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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). Reference is also made to the announcements of Anhui Expressway Company Limited Company (the “**Company**”) dated 3 April 2023 and 17 April 2023 in relation to, among other things, (a) the Proposed Acquisition; (b) the Proposed Non-public Issuance of A Shares; and (c) the Whitewash Waiver, and the overseas regulatory announcement made by the Company on 27 April 2023.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the announcement made by the Company dated 17 April 2023.

Set out in the Annex of this announcement is the announcement on Reply Report (the “**Reply Report Announcement**”) to the Inquiry from Shanghai Stock Exchange on the Proposed Acquisition and the Proposed Non-public Issuance of A Shares published by the Company in Chinese on the website of Shanghai Stock Exchange (www.sse.com.cn). An English translation of the Reply Report Announcement is also set out in the English version of this announcement for reference purpose only.

Pursuant to Rule 10 of the Takeovers Code, disclosure of certain unaudited financial information of the Target Company for the year ended 31 December 2021 and 2022, management discussion and financial analysis of the Company and the Target Company with the use of such unaudited financial information as well as the valuation analysis and indicators of the Proposed Acquisition derived from such unaudited financial information of the Target Company as set out in the Reply Report Announcement shall 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 Rule 13.10B of the Hong Kong 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 of the Target Company, management discussion and analysis of such unaudited financial information as well as the valuation indicators of the Proposed Acquisition derived from such 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 unaudited financial information and respective valuation indicators for 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.

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

Hefei, Anhui, the PRC
16 May 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.

Annex
Reply Report Announcement

股票代碼：600012

股票簡稱：皖通高速

公告編號：臨2023-016

安徽皖通高速公路股份有限公司
關於上海證券交易所對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問詢函回覆的公告

本公司董事會及全體董事保證本公告內容不存在任何虛假記載、誤導性陳述或者重大遺漏，並對其內容的真實性、準確性和完整性承擔相應的法律責任。

安徽皖通高速公路股份有限公司（以下簡稱「公司」或「皖通高速」）於2023年4月27日收到上海證券交易所上市公司管理一部下發的《關於對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的問詢函》（上證公函[2023]0369號，以下簡稱「《問詢函》」）。

公司及相關各方就《問詢函》中所涉及事項逐項進行了認真的核查、分析和研究，並對《問詢函》中的有關問題向上海證券交易所進行了回覆。同時，公司對照《問詢函》的要求對《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》及其摘要進行了修訂和補充披露，並以楷體加粗標明。現將回覆內容披露如下。

如無特別說明，本回覆中的簡稱或名詞的釋義均與《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（修訂稿）》（以下簡稱「**重組預案**」）中相同。除特別說明外，若出現總數與各分項數值之和尾數不符的情況，均為四捨五入原因造成。

問題一、預案顯示，標的公司六武高速的預估價格為不超過**40億元**，有媒體報道稱，以預估價格上限與**2022年淨利潤**的比值計算本次交易市盈率，六武高速市盈率為**19倍**，高於上市公司**10倍**的市盈率。請公司結合同行業、公司體內其他高速公路資產的盈利能力、資產負債率等相關情況，補充說明標的公司預估值的依據及合理性。

回覆：

一. 同行業可比交易、可比公司估值情況

(一) 估值指標的選取

高速公路企業的常用估值指標主要包括企業價值倍數 (EV/EBITDA)、市盈率 (P/E)、市淨率 (P/B) 等。其中企業價值倍數及市盈率主要體現了企業估值與其盈利規模的倍數關係；而市淨率則體現企業估值與其淨資產規模的倍數關係。綜合兩類指標，可反映高速公路的運營情況以及資產資源情況對於其價值的影響。

考慮到高速公路企業的資產規模通常較大，不同時期、不同區域內建設的高速公路的初始建設成本以及高速公路運營期內的長期資產折舊、攤銷金額差異較大，且不同企業的資本結構、融資成本等亦可能存在一定差異，上述因素均會對企業的淨利潤產生一定影響，進而影響不同高速公路企業之間市盈率指標的可比性。

相較於淨利潤，息稅折攤前利潤 (EBITDA) 由於剔除了企業的折舊、攤銷、財務費用等因素的影響，可更加充分地反映高速公路運營期內的運營績效及可用於未來業務經營及建設的資源流入情況。因此，相較於市盈率而言，基於企業價值倍數的對比分析通常更能夠反映高速公路企業估值與其盈利能力之間的關係。

後文基於企業價值倍數 (EV/EBITDA)、市盈率 (P/E)、市淨率 (P/B) 三個估值指標，就六武公司的估值情況與同行業可比交易、可比公司的估值水平進行對比分析。

(二) 同行業可比交易估值

經檢索公開市場案例，截至目前已完成的A股上市公司收購高速公路標的資產的重組交易（包括A股上市公司發行股份購買資產、不涉及發行股份的重大資產重組交易）中，標的資產的估值情況如下：

完成時間	上市公司	標的資產	評估 基準日	標的 公司 100% 股權 評估 價值 (億元)	標的 公司 企業 價值 (億元)	評估 基準日 前最近 一年 息稅 折攤 前利潤 (億元)	評估	評估	企業 價值 倍數	市 盈 率	市 淨 率
							基準日 前最近 一年 歸屬於 母公司 股東的 淨利潤 (億元)	截至 評估 基準日 歸屬於 母公司 股東的 淨資產 (億元)			
2021年10月	山西路橋 (000755.SZ)	山西平榆高速公路有限 責任公司100% 股權	2020/6/30	28.05	72.04	6.55	2.03	18.60	11.01	13.82	1.51
2020年12月	粵高速 (000429.SZ)	廣東廣惠高速公路有限 公司21%股權	2020/8/31	118.74	121.62	17.32	10.03	35.65	7.02	11.84	3.33
2020年7月	北新路橋 (002307.SZ)	重慶北新渝長高速公路 建設有限公司100%股 權	2019/3/31	10.82	44.20	-	-	8.64	NA	NA	1.25
2018年10月	山西路橋 (000755.SZ)	山西路橋集團榆和高速 公路有限公司100%股 權	2017/7/31	14.85	83.15	4.60	0.88	14.43	18.09	16.91	1.03
2017年9月	同力水泥 (000885. SZ, 已更 名為城發環 境)	河南省許平南高速公路 有限責任公司100%股 權	2017/4/30	37.96	70.06	10.92	4.28	21.05	6.41	8.86	1.80

完成時間	上市公司	標的資產	評估 基準日	標的 公司 100% 股權 評估 價值 (億元)	標的 公司 企業 價值 (億元)	評估 基準日 前最近 一年 息稅 折攤 前利潤 (億元)	評估 基準日 前最近 一年 歸屬於 母公司 股東的 淨利潤 (億元)	截至 評估 基準日 歸屬於 母公司 股東的 淨資產 (億元)	企業 價值 倍數	市 盈 率	市 淨 率
2016年7月	粵高速 (000429.SZ)	廣東省佛開高速公路有 限公司25%股權	2015/3/31	38.73	71.67	8.22	1.31	31.59	8.72	29.51	1.23
		京珠高速公路廣珠段有 限公司100%股權	2015/3/31	23.04	35.85	8.55	1.93	5.88	4.19	11.96	3.92
		最大值							18.09	29.51	3.92
		平均值							9.24	15.48	2.01
		中值							7.87	12.89	1.51
		最小值							4.19	8.86	1.03
		六武公司(2022年)							9.24	18.79	1.55
		六武公司(2021年)							8.23	15.87	1.54

