date of this announcement;
- (ii) immediately after completion of the Proposed Acquisition (assuming that (a) the final Total Consideration for the Proposed Acquisition is RMB4,000 million and the portion of the final Total Consideration to be settled by the Consideration Share Issuance is RMB3,400 million; (b) there will not be any adjustments to the issue price of the Consideration Shares of RMB7.19 per Consideration Share; and (c) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement); and
- (iii) immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (assuming that (a) the final Total Consideration for the Proposed Acquisition is RMB4,000 million and the portion of the final Total Consideration to be settled by the Consideration Share Issuance is RMB3,400 million; (b) the total amount of ancillary funds to be raised under the Proposed Non-public Issuance of A Shares shall be 40% of the final Total Consideration for the Proposed Acquisition, being RMB1,600 million; (c) there will not be any adjustments to the issue price of the Consideration Shares of RMB7.19 per Consideration Share; (d) the issue price of the Proposed Non-public Issuance of A Shares is the same as the issue price of the Consideration Shares; (e) the

subscribers of the Proposed Non-public Issuance of A Shares are and remain as public Shareholders of the Company; and (f) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement and under the Proposed Non-public Issuance of A Shares):

Name of Shareholder	Class of Shares	Shareholding as at the date of this announcement			Shareholding immediately after completion of the Proposed Acquisition			Shareholding immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares		
		Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)
Anhui Transportation Holding Group	A	524,644,220	45.01	31.63	997,523,218	60.88	46.80	997,523,218	53.60	42.38
China Merchants Highway Network Technology Holding Company Limited (Note 1)	A	404,191,501	34.68	24.37	404,191,501	24.67	18.96	404,191,501	21.72	17.17
	H	92,396,000	18.74	5.57	92,396,000	18.74	4.33	92,396,000	18.74	3.93
Anhui Transportation Holding Group and its concert parties	A	928,835,721	79.69	56.00	1,401,714,719	85.55	65.76	1,401,714,719	75.32	59.55
	H	92,396,000	18.74	5.57	92,396,000	18.74	4.33	92,396,000	18.74	3.93
	Total A and H	1,021,231,721	-	61.57	1,494,110,719	-	70.10	1,494,110,719	-	63.47
Public A Shareholders	A	236,764,279	20.31	14.27%	236,764,279	14.45	11.11	459,295,572	24.68	19.51
Public H Shareholders	H	400,614,000	81.26	24.15%	400,614,000	81.26	18.80	400,614,000	81.26	17.02
Total		1,658,610,000	-	100.00	2,131,488,998	-	100.00	2,354,020,291	-	100.00

Notes:

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

For illustration purposes only, based on the above assumptions, 222,531,293 new A Shares will be issued under the Proposed Non-public Issuance of A Shares and the aggregate nominal value of such new A Shares to be issued under the Proposed Non-public Issuance of A Shares will be RMB222,531,293.

Scenario 2: Assuming the issue price of the Consideration Shares is the Adjusted Issue Price

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

- (i) as at the date of this announcement;
- (ii) immediately after completion of the Proposed Acquisition (assuming that (a) the final Total Consideration for the Proposed Acquisition is RMB4,000 million and the portion of the final Total Consideration to be settled by the Consideration Share Issuance is RMB3,400 million; (b) there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; and (c) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement); and
- (iii) immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (assuming that (a) the final Total Consideration for the Proposed Acquisition is RMB4,000 million and the portion of the final Total Consideration to be settled by the Consideration Share Issuance is RMB3,400 million; (b) the total amount of ancillary funds to be raised under the Proposed Non-public Issuance of A Shares shall be 40% of the final Total Consideration for the Proposed Acquisition, being RMB1,600 million; (c) there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; (d) the issue price of the Proposed Non-public Issuance of A Shares is the same as the issue price of the Consideration Shares; (e) the subscribers of the Proposed Non-public Issuance of A Shares are and remain as public Shareholders of the Company; and (f) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement and under the Proposed Non-public Issuance of A Shares):

Name of Shareholder	Class of Shares	Number of Shares	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Proposed Acquisition			Shareholding immediately after completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares		
			Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)	Number of Shares	Approximate percentage of the issued Share capital of the relevant class (%)	Approximate percentage of the total issued share capital (%)
Anhui Transportation Holding Group	A	524,644,220	45.01	31.63	1,036,692,412	61.79	47.76	1,036,692,412	54.03	42.99
China Merchants Highway Network Technology Holding Company Limited <i>(Note 1)</i>	A	404,191,501	34.68	24.37	404,191,501	24.09	18.62	404,191,501	21.07	16.76
	H	92,396,000	18.74	5.57	92,396,000	18.74	4.26	92,396,000	18.74	3.83
Anhui Transportation Holding Group and its concert parties	A	928,835,721	79.69	56.00	1,440,883,913	85.89	66.38	1,440,883,913	75.10	59.75
	H	92,396,000	18.74	5.57	92,396,000	18.74	4.26	92,396,000	18.74	3.83
	Total A and H	1,021,231,721	-	61.57	1,533,279,913	-	70.64	1,533,279,913	-	63.58
Public A Shareholders	A	236,764,279	20.31	14.27	236,764,279	14.11	10.91	477,728,134	24.90	19.81
Public H Shareholders	H	400,614,000	81.26	24.15	400,614,000	81.26	18.46	400,614,000	81.26	16.61
Total		1,658,610,000	-	100.00	2,170,658,192	-	100.00	2,411,622,047	-	100.00

Notes:

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

For illustration purposes only, based on the above assumptions, 240,963,855 new A Shares will be issued under the Proposed Non-public Issuance of A Shares and the aggregate nominal value of such new A Shares to be issued under the Proposed Non-public Issuance of A Shares will be RMB240,963,855.

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

Shareholders and potential investors should note that the above shareholding structures immediately after the completion of the Proposed Acquisition are illustrative only based on the assumptions set out above, and remain subject to (amongst others) the determination of the final Total Consideration of the Proposed Acquisition based on the audit and valuation work of the Target Company. In particular, Shareholders and potential investors of the Company should note that the final Total Consideration for the Proposed Acquisition may be adjusted downward subject to the finalisation of the appraised value of the Target Asset set out in the Asset Valuation Report and the parties' negotiation, and may be less than RMB4,000 million. As such, the amount of Consideration Shares which may be issued to Anhui Transportation Holding Group as set out in this announcement is indicative only and may reduce depending on the final consideration for the Proposed Acquisition to be agreed between the parties.

Shareholding structures immediately after the completion of the Proposed Acquisition based on the final Total Consideration of the Proposed Acquisition will be set out in further announcement(s) of the Company.

IV. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises during the 12 months immediately preceding the date of this announcement.

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

Proposed Acquisition

Through the Proposed Acquisition, the Company will acquire Liuwu Expressway as part of the assets of the Target Company, which will increase the Company's holding in highway projects. As at 31 December 2022, the chargeable mileage of the operating highway owned by the Company amounted to approximately 609 kilometres, with decreasing toll collection period remaining on these road assets. Upon the completion of the Proposed Acquisition, the chargeable mileage of the Company's road asset will further increase by 92.71 kilometres. In addition, Liuwu Expressway has a remaining toll collection period of approximately 16.75 years. The Proposed Acquisition will therefore extend the chargeable mileage of operating highway owned by the Company and the average toll collection period of the Company's road assets, and further expand the portfolio of the Company's assets.

