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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS**

I. XIANDAI TRANSPORTATION AGREEMENT (1)

The Board announces that the Company has entered into the Xiandai Transportation Agreement 1 with the Xiandai Transportation Company on 27 December 2012, pursuant to which the Company agrees to engage Xiandai Transportation Company to undertake the road safety facilities engineering works for the Ningxuanhang Project for a term of 8 calendar months.

II. XIANDAI TRANSPORTATION AGREEMENT (2)

The Board announces that the Company has entered into the Xiandai Transportation Agreement (2) with the Xiandai Transportation Company on 27 December 2012, pursuant to which the Company agrees to engage Xiandai Transportation Company to undertake the communication pipeline engineering works for the Ningxuanhang Project for a term of 240 days.

Xiandai Transportation Company is a subsidiary of Anhui Expressway Group, the controlling shareholder (according to the definition of the Listing Rules) of the Company holding approximately 31.45% of the Company's issued share capital. Under Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company, Xiandai Transportation Company is an associate of Anhui Expressway Group and the Xiandai Transportation Agreements constitute continuing connected transactions to the Company. Further, as the Xiandai Transportation Agreements involve the same connected person, project and contract date, each of the continuing connected transactions under the Xiandai Transportation Agreements will be aggregated.

As the applicable aggregated percentage ratios (other than the profits ratio) in respect of the Xiandai Transportation Agreements have exceeded 0.1% but are less than 5% as specified under the Listing Rules on an annual basis, and the transactions are conducted in accordance with normal commercial terms, the Xiandai Transportation Agreements are exempted from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

III. EXPRESSWAY PETROLEUM AGREEMENT

The Board announces that the Company has entered into the Expressway Petroleum Agreement with Expressway Petroleum on 27 December 2012, pursuant to which the Company agrees to appoint Expressway Petroleum to provide bitumen for the Ningxuanhang Project for a term of 12 months.

Expressway Petroleum is a subsidiary of Anhui Expressway Group, the controlling shareholder (according to the definition of the Listing Rules) of the Company holding approximately 31.45% of the Company's issued share capital. Under Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company, Expressway Petroleum is an associate of Anhui Expressway Group and the Expressway Petroleum Agreement constitutes a continuing connected transaction to the Company.

As the applicable percentage ratios (other than the profits ratio) in respect of the Expressway Petroleum Agreement have exceeded 0.1% but are less than 5% as specified under the Listing Rules on an annual basis, and the transactions are conducted in accordance with normal commercial terms, the Expressway Petroleum Agreement is exempted from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

IV. ANHUI EXPRESSWAY GROUP HIGHWAY TOLL STATIONS MANAGEMENT AGREEMENT

The Board announces that the Company has entered into the Anhui Expressway Group Highway Toll Stations Management Agreement with Anhui Expressway Group on 27 December 2012, pursuant to which Anhui Expressway Group agrees to appoint the Company as a manager and the Company agrees to provide management services with respect to the Liuqian Highway Toll Stations and Road Section and Hean Highway Toll Station for a term of 1 year commencing from 1 January 2013 and ending on 31 December 2013.

Anhui Expressway Group is currently the controlling shareholder (as defined in the Listing Rules) of the Company, holding approximately 31.45% of the Company's issued share capital. Under Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company and the Anhui Expressway Group Highway Toll Stations Management Agreement constitutes a continuing connected transaction to the Company.

As the applicable percentage ratios (other than the profits ratio) in respect of the Anhui Expressway Group Highway Toll Stations Management Agreement have exceeded 0.1% but not exceeded 5% as specified under the Listing Rules on an annual basis, and the transactions are conducted in accordance with normal commercial terms, the Anhui Expressway Group Highway Toll Stations Management Agreement is exempted from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

I. XIANDAI TRANSPORTATION AGREEMENT (1)

Date: 27 December 2012

Parties:

- (1) the Company; and
- (2) Xiandai Transportation Company, a company registered and established in accordance with the laws of PRC and a subsidiary of Anhui Expressway Group, and therefore a connected person of the Company under the Listing Rules.