數據來源：Wind資訊，各相關上市公司公告

註1：標的公司企業價值=標的公司100%股權評估價值+截至評估基準日的有息負債；評估基準日前最近一年息稅折攤前利潤=評估基準日前最近一年利潤總額+利息費用+折舊、攤銷

註2：企業價值倍數=標的公司企業價值/評估基準日前最近一年息稅折攤前利潤；市盈率=標的公司100%股權評估價值/評估基準日前最近一年歸屬於母公司股東的淨利潤；市淨率=標的公司100%股權評估價值/截至評估基準日歸屬於母公司股東的淨資產

註3：北新路橋(002307.SZ)收購重慶北新渝長高速公路建設有限公司100%股權交易的評估基準日前一年，重慶北新渝長高速公路建設有限公司尚未產生收入、利潤

截至本回覆公告日，六武公司的審計和評估工作尚未完成，標的資產評估值及交易作價均尚未確定，標的資產的預估價格為預計不超過40億元。如按照預估價格上限40億元計算，六武公司2021年及2022年未經審計的淨利潤分別為25,205.05萬元、21,287.50萬元，對應市盈率為15.87x、18.79x；六武公司2021年及2022年未經審計的息稅折攤前利潤分別為48,630.80萬元、43,295.22萬元，對應企業價值倍數為8.23x、9.24x；六武公司截至2021年12月31日及2022年12月31日未經審計的淨資產分別為260,140.32萬元、258,245.15萬元，對應市淨率分別為1.54x、1.55x。

由上表可知，如按照本次交易預估價格上限40億元計算，六武公司2022年的企業價值倍數與同行業可比交易的平均值基本相當，市盈率位於同行業可比交易的估值區間內，市淨率均位於同行業可比交易的中值與平均值之間；考慮到六武公司2022年的財務數據在一定程度上受到公共衛生事件以及相關主管部門出台2022年第四季度通行費減免政策等因素影響，如參考2021年財務數據計算，六武公司2021年市盈率與同行業可比交易的平均水平基本相當，企業價值倍數及市淨率位於同行業可比交易的中值與平均值之間。

考慮到六武公司目前資產負債率較低，其市盈率指標的可比性受到一定影響，假設六武公司按照3.70%的貸款利率（參照皖通高速2022年利息費用／2021年末及2022年末的有息負債均值計算）新增一定規模的有息負債，使其資產負債率提升至與皖通高速截至2022年末的資產負債率（即36.61%）一致，則六武公司2022年的市盈率將下降至16.39x，位於同行業可比交易的估值區間內；2021年的市盈率將下降至13.53x，位於同行業可比交易的中值與平均值之間。

(三) 同行業可比公司估值

按照申銀萬國行業類(2021)行業分類，交通運輸子行業高速公路行業上市公司共計21家。其中：(1)城發環境(000885.SZ)、現代投資(000900.SZ)、東莞控股(000828.SZ)、重慶路橋(600106.SH)的營業收入並非主要來源於高速公路通行費收入，予以剔除；(2)粵高速B(200429.SZ)系反映廣東省高速公路發展股份有限公司B股的估值情況，考慮到B股市場的估值、流動性等因素與A股市場存在一定差異，且已保留粵高速A(000429.SZ)進行對比分析，因此剔除粵高速B(200429.SZ)。

剩餘16家同行業上市公司的估值情況如下：

上市公司	2022年								2021年					
			歸屬		歸屬				歸屬		歸屬			
			於母		於母				於母		於母			
			息稅	公司	公司	企業	市盈	市淨	息稅	公司	公司	企業	市	市
		企業	折攤前	股東的	股東的	價值	率	率	折攤前	股東的	股東的	價值	盈	淨
		價值	利潤	淨利潤	淨資產	倍數			利潤	淨利潤	淨資產	倍數	率	率
		(億元)	(億元)	(億元)	(億元)				(億元)	(億元)	(億元)			
招商公路(001965.SZ)	480.05	845.76	40.69	48.61	605.35	20.78	9.88	0.79	48.21	49.73	583.30	17.54	9.65	0.82
寧滬高速(600377.SH)	414.10	770.41	60.12	37.24	319.41	12.81	11.12	1.30	65.02	41.79	302.30	11.85	9.91	1.37
山東高速(600350.SH)	274.67	888.22	86.19	28.55	396.57	10.31	9.62	0.69	90.66	30.52	371.98	9.80	9.00	0.74
深高速(600548.SH)	195.83	508.83	45.79	20.14	213.46	11.11	9.72	0.92	53.46	26.06	246.39	9.52	7.51	0.79
粵高速A(000429.SZ)	163.50	238.93	33.22	12.77	90.76	7.19	12.80	1.80	43.88	17.00	89.82	5.45	9.62	1.82
皖通高速(600012.SH)	121.24	189.00	30.15	14.45	119.25	6.27	8.39	1.02	31.15	15.14	113.89	6.07	8.01	1.06
四川成渝(601107.SH)	116.21	309.70	23.77	7.62	178.06	13.03	15.25	0.65	27.95	18.69	173.65	11.08	6.22	0.67
福建高速(600033.SH)	79.59	98.96	22.29	8.40	107.86	4.44	9.47	0.74	25.18	8.29	104.71	3.93	9.60	0.76

上市公司	2022年							2021年								
				歸屬	歸屬							歸屬	歸屬			
				於母	於母							於母	於母			
				息稅	公司	公司	企業				息稅	公司	公司	企業		
企業	折攤前	股東的	股東的	價值	市盈	市淨	折攤前	股東的	股東的	價值	市	市	市	市	市	
價值	利潤	淨利潤	淨資產	倍數	率	率	利潤	淨利潤	淨資產	倍數	盈率	淨率	盈率	淨率	淨率	
(億元)	(億元)	(億元)	(億元)	(億元)			(億元)	(億元)	(億元)							
山西路橋(000755.SZ)	79.38	148.90	13.40	4.38	45.40	11.11	18.14	1.75	14.13	4.06	41.03	10.54	19.55	1.93		
贛粵高速(600269.SH)	79.17	161.32	28.45	6.96	168.30	5.67	11.38	0.47	32.33	8.92	162.89	4.99	8.87	0.49		
中原高速(600020.SH)	66.52	401.25	24.00	1.40	125.93	16.72	47.35	0.53	36.34	7.43	123.51	11.04	8.95	0.54		
楚天高速(600035.SH)	54.58	130.98	19.41	7.23	74.90	6.75	7.55	0.73	19.62	7.40	69.98	6.68	7.37	0.78		
五洲交通(600368.SH)	42.32	74.65	9.72	5.82	57.02	7.68	7.27	0.74	10.01	7.02	53.32	7.46	6.03	0.79		
龍江交通(601188.SH)	42.11	42.15	2.12	1.23	45.07	19.89	34.15	0.93	2.73	1.68	45.02	15.45	25.05	0.94		
吉林高速(601518.SH)	39.30	39.43	8.95	3.94	44.71	4.40	9.98	0.88	8.41	3.18	41.10	4.69	12.34	0.96		
湖南投資(000548.SZ)	26.31	30.67	1.32	0.35	18.61	23.16	75.25	1.41	1.51	0.52	18.36	20.34	50.70	1.43		
	最大值						23.16	75.25	1.80	最大值			20.34	50.70	1.93	
	平均值						11.33	18.58	0.96	平均值			9.77	13.02	0.99	
	中值						10.71	10.55	0.84	中值			9.66	9.30	0.81	
	最小值						4.40	7.27	0.47	最小值			3.93	6.03	0.49	
	六武公司						9.24	18.79	1.55	六武公司			8.23	15.87	1.54	