As the existing road assets of the Company gradually reach their maturity, it is important for the Company to actively identify and acquire high quality road assets to expand the Company's portfolio of road assets. The Proposed Acquisition will help the Company to further strengthen and expand its main business by forming an extended network of roads, optimizing the provincial allocation of the existing road property portfolio, increasing the Company's ability and competitiveness in optimizing its asset structure. In particular, given that the Company's road assets are situated in the Anhui Province, the acquisition of Liuwu Expressway in the Anhui Province will allow the Company to integrate an additional high quality road asset within the Anhui Province, and in turn facilitate the Company to realise economies of scale and synergies between its existing road assets. The Proposed Acquisition also indicates the support from Anhui Transportation Holding Group for the Company's long term and sustainable development. Therefore, the Proposed Acquisition is of strategic importance in enhancing the overall competitiveness, operational capability and dividend distribution capability of the Company and in strengthening its capability in sustainable development.

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

Proposed Non-public Issuance of A Shares

The proceeds to be raised from the Proposed Non-public Issuance of A Shares are proposed to be used for replenishing the working capital of the Group, repaying the debts of the Group and refinancing the Cash Consideration for the Proposed Acquisition, which would improve the overall financial position and facilitate the future development of the Group.

Proposed Amendment of Shareholders' Return Policy upon the completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares

As mentioned above, it is expected that the completion of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares would enhance the overall competitiveness and financial position of the Group. In order to establish a sustainable and stable shareholders' return policy and to further safeguard the interests of the minority Shareholders, in the event that the Proposed Acquisition and the Proposed Non-public Issuance of A Shares are completed, the Company proposes to amend its current shareholders' return policy, such that subject to the fulfilment of the conditions for distributing cash dividends under the current shareholders' return policy, the Company shall make distributions in cash in an amount not less than 70% of the

net profit attributable to owner of the parent company as set out in the Company's consolidated financial statements in each of the next three years (i.e. 2023 to 2025).

VI. IMPLICATIONS UNDER THE LISTING RULES

Proposed Acquisition

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

As at the date of this announcement, Anhui Transportation Holding Group directly holds 524,644,220 A Shares, representing approximately 31.63% of the total issued share capital of the Company, and is the controlling shareholder of the Company. Accordingly, Anhui Transportation Holding Group is a connected person of the Company. Therefore, the Proposed Acquisition constitutes a connected transaction of the Company which is subject to the reporting, announcement and Proposed Acquisition LR Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Proposed Non-public Issuance of A Shares

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

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

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

VII. IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement,

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

Immediately following completion of the Proposed Acquisition, assuming that (i) the final Total Consideration for the Proposed Acquisition is RMB4,000 million; (ii) the issue price is the Adjusted Issue Price and there will not be any further adjustments to the issue price of the Consideration Shares of RMB6.64 per Consideration Share; and (iii) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of the A Shares pursuant to the Acquisition Agreement,

- (i) the shareholding of Anhui Transportation Holding Group in the Company will increase to approximately 47.76%; and
- (ii) the aggregate shareholding of Anhui Transportation Holding Group and parties acting in concert with it in the Company will increase to approximately 70.64%.

Upon the entering into of the Supplemental Agreement (which is currently expected to be in or around June 2023), further announcement(s) will be made by the Company in respect of, among other things, the final consideration of the Proposed Acquisition, the number of the Consideration Shares proposed to be issued and further information on the effect on the shareholding and voting rights held by Anhui Transportation Holding Group in the Company as a result of the Proposed Acquisition.

Accordingly, upon completion of the Proposed Acquisition, pursuant to Rule 26.1 of the Takeovers Code, Anhui Transportation Holding Group will be required to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Anhui Transportation Holding Group and parties acting in concert with it, unless the Whitewash Waiver from strict compliance with Rule 26.1 of the Takeovers Code is obtained from the Executive.

As such, completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. An application will be made by Anhui Transportation Holding Group (on behalf of itself and parties acting in concert with it) to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Acquisition by more than 50% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM as required under the Takeovers Code. The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

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

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

- (i) holds, owns, controls or directs any shares, convertible securities, warrants, options or has entered into any derivatives in respect of the securities in the Company;
- (ii) has secured an irrevocable commitment to vote in favor of or against the Proposed Acquisition and the Whitewash Waiver;

- (iii) has any arrangement (whether by way of option, indemnity or otherwise) or contracts in relation to the Shares or Anhui Transportation Holding Group which might be material to the Proposed Acquisition and the Whitewash Waiver;
- (iv) has any agreement or arrangement to which Anhui Transportation Holding Group or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposed Acquisition and the Whitewash Waiver;
- (v) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) there is no other consideration or benefit in whatever form paid or to be paid by Anhui Transportation Holding Group and parties acting in concert with it to the Company or any party acting in concert with it in connection with the Proposed Acquisition;
- (vii) save for the Consideration Shares to be issued by the Company to Anhui Transportation Holding Group under the Proposed Acquisition and the Cash Consideration, there is no other consideration or benefit in whatever form paid or to be paid by the Company and parties acting in concert with it to Anhui Transportation Holding Group or any party acting in concert with it in connection with the Proposed Acquisition; and
- (viii) there is no understanding, arrangement or agreement which constitutes special deal between (1) any Shareholder; and (2) (a) Anhui Transportation Holding Group and parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

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

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive directors who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver) has been formed to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver. As each of Mr. Yang Xudong and Mr. Du Jian (each a non-executive Director) holds certain position in China Merchants Highway Network Technology Holding Company Limited (being a party presumed to be acting in concert with Anhui Transportation Holding Group), each of Mr. Yang Xudong and Mr. Du Jian is not considered as independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, the Independent Financial Adviser will be appointed 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. Further announcement(s) will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. Following completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of entering into of the Supplemental Agreement by the Company and Anhui Transportation Holding Group, which is currently expected to be in or around June 2023 and will be prior to the despatch of the circular in relation to, among other things, the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver.

The terms of the Proposed Non-public Issuance of A Shares including, among other things, the proposed size of issuance and use of proceeds, are subject to the further approval by the Board after the terms of the Proposed Acquisition are finalized.

It is currently expected that the abovementioned audit and valuation work of the Target Company for the Proposed Acquisition will be completed in or around June 2023, following which, the terms of the Proposed Acquisition will be finalized. Further announcement(s) will be made by the Company in respect of the Proposed Acquisition and the Proposed Non-public Issuance of A Shares as and when appropriate in accordance with the applicable laws and regulations.

EGM AND (IF APPLICABLE) CLASS MEETINGS

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

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

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

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

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

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

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

A circular containing, among other things, (i) further details of the Proposed Acquisition, the Proposed Non-public Issuance of A Shares, the Specific Mandates and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iv) the financial information of the Target Company; (v) the Asset Valuation Report; (vi) certain other information required under the Listing Rules and the Takeovers Code; and (vii) the notice of the EGM and (if applicable) the Class Meetings is expected to be despatched to the Shareholders on a date which is more than 15 business days after the publication of this announcement as required under the Listing Rules and more than 21 days of the date of this announcement as required under Rule 8.2 of the Takeovers Code, as the terms of the Proposed Acquisition will only be finalized in or around June 2023 and more time is needed for the preparation of certain information to be included in the circular. The Company will apply to the Executive for the consent to extend the time for the despatch of the circular and further announcement(s) will be made in compliance with the requirements of the Listing Rules and the Takeovers Code.