Subject Matter

Pursuant to the Xiandai Transportation Agreement (1), the Company agrees to appoint Xiandai Transportation Company to undertake the road safety facilities engineering works for the Ningxuanhang Project. The major works include corrugated beam barrier, anti-dazzle boards, delineator, mile signs and hundred meter signs.

Term

The parties agree that the term of the engineering works shall be 8 calendar months commencing from about 27 December 2012 to 26 August 2013.

Charges

Pursuant to the Xiandai Transportation Agreement (1), the aggregate charges for the works is RMB23,516,104 (approximately HK\$29,395,130). The charges shall be paid by the Company monthly in accordance with the progress of the works by way of bank transfer.

The aggregate charges for the engineering works is the successful tender price offered by Xiandai Transportation Company in the tender of the Xiandai Transportation Agreement (1) and is accepted by the Company after fair negotiation and making reference to (1) the estimated amount of the relevant works; (2) the costs of comparable works available in the market; and (3) profits level required to be attained by the Company.

Annual Cap

The maximum aggregate annual value, i.e. the annual cap, for the Xiandai Transportation Agreement (1) for each of the financial years ending 31 December 2012 and 2013 is RMB0 (approximately HK\$0) and RMB23,516,104 (approximately HK\$29,395,130) respectively, which is equivalent to the charges expected to be incurred in the relevant year.

II. XIANDAI TRANSPORTATION AGREEMENT (2)

Date: 27 December 2012

Parties:

- (1) the Company; and
- (2) Xiandai Transportation Company.

Subject Matter

Pursuant to the Xiandai Transportation Agreement (2), the Company agrees to appoint Xiandai Transportation Company to undertake the communication pipeline engineering works for the Ningxuanhang Project. The major works include the pipeline and foundation engineering works for communications, control and electricity supply.

Term

The parties agree that the term of the engineering works shall be 240 days, commencing from about 27 December 2012 to 26 August 2013.

Charges

Pursuant to the Xiandai Transportation Agreement (2), the aggregate charges for the works is RMB4,354,392 (approximately HK\$5,442,990). The charges shall be paid by the Company monthly in accordance with the progress of the works by way of bank transfer.

The aggregate charges for the engineering works is the successful tender price offered by Xiandai Transportation Company in the tender of the Xiandai Transportation Agreement (2) and is accepted by the Company after fair negotiation and making reference to (1) the estimated amount of the relevant works; (2) the costs of comparable works available in the market; and (3) profits level required to be attained by the Company.

Annual Cap

The maximum aggregate annual value, i.e. the annual cap, for the Xiandai Transportation Agreement (2) for each of the financial years ending 31 December 2012 and 2013 is RMB0 (approximately HK\$0) and RMB4,354,392 (approximately HK\$5,442,990) respectively, which is equivalent to the charges expected to be incurred in the relevant year.

REASONS FOR ENTERING INTO THE XIANDAI TRANSPORTATION AGREEMENTS

The Company is principally engaged in the operation and management of toll expressways and relevant business in Anhui Province, PRC.

Xiandai Transportation Company is mainly engaged in works and installation of road and traffic facilities etc.

The Xiandai Transportation Agreements were awarded to Xiandai Transportation Company through public tender. The Board takes the view that Xiandai Transportation Company is a professional roads engineering company. The Company is in the opinion that the appointment of Xiandai Transportation Company can assure the smooth implementation and quality of the road facility engineering works.

After considering the abovementioned reasons and benefits, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Xiandai Transportation Agreements and the Annual Caps are fair and reasonable and in normal commercial terms; and that the continuing connected transactions shall be conducted in the ordinary and usual course of business of the Group serving the interests of the Company and its shareholders as a whole.

Zhou Renqiang, Tu Xiaobei, Li Junjie and Li Jiezhi (being the directors or senior management of Anhui Expressway Group) are deemed to have material interest in the Xiandai Transportation Agreements and have abstained from voting at the relevant meeting of the Board on resolution(s) approving the Xiandai Transportation Agreements.

III. EXPRESSWAY PETROLEUM AGREEMENT

Date: 27 December 2012

Parties:

- (1) the Company; and
- (2) Expressway Petroleum, a company registered and established in accordance with the laws of PRC and a subsidiary of Anhui Expressway Group, and therefore a connected person of the Company under the Listing Rules.