數據來源：Wind資訊

註1： 市值=上市公司截至2022年12月31日的A股收盤價*總股本；企業價值=市值+截至2022年12月31日的有息負債

註2： 企業價值倍數=企業價值/息稅折攤前利潤；市盈率=市值/歸屬於母公司股東的淨利潤；市淨率=市值/歸屬於母公司股東的淨資產

由上表可知，如按照本次交易預估價格上限40億元計算，六武公司2022年的企業價值倍數位於同行業可比公司的最小值與中值之間，市盈率與同行業可比公司的平均值基本相當，市淨率位於可比公司估值區間內；六武公司2021年的企業價值倍數仍位於同行業可比公司的最小值與中值之間，市盈率及市淨率均位於同行業可比公司的估值區間內。

如假設六武公司按照3.70%的貸款利率（參照皖通高速2022年利息費用／2021年末及2022年末的有息負債均值計算）新增一定規模的有息負債，使其資產負債率提升至與皖通高速截至2022年末的資產負債率（即36.61%）一致，則六武公司2022年的市盈率將下降至16.39x，位於同行業可比公司的中值與平均值之間；2021年的市盈率將下降至13.53x，位於同行業可比公司的估值區間內。

綜上，六武公司的預估價格上限40億元對應的企業價值倍數、市盈率、市淨率等估值指標均位於同行業可比公司、可比交易的估值區間內，且對於反映其盈利能力更具有可參考性的企業價值倍數位於同行業可比公司、可比交易的最小值與平均值之間，具有合理性。

二. 公司體內其他高速公路資產的盈利能力、資產負債率、剩餘收費年限相關情況

(一) 盈利能力相關情況

2021年及2022年，公司體內其他高速公路資產的毛利率情況如下：

	2022年 營業收入 (萬元)	2022年 營業成本 (萬元)	2022年 毛利率	2021年 營業收入 (萬元)	2021年 營業成本 (萬元)	2021年 毛利率
合寧高速	117,919.59	46,425.40	60.63%	118,224.95	46,084.43	61.02%
高界高速	91,020.32	18,976.89	79.15%	87,792.60	19,671.19	77.59%
連霍高速	24,881.40	12,718.91	48.88%	25,464.10	14,997.90	41.10%
寧淮高速天長段	11,197.13	4,829.09	56.87%	11,344.59	5,053.72	55.45%
205國道天長段新線	6,817.39	3,817.49	44.00%	6,121.98	4,200.02	31.39%
宣廣高速	52,847.89	14,083.15	73.35%	65,691.52	14,266.61	78.28%
廣祠高速	11,555.73	2,133.81	81.53%	13,762.77	1,895.15	86.23%
寧宣杭高速	9,955.31	27,485.35	-176.09%	11,088.64	26,104.40	-135.42%
安慶長江公路大橋	32,699.77	6,374.23	80.51%	34,099.41	5,952.86	82.54%
岳武高速	13,097.77	14,433.53	-10.20%	13,010.93	16,803.84	-29.15%
合計¹	371,992.29	151,277.86	59.33%	386,601.48	155,030.11	59.90%
六武高速	52,415.16	22,466.91	57.14%	55,998.19	20,760.75	62.93%

數據來源：上市公司公告

註：皖通高速的高速公路業務整體毛利率=1-當年各高速公路營業成本之和/當年各高速公路營業收入之和

由上表可知，公司體內不同高速公路資產的毛利率存在較大差異，2021年及2022年公司高速公路業務的整體毛利率分別為59.90%、59.33%。根據六武公司未經審計財務數據，六武公司2021年及2022年的毛利率分別為62.93%、57.14%，高於連霍高速公路、205國道天長段新線、寧宣杭高速公路、岳武高速公路，低於高界高速公路、宣廣高速公路、廣祠高速公路、安慶長江公路大橋，與合寧高速公路、寧淮高速公路天長段以及公司高速公路業務的整體毛利水平基本相當。

考慮到將公司的其他費用、支出等拆分至各高速公路項目具有一定實際上的難度，現進一步以公司整體的盈利指標與六武公司進行對比分析如下：

項目	六武公司		皖通高速	
	2022年度	2021年度	2022年度	2021年度
毛利率	57.14%	62.93%	59.42%	59.69%
營業利潤率	54.16%	60.31%	52.15%	54.05%
息稅折攤前利潤率	82.60%	86.84%	79.58%	79.44%
淨利率	40.61%	45.01%	38.14%	38.62%
總資產回報率	8.21%	9.56%	6.78%	7.60%

註1： 毛利率=1-營業成本／營業收入；營業利潤率=營業利潤／營業收入；息稅折攤前利潤率=息稅折攤前利潤／營業收入；淨利率=歸屬於母公司股東的淨利潤／營業收入；總資產回報率=歸屬於母公司股東的淨利潤／截至當年末的總資產

註2： 皖通高速2022年毛利率、營業利潤率計算過程中均已剔除宣廣高速改擴建項目的建設期收入／成本的影響

註3： 考慮到六武公司與皖通高速在資產負債率方面的差異，或導致權益回報比率的可比性較低，因此未採用淨資產回報率進行盈利能力的對比分析

皖通高速作為企業集團存在一定的總部管理成本和支出，且在高速公路主業外亦涉及少量其他業務及對外投資，而六武公司則專注於六武高速及其相關配套設施的運營管理，且公司管理架構相對簡單直接，因此六武公司的營業利潤率、息稅折攤前利潤率、淨利率、總資產回報率等各項盈利指標均優於皖通高速整體水平，體現了六武公司具有較好的盈利能力。

(二) 資產負債率相關情況

截至2022年12月31日，皖通高速的負債合計約77.99億元，資產負債率為36.61%；其中有息負債為約67.76億元，佔總資產的比例為約31.81%；而六武公司未負有任何有息負債，兩者在資產負債率及有息負債佔比方面存在較大差異。

通常而言，在其他影響因素保持一致的情況下，企業資本結構的差異往往反映在有息負債、財務成本、償債風險等各個方面中，進而對其股權價值及對應的估值指標造成影響。以六武公司為例，如考慮六武公司新增一定規模的有息負債，雖然財務費用增加導致其淨利潤小幅下滑，但由於股權價值在扣除有息負債後下降幅度更為顯著，六武公司估值對應的市盈率將大幅降低。

