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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

ANNOUNCEMENT

CONNECTED TRANSACTIONS: DESIGN AND CONSTRUCTION GENERAL CONTRACTING AGREEMENTS FOR RENOVATION AND UPGRADING OF SAFETY FACILITIES

The Board announces that on 20 November 2023, the Company signed the following Design and Construction General Contracting Agreements for renovation and upgrading of safety facilities (the “**General Contracting Agreements**”) with the Consortium formed by Design Institute, ATEGC and ATRMC:

Pursuant to General Contracting Agreement I, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of the Hening Section of Hushaan Expressway operated by Hefei Management Office of the Company, including the addition of sound barriers;

Pursuant to General Contracting Agreement II, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of Gaojie Section of G50 Huyu Expressway operated by Gaojie Management Office of the Company, including refined upgrading of traffic safety facilities and the addition and upgrading of roadside guardrails;

Pursuant to General Contracting Agreement III, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of the Anhui Section of Lianhuo Expressway operated by Xiao County Branch Centre of the Company, including the renovation project of central median mobile guardrails.

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute is a subsidiary of Anhui Transportation Holding Group and ATEGC and ATRMC are wholly-owned subsidiaries of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, ATEGC and ATRMC are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transactions under the General Contracting Agreements constitute connected transactions of the Company.

As the connected transactions under the General Contracting Agreements are conducted with the same connected persons (i.e. the Consortium), therefore pursuant to the requirements under Rule 14A.81 of the Listing Rules, the above connected transactions may be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the General Contracting Agreements (on an aggregated basis) are more than 0.1% but all are less than 5%, the transactions contemplated under the General Contracting Agreements are exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

GENERAL CONTRACTING AGREEMENT I

Date: 20 November 2023

Parties

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

Subject Matters

Pursuant to General Contracting Agreement I, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of the Hening Section of Hushaan Expressway operated by Hefei Management Office of the Company, including the addition of sound barriers.

Agreement Term

The construction period of the renovation works under General Contracting Agreement I shall be 4 months and the actual commencement time of the project shall be subject to the time set out in the commencement notification issued by the supervision engineer.

Fees

Pursuant to General Contracting Agreement I, the total fee charged by the Consortium to the Company shall be RMB24,650,624.64, among which, the design fee shall be RMB984,077.64, and the construction fee shall be RMB23,666,547.

Basis for Fees and Payment Terms

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

According to the relevant terms of the General Contracting Agreement I and as confirmed by the parties, upon the construction commencement order issued by the Company (or the supervision engineer), the Company shall pay 10% of the contracting price (excluding the provisional amount) to the leader of the Consortium as the advance payment for commencement, which will be fully deducted from the settlement of project payments under the General Contracting Agreement I, and the leader of the Consortium shall provide a conforming advance payment guarantee.

The project payments under the General Contracting Agreement I shall be paid by the Company to the Consortium in accordance with the progress of the project. The final design fee shall be calculated based on the actual construction settlement amount of each road section and paid up to 97% of the final design fee after the approval of the construction drawing and completion and acceptance inspection of all the works; the remaining 3% shall be regarded as the quality guarantee deposit and paid after the completion and acceptance inspection and the completion of the audit upon the expiry of the construction defect liability period. The construction fee shall be paid up to 97% of the actual fees after completion and acceptance inspection of all the works and the remaining 3% shall be regarded as the quality guarantee deposit. The term of the quality guarantee deposit is the same as the construction defect liability period. Upon the expiry of the construction defect liability period, the quality guarantee deposit withheld shall be paid upon the completion of acceptance and audit. The aforesaid fees will be paid out of the internal funds of the Company.

GENERAL CONTRACTING AGREEMENT II

Except for the following amendments, other major terms of General Contracting Agreement II shall be the same as those set out in General Contracting Agreement I:

- Pursuant to General Contracting Agreement II, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of Gaojie Section of G50 Huyu Expressway operated by Gaojie Management Office of the Company, including refined upgrading of traffic safety facilities and the addition and upgrading of roadside guardrails.
- Pursuant to General Contracting Agreement II, the total fee charged by the Consortium to the Company shall be RMB10,546,274.85, among which, the design fee shall be RMB416,955, and the construction fee shall be RMB10,129,319.85.

GENERAL CONTRACTING AGREEMENT III

Except for the following amendments, other major terms of General Contracting Agreement III shall be the same as those set out in General Contracting Agreement I:

- Pursuant to General Contracting Agreement III, the Company shall engage the Consortium to provide design and construction general contracting services for adjustment and refined upgrading project of safety facilities of the Anhui Section of Lianhuo Expressway operated by Xiao County Branch Centre of the Company, including the renovation project of central median mobile guardrails.
- Pursuant to General Contracting Agreement III, the total fee charged by the Consortium to the Company shall be RMB2,059,218.28, among which, the design fee shall be RMB84,342.36, and the construction fee shall be RMB1,974,875.92.