Subject Matter

Pursuant to the Expressway Petroleum Agreement, the Company agrees to appoint Expressway Petroleum to provide bitumen for the Ningxuanhang Project. The quantity of bitumen to be supplied is preliminary agreed to be 9,530 tones and the place of delivery shall be the stock ground of the construction site (Xuanning Highway surface sign XNLM-01, 02, K0+000~K46+244.508). Further, Expressway Petroleum agrees to be responsible for the production, storage and transportation of bitumen and all related services.

Term

The parties agree that the term of supply shall be 12 months commencing from about 27 December 2012 to 26 December 2013.

Consideration for bitumen supply

Pursuant to the Expressway Petroleum Agreement, the consideration for bitumen supply is RMB4,880 per ton and the estimated aggregate consideration is RMB46,506,400 (approximately HK\$58,133,000). Consideration shall be paid by the Company by way of bank transfer monthly calculated in accordance with the actual quantity supplied after the bitumen has been delivered to the construction site and passed the on-site examination.

The consideration of the Expressway Petroleum Agreement is the successful bid price offered by Expressway Petroleum in the tender of the Expressway Petroleum Agreement and is accepted by the Company after fair negotiation and making reference to (1) the estimated amount of bitumen supply; (2) the costs in the market; and (3) profits level required to be attained by the Company.

Annual Cap

The maximum aggregate annual value, i.e. the annual cap, for the Expressway Petroleum Agreement for each of the financial years ending 31 December 2012 and 2013 is RMB0 (approximately HK\$0) and RMB46,506,400 (approximately HK\$58,133,000) respectively, which is equivalent to the consideration expected to be paid in the relevant year.

REASONS FOR ENTERING INTO THE EXPRESSWAY PETROLEUM AGREEMENT

Expressway Petroleum is mainly engaged in the retail of petroleum, diesel oil, selling of kerosene, bitumen, chemical products, lubricating oil, automobile spare parts and accessories, gasoline supplies, decorations, and car washing services.

The Expressway Petroleum Agreement was awarded to Expressway Petroleum through public tender. The Board takes the view that Expressway Petroleum has sufficient capital and stocks which ensures the progress of the works and fulfillment of quality requirements.

After considering the abovementioned reasons and benefits, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Expressway Petroleum Agreement and the Annual Cap are fair and reasonable, in accordance with normal commercial terms and that the continuing connected transactions shall be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

Zhou Renqiang, Tu Xiaobei, Li Junjie and Li Jiezhi (being the directors or senior management of Anhui Expressway Group) are deemed to have material interest in the Expressway Petroleum Agreement and have abstained from voting at the relevant meeting of the Board on resolution(s) approving the Expressway Petroleum Agreement.

IV. ANHUI EXPRESSWAY GROUP HIGHWAY TOLL STATIONS MANAGEMENT AGREEMENT

Date: 27 December 2012

Parties:

- (1) Anhui Expressway Group, a company registered and established in accordance with the laws of PRC and the controlling shareholder (according to the definition of the Listing Rules) of the Company, holding approximately 31.45% of the Company's issued share capital, a connected party of the Company under the Listing Rules; and
- (2) the Company.

Subject Matter

Pursuant to the Anhui Expressway Group Highway Toll Stations Management Agreement, Anhui Expressway Group agrees to re-appoint the Company as a manager for the year 2013 and the Company agrees to provide management services with respect to the Liuqian Highway Toll Stations and Road Section and Hean Highway Toll Station, which are owned by Anhui Expressway Group, for a term of 1 year commencing from 1 January 2013 and ending on 31 December 2013. The management services provided by the Company under the Anhui Expressway Group Highway Toll Stations Management Agreement include management of the toll stations and road sections staff, business management and on-site management including inspecting toll fee matters, maintaining the central control system, maintaining the highways and ensuring the safety of road property.

Term of management

The parties agree that the term of management shall be 1 year and shall commence on 1 January 2013 and terminate on 31 December 2013.