假設六武公司按照3.70%的貸款利率（參照皖通高速2022年利息費用／2021年末及2022年末的有息負債均值計算）新增一定規模的有息負債，按照無槓桿情況下的預估價格上限40億元計算，則對於六武公司估值指標的影響如下：

有息負債規模 (億元)		0	5	10
股權權益價值 (億元)		40	35	30
資產負債率		0.37%	19.66%	38.95%
企業價值倍數	2022年	9.24	9.24	9.24
	2021年	8.23	8.23	8.23
市盈率	2022年	18.79	17.59	16.21
	2021年	15.87	14.70	13.38
市淨率	2022年	1.55	1.68	1.90
	2021年	1.54	1.67	1.87

註1： 假設考慮有息負債後的股權權益價值=無槓桿情況下的預估價格－有息負債規模

註2： 上述測算考慮了有息負債利息按照25%稅率的抵稅效應

註3： 六武公司資產負債率以2022年未經審計財務數據模擬計算

由上表可知，六武公司的資產負債率變動預計不會對其企業價值倍數造成影響。但是，如六武公司有息負債規模增加，則預估價格上限40億元所對應的市盈率將隨之降低；同時其市淨率雖有一定增加，但仍位於前文所述的同行業可比公司、可比交易估值區間內。

因此，由於六武公司目前未負有任何有息負債，財務槓桿並未得到充分運用，其與皖通高速之間的資產負債率差異，客觀上導致六武公司的市盈率在一定程度上高於公司的整體估值水平，具有合理性。

(三) 剩餘收費年限

通常而言，高速公路公司的估值水平隨著運營時間增加、剩餘收費年限減少而逐步降低。因此，高速公路資產的估值分析還應與其收費年限相勾稽。

截至2023年3月31日，公司體內其他高速公路已獲批覆的剩餘收費年限如下：

	剩餘收費年限 (年)
合寧高速 ¹	8.38
高界高速	6.51
連霍高速	9.26
寧淮高速天長段	9.22
205國道天長段新線	3.76
宣廣高速	5.32
廣祠高速	6.31
寧宣杭高速	宣寧段、寧千段、狸宣段分別為 20.45至24.76年不等
安慶長江公路大橋	10.75
岳武高速	22.77

註：合寧高速改擴建工程於2019年12月通車，特許經營權期限暫定為5年，自合寧高速原收費期限到期之日(2026年8月15日)起算

由上表可知，目前公司主要路產逐漸進入成熟期，雖然部分路段已通過改擴建形式延長了收費期限，但仍面臨收費期限逐年遞減的問題。截至2023年3月31日，除寧宣杭高速、岳武高速外，上市公司體內的其他高速公路資產目前已批覆的剩餘收費年限均相對較短，毛利率水平較高的高界高速、宣廣高速、廣祠高速、安慶長江公路大橋的剩餘收費年限分別為6.51年、5.32年、6.31年和10.75年；而岳武高速收費年限為截至2039年12月27日，剩餘收費年限約16.75年，顯著高於公司體內其他主要路產已批覆的剩餘收費年限。

六武高速剩餘收費年限更長，客觀上決定了其能夠在更長時間內產生收入、利潤及現金流，進而導致其估值水平對應當前靜態財務指標的倍數可能在一定程度上高於公司的整體情況。

綜合上述分析，六武公司的毛利率水平與公司高速公路業務的整體毛利率基本相當，營業利潤率、息稅折攤前利潤率、淨利率、總資產回報率等其他盈利指標均優於皖通高速。同時，考慮到六武公司資產負債率較低、財務槓桿未能得到充分利用，且其下轄六武高速的收費年限大幅高於公司體內其他主要路產已批覆的剩餘收費年限，客觀上能夠帶來更為長期的收入、利潤及現金流，六武公司的估值指標在一定程度上優於公司整體水平具有合理性。

三. 標的公司預估值的依據及合理性

截至本回覆公告日，標的公司的審計和評估工作尚未完成，標的資產評估值及交易作價均尚未確定。本次交易預估價格是結合六武公司的資產情況和歷史經營情況，參考同行業可比公司、可比交易的估值情況，並結合六武公司在資產負債率、盈利能力、剩餘收費年限等方面與皖通高速之間的對比情況，由公司與交易對方協商確定。

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核准或備案的評估值為依據，由上市公司與交易對方協商確定。如最終採用收益法的評估結果作為本次重組標的資產的定價依據，則上市公司將根據《重組管理辦法》的相關要求與交易對方就業績承諾和補償、減值測試等事項簽署相關協議並進行約定。

由於標的公司的審計、評估工作尚未完成，本回覆公告中標的公司的未經審計財務數據及初步確定的預估作價可能將根據後續審計、評估工作的進一步開展而進行調整，並可能與經審計的財務數據或最終交易價格存在一定差異，提請廣大投資者關注有關風險。標的公司經審計的財務數據、評估結果及最終交易價格將在《重組報告書》中予以披露。

公司已在重組預案「第六節 標的公司預估及定價情況」中就同行業可比交易、可比公司估值水平、六武高速與公司體內其他高速公路資產的盈利能力、資產負債率、剩餘收費年限的對比情況、以及六武公司預估值的依據及其合理性進行了補充披露。

問題二、控股股東安徽交控集團官網信息顯示，目前安徽交控集團營運高速公路里程4,961公里，佔全省的91%，在建高速公路1,140餘公里。前期，公司已現金收購控股股東持有的安徽安慶長江公路大橋有限責任公司100%股權及相關債權、大橋公司下轄安慶長江公路大橋和岳武高速安徽段兩條路產。請公司補充披露控股股東目前高速公路資產情況，並說明本次交易是否有利於上市公司減少關聯交易、避免同業競爭、增強獨立性。

回覆：

一、安徽交控集團目前高速公路資產情況

截至2023年3月31日，除通過皖通高速及其控股子公司所持有的高速公路資產外，安徽交控集團及其控股子公司持有的主要高速公路資產如下表所示：

運營主體	高速公路	起訖點	通車時間	所持權益
				比例
安徽交控集團	合巢蕪高速	蕪湖—合肥	2005年	100%
	界阜蚌高速	懷遠—界首	2004年	100%
	合安高速	合肥—安慶	2002年	100%
	蕪宣高速	蕪湖—宣城	2003年	100%