In the event that the articles of association of the Company has been amended in accordance with the changes in the PRC laws and regulations and/or the applicable listing rules prior to the holding of the EGM and (if applicable) Class Meetings, the Proposed Acquisition, the Specific Mandates, the Whitewash Waiver and/or the Proposed Non-Public Issuance of A Shares shall be approved in accordance with such amended articles of association of the Company and the other applicable laws, rules and regulations which are in effect as at the date of the EGM and (if applicable) the Class Meetings. Further announcement(s) will be made by the Company if and when appropriate.

OTHER INFORMATION

Shareholders' attention is also drawn to the overseas regulatory announcements headed:

- (i) the announcement on the resolutions of the thirtieth meeting of the ninth session of the Board of Directors (第九屆董事會第三十次會議決議公告);
- (ii) the announcement on the resolutions of the twenty-second meeting of the ninth session of the Board of Supervisors (第九屆監事會第二十二次會議決議公告);
- (iii) the pre-approval of the independent non-executive Directors in respect of the resolutions to be proposed at the thirtieth meeting of the ninth session of the Board of Directors (獨立董事關於本次交易的事前認可意見) (the “**Pre-approval Announcement**”);
- (iv) the independent opinion of the independent non-executive Directors in respect of the resolutions to be proposed at the thirtieth meeting of the ninth session of the Board of Directors (獨立董事關於擬提交公司第九屆三十次董事會審議事項的獨立意見); (the “**Independent Opinion Announcement**”)
- (v) the explanation by the Board of Directors in respect of 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 (董事會關於本次交易履行法定程序完備性、合規性及提交的法律文件的有效性說明); (the “**1st Explanatory Announcement**”)
- (vi) the explanation of the Board of Directors on the satisfaction of requirements under the “Shanghai Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 9 – Regulatory Requirements for Listed Companies to Plan and Implement Material Asset Reorganisations” in respect of the Proposed Acquisition (董事會關於本次重組符合《上市公司監管指引第9號 – 上市公司籌劃和實施重大資產重組的監管要求》第四條規定的說明); (the “**2nd Explanatory Announcement**”)
- (vii) the explanation by the Board of Directors in respect of whether the Proposed Acquisition and the Proposed Non-public Issuance of A Shares constitutes a material asset reorganisation, related party transaction and new listing under the PRC laws and regulations (董事會關於本次交易是否構成重大資產重組、關聯交易及重組上市的說明);

- (viii) the explanation by the Board of Directors in respect of whether the trading price fluctuation of the Shares of the Company reaches the relevant standards under “Shanghai Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 6 – Material Asset Reorganisation” (董事會關於公司股票價格波動是否達到《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》相關標準的說明);
- (ix) the explanation by the Board of Directors on the non-existence of the relevant circumstances stipulated under Articles 12 of the “Shanghai Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 7 – Regulations on unusual trading of shares related to a Material Asset Reorganisation” in respect of the relevant entities under the Proposed Acquisition and the Proposed Non-public Issuance of A Shares (董事會關於本次交易相關主體不存在《上市公司監管指引第7號– 上市公司重大資產重組相關股票異常交易監管》第十二條情形的說明);
- (x) announcement on the general risk reminders in respect of Proposed Acquisition and the Proposed Non-public Issuance of A Shares and the resumption of trading in the A Shares of the Company (關於發行股份及支付現金購買資產並募集配套資金事項的一般風險提示暨公司股票復牌的提示性公告);
- (xi) the plan on issuance of shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and related party 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預案) (the “**A Share Issuance of Shares Plan Announcement**”);
- (xii) summary of the plan on issuance of shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and related party 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預案(摘要));
- (xiii) announcement on the top 10 shareholders and top 10 liquid shareholders as at one trading day prior to the suspension of trading in A Shares (關於停牌前一個交易日前十大股東及前十大流通股股東持股情況的公告) (the “**Top 10 Shareholders Announcement**”); and
- (xiv) announcement on the future cash dividend arrangement of the Company (關於公司未來現金分紅特別安排的公告) (the “**Future Cash Dividend Arrangement Announcement**”).

each published on 17 April 2023 and issued by the Company in relation to the Proposed Acquisition and the Proposed Non-public Issuance of A Shares. English translation and the Chinese version of the relevant parts of the Pre-approval Announcement, the Independent Opinion Announcement, the 1st Explanatory Announcement, the 2nd Explanatory Announcement, the A Share Issuance of Shares Plan Announcement, the Top 10 Shareholders Announcement and the Future Cash Dividend Arrangement Announcement containing material information with Takeovers Code implications are attached to this announcement as Appendix I.

Reference is made to the disclosure of the unaudited operating revenue, operating profit and net profit attributable to the equity owners of the Target Company (the “**Relevant Unaudited Financial Information**”) for the two financial years ended 31 December 2021 and 2022 prepared in accordance with the Generally Accepted Accounting Principles of the PRC disclosed in the paragraph headed “Recent financial data (主要財務數據)” in “Section IV. Basic Information of the Target Company (第四節– 標的公司基本情況)” of the A Share Issuance of Shares Plan Announcement issued by the Company and published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on the date of this announcement, the content of which is extracted in Appendix I to this announcement. A copy of the A Share Issuance of Shares Plan Announcement also appears on the website of Stock Exchange (<http://www.hkexnews.hk>) as an overseas regulatory announcement. Pursuant to the applicable laws and regulations of the PRC, the Company is required to disclose the Relevant Unaudited Financial Information relating to the Target Company in the A Share Announcement. **Pursuant to Rule 10 of the Takeovers Code, disclosure of Relevant Unaudited Financial Information relating to the Target Company constitute profit forecasts and should be reported on in accordance with Rule 10 of the Takeovers Code, and the reports must be included in this announcement in accordance with Rule 10.4 of the Takeovers Code. Due to the time constraint in issuing the A Shares Announcement in compliance with the applicable PRC laws and regulations and in issuing this announcement in compliance with Chapter 14 and 14A of the Listing Rules, the parties have encountered practical difficulties in meeting the reporting requirements under Rule 10 of the Takeovers Code for the purpose of this announcement. The Relevant Unaudited Financial Information of the Target Company does not meet the standard required under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the financial information of the Target Company in assessing the merits and demerits of the Proposed Acquisition. The audited financial information of the Target Company will be included in the circular to be sent to the Shareholders in relation to (amongst others) the Proposed Acquisition and the Whitewash Waiver.**

RESUMPTION OF TRADING IN A SHARES

At the request of the Company, trading in the A Shares on the Shanghai Stock Exchange has been suspended from 3 April 2023 as the Company was contemplating the Proposed Acquisition which involves significant uncertainties. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A Shares on the Shanghai Stock Exchange from 18 April 2023.