Management fee

Pursuant to the Anhui Expressway Group Highway Toll Stations Management Agreement, the Company shall receive a total fee of RMB5,283,800 (approximately HK\$6,604,750) as consideration for its management services, of which RMB4,658,000 (approximately HK\$5,822,500) shall be the management fee of the Liuqian Highway Toll Stations and Road Section and RMB625,800 (approximately HK\$782,250) shall be the management fee of Hean Highway Toll Station. The management fee is calculated according to relevant factors like mileage of the managed sections, number of toll stations and number of staff.

Within 10 working days after signing the Anhui Expressway Group Highway Toll Stations Management Agreement, Anhui Expressway Group shall pay the management fee to the Company.

The aforementioned management fee is determined by negotiations between the parties on an arm's length basis by reference to (1) the current market price of similar services available in the market; and (2) profits level required to be attained by the Company.

Annual Cap

The maximum aggregate annual value, i.e. the annual cap, for the Anhui Expressway Group Highway Toll Stations Management Agreement for the financial year ending 31 December 2013 is RMB5,400,000 (approximately HK\$6,750,000), which is about the total management fee received by the Company under the Anhui Expressway Group Highway Toll Stations Management Agreement.

REASONS FOR ENTERING INTO THE ANHUI EXPRESSWAY GROUP HIGHWAY TOLL STATIONS MANAGEMENT AGREEMENT

Anhui Expressway Group is mainly engaged in highway construction and planning, design, control, technical consultation and ancillary services.

The Board takes the view that the appointment under the Anhui Expressway Group Highway Toll Stations Management Agreement generates a source of income to the Company and by providing management services to the Liuqian Highway Toll Stations and Road Section and Hean Highway Toll Station, the Company can fully utilize its edge in the management domain.

After considering the abovementioned reasons and benefits, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Anhui Expressway Group Highway Toll Stations Management Agreement and the Annual Cap are fair and reasonable, in accordance with normal commercial terms and that the continuing connected transactions shall be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

Zhou Renqiang, Tu Xiaobei, Li Junjie and Li Jiezhi (being the directors or the senior management of Anhui Expressway Group) are deemed to have material interests in the Anhui Expressway Group Highway Toll Stations Management Agreement and have abstained from voting at the relevant meeting of the Board of directors on resolution(s) approving the Anhui Expressway Group Highway Toll Stations Management Agreement.

IMPLICATIONS UNDER THE LISTING RULES

Xiandai Transportation Company is a subsidiary of Anhui Expressway Group. Anhui Expressway Group is currently the controlling shareholder (as defined in the Listing Rules) of the Company, holding approximately 31.45% of the Company's issued share capital. Pursuant to Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company, Xiandai Transportation Company is an associate of Anhui Expressway Group and the Xiandai Transportation Agreements constitute continuing connected transactions to the Company.

As the applicable aggregated percentage ratio (other than the profits ratio) in respect of the Xiandai Transportation Agreements have exceeded 0.1% but are less than 5% as specified under the Listing Rules on an annual basis, and the transactions under the Xiandai Transportation Agreements are conducted in accordance with normal commercial terms, the Xiandai Transportation Agreements are exempted from the independent shareholders' approval, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Expressway Petroleum is a subsidiary of Anhui Expressway Group. Anhui Expressway Group is currently the controlling shareholder (as defined in the Listing Rules) of the Company, holding approximately 31.45% of the Company's issued share capital. Under Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company, Expressway Petroleum is an associate of Anhui Expressway Group and the Expressway Petroleum Agreement constitutes a continuing connected transaction to the Company.

As the applicable percentage ratios (other than the profits ratio) in respect of the Expressway Petroleum Agreement have exceeded 0.1% but are less than 5% as specified under the Listing Rules on an annual basis, and the transactions are conducted in accordance with normal commercial terms, the Expressway Petroleum Agreement is exempted from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Anhui Expressway Group is currently the controlling shareholder (as defined in the Listing Rules) of the Company holding approximately 31.45% of the Company's issued share capital. Under Chapter 14A of the Listing Rules, Anhui Expressway Group is a connected person of the Company and the Anhui Expressway Group Highway Toll Stations Management Agreement constitutes a continuing connected transaction to the Company.