運營主體	高速公路	起訖點	通車時間	所持權益
				比例
	合徐北高速	蚌埠－徐州	2003年	100%
	安慶大橋接線	－	2004年	100%
	廬銅高速	廬江－銅陵	2005年	100%
	馬蕪高速	馬鞍山－蕪湖	2005年	100%
	銅陵支線	－	2007年	100%
	銅黃銅湯段	銅陵－湯口	2007年	100%
	銅黃湯屯段	湯口－屯溪	2008年	100%
	合六葉高速	肥西－葉集	2007年	100%
	合淮阜高速	合肥－阜陽	2007年	100%
	安景高速	安慶－景德鎮	2008年	100%
	黃塔桃高速	洪里－桃林	2008年	100%
	阜周高速	阜陽－周集	2009年	100%
	六潛高速	六安－潛山	2009年	100%
	泗許宿州段	張店－牛集	2010年	100%
	泗許亳州段	鄭樓－郭樓	2011年	100%
	績黃高速	績溪－旌德	2011年	100%
	周六高速	周集－六安	2011年	100%
	泗許淮北段	谷饒－濉溪	2012年	100%
	馬鞍山東環高速	葛羊－雨山路	2012年	100%
	蚌淮高速	蚌埠－淮南	2012年	100%
	新橋機場高速	高劉－南廣	2012年	100%
	阜新高速	阜陽－臨泉	2013年	100%
	馬鞍山大橋	－	2013年	100%
	徐明高速	靈璧－明光	2014年	100%
	濟祁碭山段	單縣－永城	2015年	100%
	濟祁永利段	永城－利辛	2015年	100%
	東九安徽段	東至龐村－鷹山尖	2015年	100%
	銅南宣高速	銅陵－南陵－宣城	2015年	100%
	滁馬高速	滁州－馬鞍山	2015年	100%
	望東長江大橋	－	2016年	100%
	濟祁利淮段	利辛－淮南	2016年	100%
	濟祁淮合段	淮南－合肥	2016年	100%

運營主體	高速公路	起訖點	通車時間	所持權益
				比例
安徽交控沿江高速 公募REITs	泗許泗縣段	小梁鄉－北大彭莊	2017年	100%
	巢無高速	林頭－赫店	2017年	100%
	蕪湖二橋	石澗－峨山	2017年	100%
	滁淮高速滁定段	黃泥崗－倉鎮	2018年	100%
	滁淮高速定長段	倉鎮－羅塘	2018年	100%
	廣寧高速	誓節－河瀝溪	2018年	100%
	池州長江大橋	會宮－殷家匯	2019年	100%
	滁州西環高速	南譙－全椒	2020年	100%
	固蚌高速	固鎮－淮上	2021年	100%
	池祁高速	貴池－石台	2021年	100%
	蕪黃高速	繁昌－黃山	2021年	100%
	滁天高速	滁州－天長	2022年	100%
	沿江高速	池州－安慶	2006年	51%*
	蕪湖－銅陵	銅陵－池州	2007年	51%
2008年			51%	
安徽安聯高速公路 有限公司	合徐南高速	合肥－蚌埠	2001年	98.86%
	黃祁高速	黃山－沂蒙	2013年	98.86%
安徽省蕪雁高速公路 有限公司	蕪雁高速	蕪湖－雁翅	2012年	70%
安徽省馬巢高速公路 有限公司	馬巢高速	和縣－含山	2013年	51%
安徽省揚績高速公路 有限公司	寧績高速	寧國－績溪	2014年	90%
安徽望潛高速公路 有限公司	望東橋北岸接線	－	2015年	60%
安徽省溧廣高速公路 有限公司	溧廣高速安徽段	溧陽－廣德	2016年	80%
安徽省六武高速公路 有限公司	六武高速	霍邱－金寨	2009年	100%
安徽省嶽黃高速公路 有限責任公司	安慶支線	安慶－安慶	2022年	100%
	黃千高速	黃山－黃山	2022年	100%
安徽省合樅高速公路 有限責任公司	合樅高速	合肥－樅陽	2022年	50.98%

註：安徽交控沿江高速公募REITs權益比例口徑為安徽交控集團直接持股比例

上市公司及控股股東所持有的路產區位示意如下圖所示（僅作示意）：

安徽省高速公路路網示意圖



此外，因高速公路呈網絡運營的特點，皖通公司為安徽交控集團及其控股子公司的營運路段提供資產維護、收費和稽查管理、服務管理、養護管理、機電和信息化管理等委託代管工作。本次交易前，六武高速亦在前述上市公司為安徽交控集團代管路產範圍內。

二. 說明本次交易是否有利於上市公司減少關聯交易、避免同業競爭、增強獨立性

(一) 本次交易是否有利於上市公司減少關聯交易

本次交易前，上市公司及標的公司主要與其控股股東安徽交控集團及其控制的其他企業等關聯方發生關聯交易。具體而言，關聯採購方面，上市公司和標的公司主要向關聯方採購施工檢測及研究設計服務、養護工程管理服務、工程建設管理服務及通行費結算等服務；關聯銷售方面，上市公司主要向其關聯方提供高速公路委託管理服務，標的公司不存在關聯銷售情況。

本次交易後，標的公司將成為上市公司全資子公司，上市公司及標的公司的控股股東仍為安徽交控集團，標的公司原關聯交易將被納入上市公司合併報表範圍內，成為上市公司的關聯交易。

本次交易完成前後，上市公司的關聯方交易金額及佔比情況具體如下：

項目	2022年度	
	交易前	交易後(備考)
關聯銷售情況(萬元)	1,121.70	1,121.70
營業收入(萬元)	520,636.64	573,051.80
佔營業收入比例	0.22%	0.20%
關聯採購情況(萬元)	28,331.55	31,280.20
營業成本(萬元)	295,490.81	318,127.41
佔營業成本比例	9.59%	9.83%

註：截至本回覆公告日，標的公司的審計工作尚未完成，以上除2022年交易前財務數據外，其餘數據均未經審計

本次交易完成後，上市公司2022年關聯銷售佔營業收入的比例較交易前減少0.02%，關聯採購佔營業成本的比例較交易前增加0.24%。上述關聯採購內容主要為上市公司、標的公司運營高速公路所需的施工、檢測、設計、養護、工程及路網運行服務等必要服務。上市公司與關聯方發生交易主要係各自的經營需要使然。同行業上市公司中，例如山西路橋、楚天高速等均存在相同或類似的關聯交易情況。上述關聯採購中，工程類採購交易價格主要通過招投標結果確定；路網運行服務採購價格系根據安徽省高速公路聯網收費管理委員會通過的《安徽省聯網收費路網運行服務費收取模式》確定；其他類型採購定價遵循公平合理的原則，以市場公允價格為基礎確定。因此，上市公司與相關主體發生交易具有一定的合理性及必要性，且關聯交易定價具備公允性。

本次交易完成後，上市公司將盡量避免及減少與控股股東及其控制的其他企業之間的關聯交易。對於必要的關聯交易，上市公司將嚴格遵循《上市規則》《公司章程》及關聯交易相關制度，依法履行相應決策程序，確保關聯交易價格公允、合理，並及時進行信息披露義務。

綜上，根據未經審計的備考財務報表，本次交易實施後，將降低上市公司的關聯銷售佔比，且上市公司未來將不再向安徽交控集團收取六武高速委託管理費，有利於上市公司減少關聯交易；本次交易雖一定程度增加公司關聯採購佔比，但具有合理性和必要性，符合行業慣例。上市公司將制定關於規範及減少關聯交易的措施，確保後續關聯交易符合合理、必要且公允的要求。因此，本次交易有利於上市公司減少關聯交易。