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.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“A Share(s)”	the domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange in the PRC
“A Shares Class Meeting”	the class meeting of the A Shareholders
“A Shareholder(s)”	holder(s) of A Share(s)
“Acquisition Agreement”	the agreement dated 17 April 2023 entered into between the Company and Anhui Transportation Holding Group in relation to the Proposed Acquisition
“Adjusted Issue Price”	has the meaning ascribed to it under the paragraph headed "Issue of Consideration Shares" in the section headed "I. Major and Connected Transaction – Acquisition Agreement" of this announcement
“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company holding approximately 31.63% of the Company’s total issued share capital as at the date of this announcement

“Articles of Association”	the articles of association of the Company from time to time
“Asset Valuation Report”	the asset valuation report in respect of the Target Assets to be issued by a qualified asset appraisal agency in the PRC
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Average Trading Price”	the average trading price of the A Shares during the 20 trading days immediately preceding the Price Determination Date, which is calculated by dividing the total turnover of the A Shares by the total trading volume of the A Shares during the 20 trading days immediately preceding the Price Determination Date
“Board”	the board of directors of the Company
“Cash Consideration”	the cash consideration in the amount of 15% of the Total Consideration payable by the Company to Anhui Transportation Holding Group pursuant to the Acquisition Agreement as part of the Total Consideration payable to Anhui Transportation Holding Group for the Proposed Acquisition
“Class Meetings”	the A Shares Class Meeting and the H Shares Class Meeting
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company established in the PRC, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 995), and the A Shares of which are listed on the Shanghai Stock Exchange in the PRC (stock code: 600012)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Share(s)”	the new A Share(s) to be allotted and issued by the Company to Anhui Transportation Holding Group pursuant to the Acquisition Agreement as part of the Total Consideration payable to Anhui Transportation Holding Group for the Proposed Acquisition

“Consideration Share Issuance”	the issuance of the Consideration Shares by the Company to Anhui Transportation Holding Group pursuant to the Acquisition Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of A Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Floor Price”	the latest audited net asset value per Share of the Company before the Price Determination Date, subject to adjustments due to ex-rights or ex-dividends event of the Company (such as distribution of cash dividend, bonus issue, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues) during the period between the date in respect of which the last audited consolidated balance sheet of the Company was prepared and the Price Determination Date
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Shares Class Meeting”	the class meeting of the H Shareholders
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver, namely Mr. Liu Hao, Mr. Zhang Jianping and Ms. Fang Fang, established pursuant to the requirements of the Listing Rules and the Takeovers Code to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Liuwu Expressway”	the Liuwu Expressway (六武高速公路) with its concession rights owned and operated by the Target Company
“Non-public Issuance Benchmark Price”	(i) 80% of the Average Trading Price; or (ii) the Floor Price, whichever is higher
“Non-public Issuance Independent Shareholders”	Shareholders other than Shareholders who have indicated to participate in the Non-public Issuance of A Shares before the EGM and (if applicable) the Class Meetings and their close associates (as defined under the Listing Rules)
“Non-public Issuance Specific Mandate”	the specific mandate to be sought from the Non-public Issuance Independent Shareholders at the EGM and (if applicable) the Class Meetings to issue the A Shares under the Proposed Non-public Issuance of A Shares
“Offering Period”	the period commencing the Proposed Non-public Issuance of A Shares as determined by the Company

“Original Issue Price”	has the meaning ascribed to it under the paragraph headed "Issue of Consideration Shares" in the section headed "I. Major and Connected Transaction – Acquisition Agreement" of this announcement
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“PRC Legal Advisers”	Grandall Law Firm (Hefei), the PRC legal advisers to the Company
“Price Determination Date”	the first day of the Offering Period of the Proposed Non-public Issuance of A Shares
“Pricing Benchmark Date”	the date of the announcement of the resolutions of the Board in respect of the Proposed Acquisition, being 18 April 2023
“Proposed Acquisition”	the proposed acquisition of the Target Assets from Anhui Transportation Holding Group pursuant to the Acquisition Agreement
“Proposed Acquisition LR Independent Shareholders”	Shareholders, other than Anhui Transportation Holding Group and its associates, which do not have a material interest in the Proposed Acquisition and the Proposed Acquisition Specific Mandate under the Listing Rules and the relevant PRC laws and regulations
“Proposed Acquisition Specific Mandate”	the specific mandate to be sought at the EGM and (if applicable) the Class Meetings to issue the Consideration Shares pursuant to the Acquisition Agreement
“Proposed Non-public Issuance of A Shares”	the proposed non-public issuance of A Shares to not more than 35 specific target subscribers
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)

“Specific Mandate(s)”	the Proposed Acquisition Specific Mandate and the Non-Public Issuance Specific Mandate
“Supplemental Agreement”	the supplemental agreement to the Acquisition Agreement to be entered into between the Company and Anhui Transportation Holding Group in or around June 2023 based on current expectation
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Takeovers Code Independent Shareholders”	Shareholders other than (i) Anhui Transportation Holding Group and parties acting in concert with it (including China Merchants Highway Network Technology Holding Company Limited, being a party presumed to be acting in concert with Anhui Transportation Holding Group); and (ii) those who are interested in or involved in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver
“Target Assets”	100% of the equity interests in the Target Company
“Target Company”	Anhui Province Liuwu Expressway Co., Ltd.* (安徽省六武高速公路有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Anhui Transportation Holding Group as at the date of this announcement
“Total Consideration”	the consideration payable by the Company to Anhui Transportation Holding Group for the Proposed Acquisition pursuant to the Acquisition Agreement to be determined and finalized based on a valuation of the Target Assets to be conducted by a qualified PRC asset appraisal agency
“trading day(s)”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“Valuation Benchmark Date”	31 December 2022

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Anhui Transportation Holding Group to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Anhui Transportation Holding Group and parties acting in concert with it which would otherwise arise as a result of the issue of the Consideration Shares under the Proposed Acquisition

“%”

per cent

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

Hefei, Anhui, the PRC
17 April 2023

As at the date of this announcement, the Board of the Company comprises Xiang Xiaolong (chairman), Yang Xiaoguang, Tao Wensheng and Chen Jiping as the executive Directors; Yang Xudong and Du Jian as the non-executive Directors; and Liu Hao, Zhang Jianping and Fang Fang, as the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *For identification purpose only.*

Appendix I

The relevant parts of the Pre-approval Announcement, the Independent Opinion Announcement, the 1st Explanatory Announcement, the 2nd Explanatory Announcement, the A Share Issuance of Shares Plan Announcement, the Top 10 Shareholders Announcement and the Future Cash Dividend Arrangement Announcement containing material information with Takeovers Code implications (Chinese version)

(A) Extracts from the Pre-approval Announcement

根據《上市公司獨立董事規則》《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次會議審議事項，發表如下事前認可意見：

- (一) 本次交易符合《公司法》《證券法》《重組管理辦法》《上市公司證券發行註冊管理辦法》等法律、法規、部門規章及規範性文件規定的各項要求及條件。
- (二) 本次交易方案符合《公司法》《證券法》《重組管理辦法》等相關法律、法規及規範性文件的規定，交易方案具備可操作性。

