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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

ANNOUNCEMENT

CONNECTED TRANSACTION: CONSTRUCTION GENERAL CONTRACTING AGREEMENT FOR RENOVATION AND UPGRADING PROJECT OF HEFEI MANAGEMENT OFFICE PARK

The Board announces that on 19 December 2023, the Company signed the Construction General Contracting Agreement for Renovation and Upgrading Project of Office Park (the “**General Contracting Agreement**”) with ATCEGC, pursuant to which the Company engaged ATCEGC to provide construction general contracting services regarding the renovation and upgrading project of Hefei Management Office Park of the Company, including construction of new buildings and renovation of existing buildings.

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 ATCEGC is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATCEGC is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction under the General Contracting Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the transaction contemplated under the General Contracting Agreement is more than 0.1% but less than 5%, the transaction contemplated under the General Contracting Agreement is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

GENERAL CONTRACTING AGREEMENT

Date: 19 December 2023

Parties

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

Subject Matters

Pursuant to the General Contracting Agreement, the Company shall engage ATCEGC to provide construction general contracting services regarding the renovation and upgrading project of Hefei Management Office Park of the Company, including construction of new buildings and renovation of existing buildings. The proposed construction of new buildings includes 1 building complex, 1 Party building cultural and sports center, new dormitory buildings and west gate duty rooms; the proposed renovation of existing buildings includes 1 management center, 1 monitoring building, 1 canteen, 1 dormitory building and south gate duty rooms. The project includes the civil engineering, decoration and renovation works of the above buildings, as well as the landscape and greening of the Office Park.

Agreement Term

The construction period of the renovation works under the General Contracting Agreement shall be 12 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 the General Contracting Agreement, the total fee charged by ATCEGC to the Company shall be RMB43,426,834 tentatively (including a provisional amount of RMB2,000,000, which is reserved for construction fees that are unforeseen in advance or cannot be estimated accurately. Such amount may be used partially or fully, or may not be used at all, subject to the Company's review and approval).

Basis for Fees and Payment Terms

The contract fee is the successful bid price submitted by ATCEGC in the tender for the provision of service under the General Contracting Agreement. To ensure that the price is in line with normal commercial terms, the General Contracting Agreement 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 services; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

According to the relevant terms of the General Contracting Agreement and as confirmed by the parties, the fees under the General Contracting Agreement shall be paid by the Company to ATCEGC on a monthly basis, with 97% of the confirmed amount of the approved construction work shall be paid in each instalment, and the remaining 3% shall be regarded as quality guarantee deposit to be paid after the user confirms no quality defects upon the expiry of the 24-month defect liability period after completion of the works. The aforesaid fees will be paid out of the internal funds of the Company.

REASONS FOR AND BENEFITS OF GENERAL CONTRACTING AGREEMENT

The connected transaction under the General Contracting Agreement is the work that must be carried out by the Company during normal production and operation. The General Contracting Agreement has undergone open tender and is the results of successful bid made by ATCEGC. ATCEGC has class-A qualification for general contracting for construction works. During the bidding process, the Company has considered the abovementioned factors in this announcement and the qualifications of ATCEGC, and has decided to accept the tender of ATCEGC and engage it to provide the abovementioned construction general contracting service.

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 Agreement was considered and approved. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, then directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interests in the transaction under the General Contracting Agreement, and have abstained from voting on the resolution on the connected transaction under the General Contracting Agreement under the Listing Rules. Save as aforesaid, none of the directors has any material interests in the transaction under the General Contracting Agreement and is required to abstain from voting on the relevant Board resolution.

The Board (including the independent non-executive directors) considers that the transaction under the General Contracting Agreement is (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 ATCEGC is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATCEGC is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction under the General Contracting Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the transaction contemplated under the General Contracting Agreement is more than 0.1% but less than 5%, the transaction contemplated under the General Contracting Agreement is exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES TO GENERAL CONTRACTING AGREEMENT

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

ATCEGC is principally engaged in general contracting of housing construction and municipal infrastructure project, various kinds of works construction activities, intelligent building construction works, fire service facilities construction works, construction works design, and real estate development and operation.

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
“ATCEGC”	Anhui Transportation Construction Engineering Group Company Limited* (安徽交控建設工程集團有限公司), a company incorporated in the PRC with limited liability
“Board”	the board of directors of the Company

“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on the Stock Exchange 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“General Contracting Agreement”	the construction general contracting agreement entered into between the Company and ATCEGC on 19 December 2023 regarding the renovation and upgrading project of Hefei Management Office Park of the Company
“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
19 December 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