(二) 本次交易是否有利於上市公司避免同業競爭

高速公路具有明顯的區域性和方向性特徵，車輛在選擇行駛的高速公路時，只有起點和終點相同或相近，且在較近距離內幾乎平行的相似等級公路才存在實質性同業競爭。同行業上市公司粵高速A、山西路橋、四川路橋、山東高速等也均採用相同或類似的認定標準。

本次交易前，安徽交控集團及其控股子公司（皖通高速及其控股子公司除外）持有的高速公路，與皖通高速及其控股子公司持有的高速公路之間均不存在起點和終點相同或相近，並且在較近距離內幾乎平行的情況。因此，本次交易前，上市公司與安徽交控集團不存在構成實質性同業競爭的情況。同時，考慮到皖通公司為安徽交控集團及其控股子公司的營運路段提供委託管理服務，一定程度上能夠避免上市公司與控股股東之間的同業競爭。

本次交易標的六武高速和上市公司已持有的岳武高速、高界高速雖然起點和終點並不完全相同，且間隔較遠，但都一定程度服務於湖北武漢經安徽省內通向上海、南京等地的行駛車輛，存在一定線路方向相似的情形。

本次交易後，上市公司將擁有六武高速、岳武高速、高界高速全部權益，上市公司將持有目前安徽省中南部通往湖北的全部三條出省高速公路，形成較為顯著的路網效應，因而有利於進一步避免上市公司與控股股東之間的同業競爭。

(三) 本次交易是否有利於上市公司增強獨立性

本次交易前，上市公司已經按照有關法律法規的規定建立了規範的運營體系，在業務、資產、財務、人員和機構等方面獨立於控股股東、實際控制人及其關聯方。

本次交易完成後，上市公司的控股股東仍為安徽交控集團，實際控制人仍為安徽省國資委，本次交易不會導致上市公司的控股股東及實際控制人發生變更。上市公司將繼續保持在業務、資產、財務、人員和機構等方面的獨立性，符合中國證監會關於上市公司獨立性的相關規定。

綜上所述，本次交易有利於上市公司減少關聯交易、避免同業競爭、增強獨立性。

公司已在重組預案「第八節 其他重要事項」中就安徽交控集團下屬高速公路資產情況，以及本次交易是否有利於上市公司減少關聯交易、避免同業競爭、增強獨立性進行了補充披露。

特此公告。

安徽皖通高速公路股份有限公司董事會

2023年5月16日

Reply Report Announcement (English translation)

Stock Code: 600012 Stock Short Name: Anhui Expressway Announcement No.: Lin 2023-016

ANNOUNCEMENT ON REPLY TO THE INQUIRY LETTER FROM SHANGHAI STOCK EXCHANGE ON THE PLAN ON ISSUANCE OF SHARES FOR THE PROPOSED ACQUISITION AND THE PROPOSED NON-PUBLIC ISSUANCE OF A SHARES AND RELATED PARTY TRANSACTIONS OF ANHUI EXPRESSWAY COMPANY LIMITED

The board of directors and all directors of the Company guarantee that there are no false statements, misleading representations contained in, or material omissions from this announcement, and accept responsibility as to the truthfulness, accuracy and completeness of the content herein.

Anhui Expressway Company Limited (the “**Company**” or “**Anhui Expressway**”) received the “Inquiry Letter on the Plan on Issuance of Shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and Related Party Transactions of Anhui Expressway Company Limited” (Shang Zheng Gong Han [2023] No. 0369, hereinafter referred to as the “**Inquiry Letter**”) from the No. 1 Listed Company Management Department of Shanghai Stock Exchange on 27 April 2023.

The Company and relevant parties carefully reviewed, analyzed and studied the matters item by item involved in the Inquiry Letter, and replied to the Shanghai Stock Exchange on the relevant issues. At the same time, the Company made amendments and supplemental disclosure to the Plan on Issuance of Shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and Related Party Transactions and its Summary in accordance with the requirements of the Inquiry Letter, and highlighted in bold font. The reply is hereby disclosed as follows.

Unless otherwise specified, the definitions of the abbreviations or terminologies used in this reply are the same as those in the Plan on Issuance of Shares for the Proposed Acquisition and the Proposed Non-public Issuance of A Shares and Related Party Transactions of Anhui Expressway Company Limited (revised) (hereinafter referred to as the “**Reorganisation Proposal**”). Discrepancies between the total amount and the sum of individual items are due to rounding unless otherwise specified.

Question 1: The plan indicates that the estimated price of the Target Company is no more than RMB4 billion. Media reports suggest that the P/E of the Target Company in this transaction is 19 times, with calculation based on the upper limit of the estimated price and the net profit of 2022, which is higher than the P/E of listed companies of 10 times. Please supplement the basis and rationality of the estimated value of the Target Company by considering the profitability, asset-liability ratio, and other relevant factors of other expressway assets within the same industry and the Company.

Response:

I. Valuation of comparable transactions and comparable companies in the same industry

(I) Selection of valuation indicators

The commonly used valuation indicators for expressway companies mainly include enterprise value multiples (EV/EBITDA), price-to-earnings ratio (P/E), price-to-book ratio (P/B), etc. Among them, EV/EBITDA and P/E mainly reflect the multiple relationship between the enterprise valuation and its profit scale, while the P/B reflects the multiple relationship between the enterprise valuation and its net asset scale. By combining these two types of indicators, the impact of the operating conditions and asset resource on the value of expressway companies can be reflected.

Considering that the asset scale of expressway companies is usually large, the huge difference in the initial construction cost of expressways constructed in different periods and regions as well as the long-term asset depreciation and amortization during the operation period of expressways, and the difference in capital structure and financing costs of different companies, all these factors may have an impact on the net profit of the company and thus affect the comparability of the P/E indicators among different expressway companies.

Compared with net profit, earnings before interest, taxes, depreciation, and amortization (EBITDA) can more fully reflect the operational performance during the operation period of expressways and the inflow of resources available for future business operations and construction by excluding the impact of factors such as depreciation, amortization, and financial expenses. Therefore, compared with the P/E, comparative analysis based on EV/EBITDA can usually better reflect the relationship between the valuation of expressway companies and their profitability.

Based on the three valuation indicators of enterprise value multiples (EV/EBITDA), price-to-earnings ratio (P/E), and price-to-book ratio (P/B), we compare and analyze the valuation of the Target Company with that of comparable transactions and companies in the same industry.