- (四) 公司就本次交易制訂的《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預案》及其摘要以及就公司與安徽省交通控股集團有限公司簽署的附條件生效的《安徽皖通高速公路股份有限公司與安徽省交通控股集團有限公司之發行股份及支付現金購買資產協議》，符合《公司法》《證券法》《重組管理辦法》《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。
- (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。
- (七) 本次重組標的資產的最終交易價格將以符合相關法律法規要求的資產評估機構出具的評估報告所載明的、且經國有資產監督管理部門或其授權機構備案的評估值為依據，由交易雙方協商確定。關聯交易定價原則和方法恰當、交易公平合理，且將履行必要的關聯交易內部決策程序，不存在損害公司及其股東尤其是公眾股東利益的行為。
- (八) 公司未來現金分紅特別安排充分考慮了本次交易對於公司利潤及現金流的影響，統籌考慮了公司股東的短期利益和長期利益，有利於建立對投資者科學、持續、穩定的分紅回報機制，符合相關法律、法規和《公司章程》的要求，不存在損害公司及其股東特別是中小投資者利益的情形。

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次會議審議。

(B) Extracts from the Independent Opinion Announcement

根據《上市公司獨立董事規則》《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：

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

6. 《安徽皖通高速公路股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易預案》及其摘要的內容真實、準確、完整，該預案及其摘要已詳細披露了本次交易需要履行的法律程序，並充分披露了本次交易相關風險，有效地保護了公司及投資者的利益，符合相關法規、法規及規範性文件的要求。
7. 公司與安徽省交通控股集團有限公司簽署的附條件生效的《安徽皖通高速公路股份有限公司與安徽省交通控股集團有限公司之發行股份及支付現金購買資產協議》，符合《公司法》《證券法》《重組管理辦法》及其他有關的法律、法規和規範性文件的規定，具備可行性和可操作性。
9. 本次交易事項現階段已履行的法定程序完備、有效，符合相關法律、法規、規範性文件及《公司章程》的規定，本次擬向上海證券交易所等監管機構提交的法律文件合法、有效。
10. 鑒於公司本次交易所涉及的標的資產的審計、評估工作尚未完成，同意本次董事會審議通過本次交易事項後暫不召開股東大會。待本次交易所涉及的標的資產的審計、評估工作完成後，公司就本次交易事項的相關內容再次召集董事會會議進行審議時，屆時我們將就相關事項再次發表獨立意見。
11. 公司未來現金分紅特別安排充分考慮了本次交易對於公司利潤及現金流的影響，統籌考慮了公司股東的短期利益和長期利益，有利於建立對投資者科學、持續、穩定的分紅回報機制，符合相關法律法規要求和《公司章程》的要求，不存在損害公司及其股東特別是中小投資者利益的情形。

(C) Extracts from the 1st Explanatory Announcement

綜上所述，公司董事會認為：公司本次交易相關事項履行的法定程序完整，符合相關法律、法規、部門規章、規範性文件的規定，公司本次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) Extracts from the 2nd Explanatory Announcement

公司董事會根據本次交易的實際情況作出審慎判斷，認為本次重組符合《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》第四條的規定，具體如下：

2. 本次重組標的資產為標的公司100%股權，標的公司不存在出資不實或者影響其合法存續的情況。交易對方擁有的標的公司股權權屬清晰，交易對方已合法擁有標的資產的完整權利，不存在限制或者禁止轉讓的情形。
3. 本次重組有利於提高公司資產的完整性，有利於公司在人員、採購、生產、銷售、知識產權等方面保持獨立。本次重組完成後，公司將持有標的公司100%股權，實際控制標的公司。
4. 本次重組有利於公司改善財務狀況、增強持續經營能力，有利於公司突出主業、增強抗風險能力，有利於公司增強獨立性、減少關聯交易、避免同業競爭。

(E) Extracts from the A Share Issuance of Shares Plan Announcement

上市公司控股股東安徽交控集團對於本次交易的原則性意見如下：「本次交易有利於增強上市公司持續經營能力，有利於保護上市公司和上市公司股東尤其是中小股東的權益，有利於促進上市公司未來業務發展，本公司原則性同意本次交易。」

上市公司控股股東安徽交控集團出具承諾：「自本次交易預案披露之日起至本次交易實施完畢期間，本公司無減持上市公司股份的計劃，上述期間如由於上市公司發生送股、轉增股本等事項導致本公司增持的上市公司股份，亦遵照前述安排進行。」

上市公司全體董事、監事、高級管理人員出具承諾：「自本次交易預案披露之日起至本次交易實施完畢期間，本人無減持上市公司股份的計劃。上述期間如由於上市公司發生送股、轉增股本等事項導致本人增持的上市公司股份，亦遵照前述安排進行。」

截至本預案簽署日，標的公司的審計、評估工作尚未完成，公司將在審計、評估工作完成後，結合上市公司財務情況、標的公司未來經營情況，合理測算本次交易對每股收益的影響，並就相關填補回報安排在重組報告書中予以披露。

標的公司成立於2022年12月，並通過資產無償劃轉方式承接安徽交控集團持有的六武高速對應的資產、負債、業務、人員。標的公司資產負債表及利潤表系根據六武高速的歷史運營狀況進行模擬編製，由於六武高速歷史運營過程中沒有單獨的資金帳戶歸集對應的現金收支，故未編製模擬現金流量表。

自評估基準日（不含當日）起至交割完成日（含當日）的期間為過渡期間。如標的公司在過渡期間實現盈利或因其他原因導致歸屬於母公司的所有者權益增加，則增加部分歸上市公司享有；如標的公司在過渡期間產生虧損或因其他原因導致歸屬於母公司的所有者權益減少，則減少部分由交易對方承擔。

本次重組發行股份的定價基準日為上市公司第九屆董事會第三十次會議決議公告之日，即2023年4月18日。定價基準日前20個交易日、前60個交易日、前120個交易日，上市公司股票交易均價情況如下所示：

序號	交易均價類型	交易均價 (元/股)	交易均價80% (元/股)
1	定價基準日前20個交易日	8.88	7.10
2	定價基準日前60個交易日	8.30	6.64
3	定價基準日前120個交易日	7.66	6.13

本次重組的股份發行價格確定為7.19元/股，不低於定價基準日前20、60、120個交易日股票交易均價的80%。

標的公司最近兩年未經審計的類比合併口徑主要財務資料如下。以下標的公司的類比財務資料與最終經審計的財務資料可能會存在差異，標的公司經審計的歷史財務資料以重組報告書中披露的內容為準。

(一) 合併資產負債表主要資料

單位：萬元

項目	2022年12月31日	2021年12月31日
總資產	259,197.07	263,698.16
總負債	951.92	3,557.83
淨資產	258,245.15	260,140.32

(二) 合併利潤表主要資料

單位：萬元

項目	2022年度	2021年度
營業總收入	52,415.16	55,998.19
營業利潤	28,386.30	33,769.84
利潤總額	28,383.34	33,606.73
淨利潤	21,287.50	25,205.05

截至本預案簽署日，標的公司的審計、評估工作尚未完成，標的公司經審計的財務資料、評估結果將在重組報告書中予以披露。相關經審計的財務資料、評估結果可能與本預案披露情況存在較大差異。

三. 上市公司股票停牌前股價波動未達到20%的說明

上市公司A股股票自2023年4月3日開市起停牌，在停牌前20個交易日內的累計漲跌幅以及相同時間區間內上證指數（代碼：000001.SH）及證監會道路運輸行業指數（代碼：883159.WI）的累計漲跌幅情況如下：