The total fee for the abovementioned General Contracting Agreement I, General Contracting Agreement II and General Contracting Agreement III is RMB37,256,117.77, among which the total design fee shall be RMB1,485,375, and the total construction fee shall be RMB35,770,742.77.

REASONS FOR AND BENEFITS OF GENERAL CONTRACTING AGREEMENTS

The connected transactions under the General Contracting Agreements are works that must be carried out by the Company during daily operations. The General Contracting Agreements have undergone open tenders and are the results of successful bids made by the Consortium. Design Institute has class-A integrated qualification for construction works design; ATEGC possesses the qualifications related to maintenance, traffic safety and electromechanics, such as the first-grade qualification for general contracting of highway engineering construction, the first-grade qualification for professional contracting of highway safety facilities, and the second-grade qualification for professional contracting of steel structure engineering. ATRMC possesses the first-grade qualification for roadbed and pavement maintenance, the first-grade qualification for tunnel maintenance, the first-grade qualification for bridge maintenance, the first-grade qualification for traffic safety facilities maintenance and other related qualifications. During the bidding process, the Company has considered the aforementioned factors in this announcement and the qualifications of the Consortium, and has decided to accept the tenders of the Consortium and engage it to provide the above-mentioned design and construction general contracting services.

CONFIRMATION OF THE BOARD

At the twenty-ninth meeting of the ninth session of the Board of the Company held on 30 March 2023, the Resolution in Relation to the Estimated Daily Related Party Transactions for 2023 relating to (among others) the General Contracting Agreements was considered and approved. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, then directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interests in the transactions under the General Contracting Agreements, and have abstained from voting on the resolution on the connected transactions under the General Contracting Agreements under the Listing Rules. Save as aforesaid, none of the directors has any material interests in the transactions under the General Contracting Agreements and is required to abstain from voting on the relevant Board resolution.

The Board (including the independent non-executive directors) considers that the transactions under the General Contracting Agreements are (i) fair and reasonable; (ii) conducted on normal commercial terms or better terms in the ordinary and usual course of business of the Company; and (iii) in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As Design Institute is a subsidiary of Anhui Transportation Holding Group and ATEGC and ATRMC are wholly-owned subsidiaries of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, ATEGC and ATRMC are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transactions under the General Contracting Agreements constitute connected transactions of the Company.

As the connected transactions under the General Contracting Agreements are conducted with the same connected persons (i.e. the Consortium), therefore pursuant to the requirements under Rule 14A.81 of the Listing Rules, the above connected transactions may be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the General Contracting Agreements (on an aggregated basis) are more than 0.1% but all are less than 5%, the transactions contemplated under the General Contracting Agreements are exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES TO GENERAL CONTRACTING AGREEMENTS

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

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

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

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

DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated in accordance with the laws of the PRC
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Anhui Transportation Holding Group
“ATRMC”	Anhui Transportation Road Maintenance Co., Ltd.* (安徽交控道路養護有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Anhui Transportation Holding Group
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on the Stock Exchange of Hong Kong Limited, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consortium”	the consortium formed by Design Institute, ATEGC and ATRMC to provide transactions under the General Contracting Agreements

“Design Institute”	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“General Contracting Agreement I”	the Design and Construction General Contracting Agreement entered into between the Company and the Consortium on 20 November 2023 regarding the safety facilities adjustment and refined upgrading project of the Hening Section of Hushaan Expressway operated by Hefei Management Office
“General Contracting Agreement II”	the Design and Construction General Contracting Agreement entered into between the Company and the Consortium on 20 November 2023 regarding the safety facilities adjustment and refined upgrading project of Gaojie Section of G50 Huyu Expressway operated by Gaojie Management Office
“General Contracting Agreement III”	the Design and Construction General Contracting Agreement entered into between the Company and the Consortium on 20 November 2023 regarding the safety facilities adjustment and refined upgrading project of the Anhui Section of Lianhuo Expressway operated by Xiao County Branch Centre
“General Contracting Agreements”	General Contracting Agreement I, General Contracting Agreement II and General Contracting Agreement III
“percentage ratio(s)”	the percentage ratio(s) (except for profits ratio and equity capital ratio) prescribed under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hefei, Anhui, the PRC
20 November 2023

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

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

* *For identification purpose only*