(II) Valuation of comparable transactions in the same industry

After searching for public market cases, the valuation of the target assets in completed restructuring transactions of A-share listed companies purchasing expressway assets (including A-share listed companies issuing shares to purchase assets and major asset restructuring transactions that do not involve the issuance of shares) so far is as follows:

Completion time	Listed companies	Target assets	Valuation benchmark date	100% equity valuation of target company (RMB100 million)	EV of target company (RMB100 million)	EBITDA benchmark valuation date (RMB100 million)	Net profit attributable to shareholders of the parent company for the most recent year before valuation (RMB100 million)	Net assets attributable to shareholders of the parent company as of valuation date (RMB100 million)	EV/EBITDA	P/E	P/B
October 2021	Shanxi Road & Bridge (000755.SZ)	100% equity of Shanxi Pingyu Expressway Co., Ltd.	2020/6/30	28.05	72.04	6.55	2.03	18.60	11.01	13.82	1.51
December 2020	Guangdong Expressway (000429.SZ)	21% equity of Guangdong Guanghui Expressway Co., Ltd.	2020/8/31	118.74	121.62	17.32	10.03	35.65	7.02	11.84	3.33
July 2020	Xinjiang Beixin Road & Bridge (002307.SZ)	100% equity of Chongqing Beixin Yuchang Expressway Construction Co., Ltd.	2019/3/31	10.82	44.20	-	-	8.64	N/A	N/A	1.25
October 2018	Shanxi Road & Bridge (000755.SZ)	100% equity of Shanxi Road & Bridge Group Yuhe Expressway Co., Ltd.	2017/7/31	14.85	83.15	4.60	0.88	14.43	18.09	16.91	1.03
September 2017	Tongli Cement (000885.SZ, renamed as CEVIA ENVIRO)	100% equity of Henan Xupingnan Expressway Co., Ltd.	2017/4/30	37.96	70.06	10.92	4.28	21.05	6.41	8.86	1.80

Completion time	Listed companies	Target assets	Valuation benchmark date	100% equity valuation of target company (RMB100 million)	EV of target company (RMB100 million)	EBITDA valuation benchmark date (RMB100 million)	Net profit attributable to shareholders of the parent company for the most recent year before valuation benchmark date (RMB100 million)	Net assets attributable to shareholders of the parent company as of valuation benchmark date (RMB100 million)	EV/	P/E	P/B
									EBITDA		
July 2016	Guangdong Expressway (000429.SZ)	25% equity of Guangdong Fokai Expressway Co., Ltd.	2015/3/31	38.73	71.67	8.22	1.31	31.59	8.72	29.51	1.23
		100% equity of Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Co., Ltd.	2015/3/31	23.04	35.85	8.55	1.93	5.88	4.19	11.96	3.92
								Maximum value	18.09	29.51	3.92
								Average value	9.24	15.48	2.01
								Median value	7.87	12.89	1.51
								Minimum value	4.19	8.86	1.03
								Target Company (2022)	9.24	18.79	1.55
								Target Company (2021)	8.23	15.87	1.54

Source: Wind Information, announcements from relevant listed companies

Note 1: Enterprise value of the target company = 100% equity valuation of the target company + interest bearing liabilities as of the valuation benchmark date; EBITDA for the most recent year before the valuation benchmark date = total profit for the most recent year before the valuation benchmark date + interest expenses + depreciation and amortization

Note 2: EV/EBITDA = enterprise value of the target company/EBITDA for the most recent year before the valuation benchmark date; P/E = 100% equity valuation of the target company/net profit attributable to shareholders of the parent company in the most recent year before the valuation benchmark date; P/B = 100% equity valuation of the target company/net assets attributable to shareholders of the parent company as of the valuation benchmark date

Note 3: Chongqing Beixin Yuchang Expressway Construction Co., Ltd. had not yet generated revenue and profit in the year immediately prior to the valuation benchmark date during which the acquisition of 100% equity in Chongqing Beixin Yuchang Expressway Construction Co., Ltd. by Xinjiang Beixin Road & Bridge (002307.SZ) took place

As of the date of this Reply Report Announcement, the audit and valuation work of the Target Company has not been completed, and the valuation of the target assets and the consideration of the Proposed Acquisition have not been determined. The estimated consideration of the Target Company is expected to be no more than RMB4 billion. Based on the upper limit of the estimated price of RMB4 billion, as well as the unaudited net profit of the Target Company for 2021 and 2022 being RMB252.0505 million and RMB212.8750 million, respectively, the corresponding P/E is 15.87x and 18.79x; the unaudited EBITDA of the Target Company for 2021 and 2022 is RMB486.3080 million and RMB432.9522 million, respectively, and the corresponding EV/EBITDA is 8.23x and 9.24x; the unaudited net asset of the Target Company as of 31 December 2021 and 31 December 2022 is RMB2,601.4032 million and RMB2,582.4515 million, respectively, and the corresponding P/B is 1.54x and 1.55x.

Based on the above table, if calculated based on the upper limit of the estimated price of RMB4 billion for this transaction, the EV/EBITDA of the Target Company in 2022 is basically equivalent to the average of comparable transactions in the same industry, the P/E is within the valuation range of comparable transactions in the same industry, and the P/B is between the median value and average of comparable transactions in the same industry. Considering that the Target Company's financial data in 2022 was affected to some extent by public health events and the toll reduction policy for the fourth quarter of 2022 issued by the relevant regulatory authorities, if the financial data in 2021 is adopted for calculation, the P/E of the Target Company in 2021 is basically equivalent to the average level of comparable transactions in the same industry, and the EV/EBITDA and P/B are between the median values and average of comparable transactions in the same industry.

Considering that the current asset-liability ratio of the Target Company is at a low level, the comparability of its P/E indicator is affected to a certain extent. Assuming that the Target Company increases its asset-liability ratio to align with that of the Company as of the end of 2022 (i.e. 36.61%) by increasing a certain amount of interest-bearing liabilities at a loan interest rate of 3.70% (calculated with reference to the interest expense of the Company in 2022/the average interest-bearing liabilities at the end of 2021 and 2022), the P/E of the Target Company will fall to 16.39x, which is within the valuation range of comparable transactions in the same industry; the P/E in 2021 will fall to 13.53x, which is between the median value and average of the P/E of the comparable transactions in the same industry.

(III) Valuation of comparable companies in the same industry

According to the industry classification of Shenyin & Wanguo Industry Class (2021), there are a total of 21 listed companies in the expressway industry in the transportation and logistics sub-sector. Among them: (1) the revenue of CEVIA ENVIRO (000885.SZ), Xiandai Touzi (000900.SZ), Dongguan Holdings (000828.SZ), and Chongqing Road and Bridge (600106.SH) is not mainly from expressway toll income and is therefore excluded; (2) Guangdong Expressway B (200429.SZ) reflects the valuation of B shares of Guangdong Provincial Expressway Development Co., Ltd.. Considering that the valuation and liquidity of the B-share market differ from that of the A-share market and Guangdong Expressway A (000429.SZ) is already included in the comparison, Guangdong Expressway B (200429.SZ) is therefore excluded.