項目	停牌前21個 交易日 (2023年3月3日)	停牌前1個 交易日 (2023年3月31日)	漲跌幅
上市公司A股股票收盤價 (元/股)	8.96	8.93	-0.33%
上證指數	3,328.39	3,272.86	-1.67%
證監會道路運輸行業指數	1,939.13	1,868.50	-3.64%
剔除大盤因素影響後的漲 跌幅	—	—	1.33%
剔除同行業板塊影響後的 漲跌幅	—	—	3.31%

公司A股股價在停牌前20個交易日內的累計跌幅為-0.33%；扣除同期上證指數累計跌幅-1.67%後，公司股票價格累計漲幅為1.33%；扣除同期證監會道路運輸行業指數累計跌幅-3.64%後，公司股票價格累計漲幅為3.31%，未超過20%。

綜上，在剔除大盤因素和同行業因素後，公司A股股價在本次交易停牌前20個交易日內累計漲跌幅未超過20%。

(F) Extracts from the Top 10 Shareholders Announcement

根據《上海證券交易所上市公司自律監管指引第4號—停復牌》相關規定，現將公司停牌前一個交易日（2023年3月31日）登記在冊的前十大A股股東及前十大A股流通股股東的名稱、持股數量、持股比例等信息披露如下：

一. 公司停牌前一個交易日前十大A股股東持股情況

截至公司停牌前一個交易日（2023年3月31日），公司前十大股東的名稱、持股數量及持股比例情況如下：

序號	股東名稱	持股數量 (股)	佔公司總股本 的比例 (%)
1	安徽省交通控股集團有限公司	524,644,220	31.63
2	招商局公路網路科技控股股份 有限公司	404,191,501	24.37
3	香港中央結算有限公司	32,478,015	1.96
4	青島立本私募基金管理合夥企業(有 限合夥)－立本成長2號私募證券 投資基金	9,253,679	0.56
5	北京源峰私募基金管理合夥企業(有 限合夥)－源峰價值私募證券投資 基金	9,004,200	0.54
6	丁秀玲	5,411,435	0.33
7	光大證券股份有限公司	4,371,007	0.26
8	中國銀行股份有限公司－嘉實物流產 業股票型證券投資基金	3,129,698	0.19
9	張才豐	2,301,700	0.14
10	英大泰和財產保險股份有限公司－自 有資金	2,262,700	0.14

二. 公司停牌前一個交易日前十大A股流通股股東持股情況

截至公司停牌前一個交易日（2023年3月31日），公司前十大A股流通股股東的名稱、持股數量及持股比例情況如下：

序號	股東名稱	持股數量 (股)	佔公司總股本 的比例 (%)
1	安徽省交通控股集團有限公司	524,644,220	31.63
2	招商局公路網路科技控股股份有限公司	404,191,501	24.37
3	香港中央結算有限公司	32,478,015	1.96
4	青島立本私募基金管理合夥企業(有限合夥)－立本成長2號私募證券投資基金	9,253,679	0.56
5	北京源峰私募基金管理合夥企業(有限合夥)－源峰價值私募證券投資基金	9,004,200	0.54
6	丁秀玲	5,411,435	0.33
7	光大證券股份有限公司	4,371,007	0.26
8	中國銀行股份有限公司－嘉實物流產業股票型證券投資基金	3,129,698	0.19
9	張才豐	2,301,700	0.14
10	英大泰和財產保險股份有限公司－自有資金	2,262,700	0.14

(G) Future Cash Dividend Arrangement Announcement

本次交易完成後，預計公司營運規模、現金流情況將得到進一步改善。為建立對投資者科學、持續、穩定的分紅回報機制，保護中小股東利益，公司擬在既定股東回報規劃的基礎上，作出進一步特別安排如下：

如本次交易方案得以實施，則2023年至2025年三年期間公司董事會將制訂符合如下要求的利潤分配預案：在符合現金分紅條件的情況下，公司每年以現金形式分配的利潤不少於當年實現的合併報表歸屬母公司所有者淨利潤的百分之七十。

The relevant parts of the Pre-approval Announcement, the Independent Opinion Announcement, the 1st Explanatory Announcement, the 2nd Explanatory Announcement and the A Share Issuance of Shares Plan Announcement, the Top 10 Shareholders Announcement and the Future Cash Dividend Arrangement Announcement containing material information with Takeovers Code implications (English version)

(A) Extracts from the Pre-approval Announcement

Pursuant to the relevant provisions of the Rules for the Independent Directors of Listed Companies (《上市公司獨立董事規則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (the “**Listing Rules**”), the Administrative Measures for the Material Asset Reorganisations for Listed Companies (《上市公司重大資產重組管理辦法》) (the “**Administrative Measures for the Reorganisations**”), the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》), and other laws, regulations, normative documents and the Articles of Association of Anhui Expressway Company Limited (the “**Articles of Association**”), we, as independent Directors of the Company, have considered the relevant materials and heard reports from the relevant personnel based on the principles of independence and prudence and hereby expressed the following pre-approval opinions on the matters to be submitted to the thirtieth meeting of the ninth session of the Board of the Company:

- (I) The transaction is in compliance with the requirements and conditions under various laws, regulations, departmental regulations, and normative documents including the Company Law, the Securities Law, the Administrative Measures for the Reorganisations and the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》).
- (II) The transaction plan is in compliance with the requirements of the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures for the Reorganisations, and is operable.

- (IV) The Plan on Issuance of Shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and Related Party Transactions for Anhui Expressway Company Limited (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) which the Company has prepared in respect of the transaction and its summary, as well as the conditional Acquisition Agreement entered into between the Company and Anhui Transportation Holding Group Company Limited are in compliance with the provisions of the Company Law, the Securities Law, the Administrative Measures for the Reorganisations, the Shanghai Stock Exchange Guidelines for the Self Regulation of Listed Companies No. 6 – Material Asset Reorganisation (2023 Amendments) (《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)》), and other relevant laws, regulations and normative documents, and the requirements of regulatory rules, and are basically feasible and operable.
- (VI) The legal procedures which have been performed for the transaction at current stage are complete and valid, and in compliance with the provisions of the relevant laws, regulations, normative documents and the Articles of Association. The legal documents to be submitted to regulatory authorities including the Shanghai Stock Exchange are legal and valid.
- (VII) The final transaction price of the Target Assets to be restructured will be determined through negotiation between the two parties of the transaction based on the appraised value as stated in the valuation report issued from the asset appraisal agency that meets the relevant legal requirements and filed with the state-owned assets supervision and administration department or its authorised agency. The pricing principles and methods for the related party transaction are appropriate, the transaction is fair and reasonable, and the necessary internal decision-making procedures for related party transactions will be performed. There is no act that harms the interests of the Company and its shareholders, especially public shareholders.
- (VIII) For the special arrangements of the Company for future cash dividend distribution, the impact of the transaction on the Company's profits and cash flow have been fully considered, and the short-term and long-term interests of the shareholders of the Company have been comprehensively considered in a unified planning manner. It will be conducive to establishing a scientific, sustainable and stable dividend return mechanism for investors, and in compliance with the provisions of the relevant laws, regulations and the Articles of Association. There is no circumstance where the interests of the Company and its shareholders, especially the minority investors, are harmed.