As the applicable percentage ratios (other than the profits ratio) in respect of the Anhui Expressway Group Highway Toll Stations Management Agreement have exceeded 0.1% but not exceeded 5% as specified under the Listing Rules on an annual basis, and the transactions are conducted in accordance with normal commercial terms, the Anhui Expressway Group Highway Toll Stations Management Agreement is exempted from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Although Xiandai Transportation Company and Expressway Petroleum are both associates of Anhui Expressway Group, the Xiandai Transportation Agreements, the Expressway Petroleum Agreement and the Anhui Expressway Group Highway Toll Stations Management Agreement are very different in nature, and the Xiandai Transportation Agreements and the Expressway Petroleum Agreement were successfully bid by the relevant companies in separate and independent tenders respectively. Therefore the Board considers that the Xiandai Transportation Agreements, the Expressway Petroleum Agreement and the Anhui Expressway Group Highway Toll Stations Management Agreement do not need to be consolidated in the calculation of the percentage ratios in accordance with Rule 14A.25 of the listing Rules, but even if the four agreements are consolidated in the calculation of the percentage ratios, the relevant percentage ratios (other than the profits ratio) still do not exceed 5% on an annual basis, and therefore are exempted from the independent shareholders' approval requirement.

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Anhui Expressway Group”	Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司)
“Anhui Expressway Group Highway Toll Stations Management Agreement”	the management agreement entered into between the Company and Anhui Expressway Group on 27 December 2012 in respect of the Liuqian Highway Toll Stations and Road Section and the Henan Highway Toll Station
“Annual Cap”	the maximum aggregate annual value for the continuing connected transactions under the Xiandai Transportation Agreements or the Expressway Petroleum Agreement or the Anhui Expressway Group Highway Toll Stations Management Agreement

“associates”	having the meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited, a joint stock limited company incorporated in the PRC, its overseas listed shares are listed on the Stock Exchange of Hong Kong, and its domestic ordinary shares are listed on the Shanghai Stock Exchange in the PRC
“Expressway Petroleum”	Anhui Expressway Petroleum Limited (安徽省高速石化有限公司)
“Expressway Petroleum Agreement”	the agreement entered into between the Company and Expressway Petroleum on 27 December 2012
“Group”	the Company and its subsidiaries
“Henan Highway Toll Station”	the toll station on Fangxing Road (方興大道) of Hean Highway (合安高速公路) owned by Anhui Expressway Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Ningxuanhang Project”	the project of Xuancheng to Ningguo Section of the Ningxuanhang Highway in the Anhui Province
“Liuqian Highway Toll Stations and Road Section”	the three toll stations at Yuexi (岳西)、Huangwei (黃尾) and Tianzhushan (天柱山) and the road section K748+660 to K827+452 of approximately 79 kilometers on Liuqian Highway (六潛高速公路) owned by Anhui Expressway Group
“PRC”	The People’s Republic of China and for the sole purpose of this announcement shall exclude 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
“Xiandai Transportation Company”	Anhui Provincial Xiandai Transportation Facilities Project Company Limited* (安徽省現代交通設施工程有限公司)

“Xiandai Transportation Agreements”	collectively Xiandai Transportation Agreement (1) and Xiandai Transportation Agreement (2)
“Xiandai Transportation Agreement (1)”	the agreement entered into between the Company and Xiandai Transportation Company on 27 December 2012 in respect of road safety facilities engineering works
“Xiandai Transportation Agreement (2)”	the agreement entered into between the Company and Xiandai Transportation Company on 27 December 2012 in respect of communication pipeline engineering works
“%”	Percentage

By Order of the Board
Xie Xinyu
Company Secretary

Hefei, Anhui, the PRC
27 December 2012

As at the date of this announcement, the board of directors of the Company comprises: Zhou Renqiang, Tu Xiaobei, Li Junjie, Li Jiezhong, Liu Xianfu, Meng Jie, Hu Bin, Yang Mianzhi and Cui Yunfei.

This announcement is originally prepared in Chinese and the Chinese version shall prevail the English translation.

Unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 = RMB0.8. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

** Translation for identification purpose only*