Based on the above judgments, we pre-approve the matters related with the transaction and approve the submission of the resolution relating to the transaction to the thirtieth meeting of the ninth session of the Board of the Company for consideration.

(B) Extracts from the Independent Opinion Announcement

Pursuant to the relevant provisions of the Rules for the Independent Directors of Listed Companies (《上市公司獨立董事規則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (the “**Listing Rules**”), the Administrative Measures for the Material Asset Reorganisations for Listed Companies (《上市公司重大資產重組管理辦法》) (the “**Administrative Measures for the Reorganisations**”), the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》), and other laws, regulations, normative documents and the Articles of Association of Anhui Expressway Company Limited (the “**Articles of Association**”), we, as independent Directors of the Company, have carefully considered the matters considered at the thirtieth meeting of the ninth session of the Board of the Company and thoroughly examined the relevant materials. Based on our independent judgment, we hereby express the following independent opinions:

1. The relevant resolutions for the transaction have been pre-approved by us prior to being submitted to the Board meeting for consideration.
2. The relevant resolutions involved in the transaction have been considered and passed at the thirtieth meeting of the ninth session of the Board of the Company. The convocation, convening, voting procedures and methods of the Board meeting are in compliance with the provisions of the relevant laws, regulations, rules, normative documents and the Articles of Association, and there is no circumstance where the interests of the Company and its shareholders, especially the minority investors, are harmed.
3. The transaction is in compliance with the requirements and conditions under various laws, regulations, departmental regulations, and normative documents including the Company Law, the Securities Law, the Administrative Measures for the Reorganisations and the Administrative Measures for the Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》).
4. The transaction plan is in compliance with the requirements of the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures for the Reorganisations, and is operable.

6. The contents of the Plan on Issuance of Shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and Related Party Transactions for Anhui Expressway Company Limited (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 are true, accurate and complete. In the plan and its summary, the legal procedures that shall be performed for the transaction have been disclosed in detail and the relevant risks of the transaction have fully been disclosed, effectively protecting the interests of the Company and the investors, and meeting the provisions of relevant laws, regulations and normative documents.
7. The conditional Acquisition Agreement entered into between the Company and Anhui Transportation Holding Group Company Limited are in compliance with the provisions of the Company Law, the Securities Law, the Administrative Measures for the Reorganisations and other relevant laws, regulations and normative documents, and are feasible and operable.
9. The legal procedures which have been performed for the transaction at current stage are complete and valid, and in compliance with the provisions of the relevant laws, regulations, normative documents and the Articles of Association. The legal documents to be submitted to regulatory authorities including the Shanghai Stock Exchange are legal and valid.
10. Given that the audit and valuation of the Target Assets involved in the transaction have not been completed, we consent to temporarily not convening a general meeting upon the consideration and approval of the transaction at the Board meeting. Upon the completion of the audit and valuation of the target assets involved in the transaction, we will further express independent opinions on the relevant matters when a further meeting of the Board of the Company is convened to consider the relevant contents of the matters relating to the transaction.
11. For the special arrangements of the Company for future cash dividend distribution, the impact of the transaction on the Company's profits and cash flow have been fully considered, and the short-term and long-term interests of the shareholders of the Company have been comprehensively considered in a unified planning manner. It will be conducive to establishing a scientific, sustainable and stable dividend return mechanism for investors, and in compliance with the provisions of the relevant laws, regulations and the Articles of Association. There is no circumstance where the interests of the Company and its shareholders, especially the minority investors, are harmed.

(C) Extracts from the 1st Explanatory Announcement

In conclusion, the Board of the Company is of the view that: the legal procedures performed for the relevant matters of the transaction are complete and in compliance with the relevant laws, regulations, departmental rules and normative documents. The legal documents submitted by the Company to regulatory authorities including the Shanghai Stock Exchange for the transaction are legal and valid.

(D) Extracts from the 2nd Explanatory Announcement

Based on the actual situation of the transaction, the Board of the Company has made a prudent judgment and believes that the reorganisation is in compliance with the provision of Clause 4 of the Shanghai Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 9 – Regulatory Requirements for Listed Companies to Plan and Implement Material Asset Reorganisations in respect of the Proposed Acquisition (《上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求》), in particular:

2. The Target Assets in this reorganisation are 100% equity interests in the target company, and there has been no false capital contribution to the target company or any other circumstance where the target company's legal existence would be affected. The ownership of the equity interests held by the counterparty in the target company in the transaction is clear, and the counterparty has the complete right to the target assets without any restrictions on or prohibitions of transfer.
3. The reorganisation will be conducive to improving the comprehensiveness of the asset portfolio of the Company and maintaining the independence of the Company in personnel, procurement, production, sales, intellectual property rights and other aspects. Upon the completion of the reorganisation, the Company will hold 100% of the equity interest in the target company and will become the actual controller of the target company.
4. The reorganisation will be conducive to improving the financial condition and enhancing the sustainable operational ability of the Company, will be conducive to highlighting the main business and enhancing risk resistance capability of the Company, as well as increasing the independence, reducing related party transactions and avoiding horizontal competition for the Company.

(E) Extracts from the A Share Issuance of Shares Plan Announcement

The opinions of Anhui Transportation Holding Group, the controlling shareholder of the Listed Company, on the transaction in principle are as follows: “The transaction will be conducive to enhancing the sustainable operational capabilities of the Listed Company, protecting the interests of the Company and its shareholders, especially the minority shareholders, and promoting the future business development of the Listed Company. The Company consents in principle to the transaction.”

Anhui Transportation Holding Group, the controlling shareholder of the Listed Company, has made an undertaking that: “Anhui Transportation Holding Group has no plan to reduce its holding of shares in the Listed Company during the period from the date of disclosure of the transaction plan to the completion of the implementation of this transaction, and any increase in the shareholding by the Company in the Listed Company due to bonus issue, conversion of capital reserve into share capital and other events during such period shall follow the previous arrangements.”

Each of the directors, supervisors and senior management of the Listed Company has made an undertaking that: “I have no plan to reduce my holding of shares in the Listed Company during the period from the date of disclosure of the transaction plan to the completion of the implementation of this transaction, and any increase in my shareholding in the Listed Company due to bonus issue, conversion of capital reserve into share capital and other events during such period shall follow the previous arrangements.”

As of the signing date of this plan, the audit and valuation of the target company have not been completed. The Company will estimate the impact of the transaction on earnings per share in a reasonable manner and disclose it in the reorganisation report in respect of the related return remedial arrangement upon the completion of such audit and valuation, taking into consideration the financial condition of the Listed Company and the future business operations of the target company.

The target company was established in December 2022 and undertook the assets, liabilities, business, and personnel relevant to the Liuwu Expressway held by Anhui Transportation Holding Group through the way of gratuitous assets transfer. The balance sheet and income statements of the target company have been prepared on a simulation basis based on the historical operating conditions of the Liuwu Expressway. As there were no separate fund accounts for cash receipts and payments during the historical operation of the Liuwu Expressway, no simulated cash flow statement has been prepared.

The period from the valuation benchmark date (exclusive) to the completion date (inclusive) of the transaction shall be the transitional period. If the target company generates profits during the transitional period or if the equity attributable to owners of the parent company increases due to other reasons, such increase shall belong to the Listed Company; if the target company incurs losses during the transitional period or if the equity attributable to owners of the parent company decreases due to other reasons, such decrease shall be borne by the counterparty to the transaction.

The pricing benchmark date for the issuance of shares in the reorganization shall be the date of the announcement of the resolution of the thirtieth meeting of the ninth session of the Board of the Listed Company, i.e. 18 April 2023. The average trading prices of the shares of the Listed Company for the 20 trading days, 60 trading days and 120 trading days, respectively, prior to the pricing benchmark date are shown as below:

No.	Type of average trading price	Average trading Price <i>RMB/share</i>	80% of the average trading price <i>RMB/share</i>
1	20 trading days prior to the pricing benchmark date	8.88	7.10
2	60 trading days prior to the pricing benchmark date	8.30	6.64
3	120 trading days prior to the pricing benchmark date	7.66	6.13

The issue price of the shares in the reorganisation has been determined to be RMB7.19/ share, which is not less than 80% of the average trading prices of the shares for the 20, 60 and 120 trading days, respectively, prior to the pricing benchmark date.

The unaudited main financial data of the target company for the past two years on a comparable and consolidated basis are as follows. There may be discrepancy between the comparable financial data of the target company and its final audited financial data, and the audited historical financial data of the target company disclosed in the reorganisation report shall prevail.

(I) Summary of Consolidated Balance Sheet

Item	<i>Unit: RMB0'000</i>	
	31 December 2022	31 December 2021
Total assets	259,197.07	263,698.16
Total liabilities	951.92	3,557.83
Net assets	258,245.15	260,140.32

(II) Summary of Consolidated Income Statement

Unit: RMB0'000

Item	2022	2021
Total operating revenue	52,415.16	55,998.19
Operating profit	28,386.30	33,769.84
Total profit	28,383.34	33,606.73
Net profit	21,287.50	25,205.05

As of the signing date of this plan, the audit and valuation of the target company have not yet been completed. The audited financial data and valuation results of the target company will be disclosed in the reorganisation report. The audited financial data and valuation results may differ significantly from the disclosed information in this plan.

(III) Explanation on Share Price Fluctuation being Less than 20% Prior to Suspension of Trading of Shares of the Listed Company

The trading of the A shares of the Listed Company has been suspended since the opening of the market on 3 April 2023. The cumulative variations in the stock price for the 20 trading days prior to the trading suspension and the cumulative variations in the Shanghai Composite Index (Code: 000001.SH) and the SFC Road Transport Sector Index (Code: 883159.WI) during the same period, are as follows:

Item	21 trading days prior to trading suspension (3 March 2023)	1 trading day prior to trading suspension (31 March 2023)	Price variation
Closing price of A shares of the Listed Company (RMB/share)	8.96	8.93	-0.33%
Shanghai Composite Index	3,328.39	3,272.86	-1.67%
CSRC Road Transport Sector Index	1,939.13	1,868.50	-3.64%
Price variation excluding the effect of market factors	–	–	1.33%
Price Variation excluding the effect of the peer industry segments	–	–	3.31%

The cumulative decline in the price of A shares of the Company during the 20 trading days prior to the trading suspension was -0.33%; after deducting the cumulative decline of -1.67% in the Shanghai Composite Index during the same period, the cumulative rise in the price of the shares of the Company was 1.33%; after deducting the cumulative decline of -3.64% in the CSRC Road Transport Sector Index during the same period, the cumulative rise in the price of the shares of the Company was 3.31%, not exceeding 20%.

In conclusion, after excluding the effect of market factors and the peer industry segments, the cumulative variation in the price of the A shares of the Company during the 20 trading days prior to the trading suspension did not exceed 20%.

(F) Extracts from the Top 10 Shareholders Announcement

Pursuant to the relevant provisions of the Shanghai Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 4 – Trading Suspension and Resumption (《上海證券交易所上市公司自律監管指引第4號—停復牌》), the names of and the number and percentage of shares held by the registered top ten A shareholders and top ten circulating A share holders as of the last trading day prior to the Company's trading suspension (31 March 2023) are disclosed as follows:

I. Shareholdings by the top ten A shareholders as at the last trading day prior to the Company's trading suspension:

As of the last trading day prior to the Company's trading suspension (31 March 2023), the names of, the number of shares held and the percentage of shareholding by the top ten shareholders of the Company are as follows:

No.	Name of shareholder	Number of shares held (share)	Percentage in total share capital of the Company (%)
1	Anhui Transportation Holding Group Company Limited	524,644,220	31.63
2	China Merchants Highway Network Technology Holding Company Limited	404,191,501	24.37
3	Hong Kong Securities Clearing Company Limited	32,478,015	1.96
4	Qingdao Liben Private Equity Management Partnership (LP) – Liben Growth No. 2 Private Equity Investment Fund	9,253,679	0.56
5	Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership) – Yuanfeng Value Private Equity Investment Fund	9,004,200	0.54
6	Ding Xiuling	5,411,435	0.33
7	Everbright Securities Company Limited	4,371,007	0.26
8	Bank of China Limited – Harvest Logistics Industry Equity Securities Investment Fund	3,129,698	0.19
9	Zhang Caifeng	2,301,700	0.14
10	Yingda Taihe Property Insurance Co., Ltd. – Own Funds	2,262,700	0.14

II. Shareholdings by the top ten circulating A share holders as at the last trading day prior to the Company's trading suspension:

As of the last trading day prior to the Company's trading suspension (31 March 2023), the names of, the number of shares held and the percentage of shareholding by the top ten circulating A share holders of the Company are as follows:

No.	Name of shareholder	Number of shares held (share)	Percentage in total share capital of the Company (%)
1	Anhui Transportation Holding Group Company Limited	524,644,220	31.63
2	China Merchants Highway Network Technology Holding Company Limited	404,191,501	24.37
3	Hong Kong Securities Clearing Company Limited	32,478,015	1.96
4	Qingdao Liben Private Equity Management Partnership (LP) – Liben Growth No. 2 Private Equity Investment Fund	9,253,679	0.56
5	Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership) – Yuanfeng Value Private Equity Investment Fund	9,004,200	0.54
6	Ding Xiuling	5,411,435	0.33
7	Everbright Securities Company Limited	4,371,007	0.26
8	Bank of China Limited – Harvest Logistics Industry Equity Securities Investment Fund	3,129,698	0.19
9	Zhang Caifeng	2,301,700	0.14
10	Yingda Taihe Property Insurance Co., Ltd. – Own Funds	2,262,700	0.14

(G) Future Cash Dividend Arrangement Announcement

Upon the completion of the transaction, it is expected that the operational scale and cash flow of the Company will be further improved. In order to establish a scientific, sustainable and stable dividend return mechanism for investors and to protect the interests of the minority shareholders, the Company intends to make further special arrangements on the basis of the established shareholder return plan as follows:

If the transaction plan can be implemented, the Board of the Company will formulate a profit distribution plan for the three-year period from 2023 to 2025 that meets the following requirements: subject to the conditions for cash dividend distribution, the profit distribution by the Company in cash for a year shall be not less than 70% of the net profit attributable to owners of the parent company in the consolidated financial statements for that year.