The valuation of the remaining 16 listed companies in the same industry is as follows:

Listed companies	Market value (RMB100 million)	Enterprise value (RMB100 million)	EBITDA (RMB100 million)	2022		EV/ EBITDA	P/E	P/B	EBITDA (RMB100 million)	2021		EV/ EBITDA	P/E	P/B
				Net profit attributable to shareholders of the parent company (RMB100 million)	Net assets attributable to shareholders of the parent company (RMB100 million)					Net profit attributable to shareholders of the parent company (RMB100 million)	Net assets attributable to shareholders of the parent company (RMB100 million)			
China Merchants Expressway (001965.SZ)	480.05	845.76	40.69	48.61	605.35	20.78	9.88	0.79	48.21	49.73	583.30	17.54	9.65	0.82
Jiangsu Expressway (600377.SH)	414.10	770.41	60.12	37.24	319.41	12.81	11.12	1.30	65.02	41.79	302.30	11.85	9.91	1.37
Shandong High-speed (600350.SH)	274.67	888.22	86.19	28.55	396.57	10.31	9.62	0.69	90.66	30.52	371.98	9.80	9.00	0.74
Shenzhen Expressway (600548.SH)	195.83	508.83	45.79	20.14	213.46	11.11	9.72	0.92	53.46	26.06	246.39	9.52	7.51	0.79
Guangdong Expressway A (000429.SZ)	163.50	238.93	33.22	12.77	90.76	7.19	12.80	1.80	43.88	17.00	89.82	5.45	9.62	1.82
Anhui Expressway (600012.SH)	121.24	189.00	30.15	14.45	119.25	6.27	8.39	1.02	31.15	15.14	113.89	6.07	8.01	1.06
Sichuan Chengyu (601107.SH)	116.21	309.70	23.77	7.62	178.06	13.03	15.25	0.65	27.95	18.69	173.65	11.08	6.22	0.67
Fujian Expressway (600033.SH)	79.59	98.96	22.29	8.40	107.86	4.44	9.47	0.74	25.18	8.29	104.71	3.93	9.60	0.76

Listed companies	Market value (RMB100 million)	Enterprise value (RMB100 million)	EBITDA (RMB100 million)	2022		EV/EBITDA	P/E	P/B	EBITDA (RMB100 million)	2021		EBITDA (RMB100 million)	P/E	P/B
				Net profit attributable to shareholders of the parent company (RMB100 million)	Net assets attributable to shareholders of the parent company (RMB100 million)					Net profit attributable to shareholders of the parent company (RMB100 million)	Net assets attributable to shareholders of the parent company (RMB100 million)			
Shanxi Road & Bridge (000755.SZ)	79.38	148.90	13.40	4.38	45.40	11.11	18.14	1.75	14.13	4.06	41.03	10.54	19.55	1.93
Ganyue Expressway (600269.SH)	79.17	161.32	28.45	6.96	168.30	5.67	11.38	0.47	32.33	8.92	162.89	4.99	8.87	0.49
Zhongyuan Expressway (600020.SH)	66.52	401.25	24.00	1.40	125.93	16.72	47.35	0.53	36.34	7.43	123.51	11.04	8.95	0.54
Chutian Expressway (600035.SH)	54.58	130.98	19.41	7.23	74.90	6.75	7.55	0.73	19.62	7.40	69.98	6.68	7.37	0.78
Wuzhou Communications (600368.SH)	42.32	74.65	9.72	5.82	57.02	7.68	7.27	0.74	10.01	7.02	53.32	7.46	6.03	0.79
Heilongjiang Transport (601188.SH)	42.11	42.15	2.12	1.23	45.07	19.89	34.15	0.93	2.73	1.68	45.02	15.45	25.05	0.94
Jilin Expressway (601518.SZ)	39.30	39.43	8.95	3.94	44.71	4.40	9.98	0.88	8.41	3.18	41.10	4.69	12.34	0.96
Hunan Investment (000548.SZ)	26.31	30.67	1.32	0.35	18.61	23.16	75.25	1.41	1.51	0.52	18.36	20.34	50.70	1.43
		Maximum value				23.16	75.25	1.80		Maximum value		20.34	50.70	1.93
		Average value				11.33	18.58	0.96		Average value		9.77	13.02	0.99
		Median value				10.71	10.55	0.84		Median value		9.66	9.30	0.81
		Minimum value				4.40	7.27	0.47		Minimum value		3.93	6.03	0.49
		Target Company				9.24	18.79	1.55		Target Company		8.23	15.87	1.54

Source: Wind Information

Note 1: Market value = closing price of A-shares of the listed company as of December 31, 2022
* total share capital; enterprise value = market value + interest bearing liabilities as of December 31, 2022

Note 2: EV/EBITDA = enterprise value/EBITDA; P/E = market value/net profit attributable to shareholders of the parent company; P/B = market value/net assets attributable to shareholders of the parent company

Based on the above table, if calculated based on the upper limit of the estimated price of this transaction being RMB4 billion, the EV/EBITDA of the Target Company in 2022 is between the minimum and median values of comparable companies in the same industry, the P/E is basically equivalent to the average level of comparable companies in the same industry, and the P/B is within the valuation range of comparable companies in the same industry; the EV/EBITDA of the Target Company in 2021 is still between the minimum and median values of comparable companies in the same industry, and the P/E and P/B are within the valuation range of comparable companies in the same industry.

If it is assumed that the Target Company increases its asset-liability ratio to be in line with that of the Company as of the end of 2022 (i.e. 36.61%) by increasing a certain amount of interest-bearing liabilities at a loan interest rate of 3.70% (calculated with reference to the interest expense of Anhui Expressway in 2022/the average interest-bearing liabilities at the end of 2021 and 2022), the P/E of the Target Company will fall to 16.39x, which is between the median value and average of comparable companies in the same industry; the P/E in 2021 will fall to 13.53x, which is within the valuation range of comparable companies in the same industry.

In general, the upper limit of the estimated price of the Target Company being RMB4 billion is reasonable given that the corresponding valuation indicators such as the EV/EBITDA, P/E and P/B are all within the valuation range of comparable companies and comparable transactions in the same industry, and the EV/EBITDA that may better reflect its profitability is between the minimum and average of comparable companies and comparable transactions in the same industry, which is reasonable.

II. Profitability, asset-liability ratio, and remaining toll collection period of other expressway assets within the Company

(I) Profitability

In 2021 and 2022, the gross profit margin of other expressway assets within the Company is as follows:

	Revenue in 2022 (RMB0,000)	Cost of sales in 2022 (RMB0,000)	Gross profit margin in 2022	Revenue in 2021 (RMB0,000)	Cost of sales in 2021 (RMB0,000)	Gross profit margin in 2021
Hening Expressway	117,919.59	46,425.40	60.63%	118,224.95	46,084.43	61.02%
Gaojie Expressway	91,020.32	18,976.89	79.15%	87,792.60	19,671.19	77.59%
Lianhuo Expressway	24,881.40	12,718.91	48.88%	25,464.10	14,997.90	41.10%
Ninghuai Expressway						
Tianchang Section	11,197.13	4,829.09	56.87%	11,344.59	5,053.72	55.45%
New Tianchang Section of						
National Trunk 205	6,817.39	3,817.49	44.00%	6,121.98	4,200.02	31.39%
Xuanguang Expressway	52,847.89	14,083.15	73.35%	65,691.52	14,266.61	78.28%
Guangci Expressway	11,555.73	2,133.81	81.53%	13,762.77	1,895.15	86.23%
Ningxuanhang Expressway	9,955.31	27,485.35	-176.09%	11,088.64	26,104.40	-135.42%
Anqing Yangtze River						
Expressway Bridge	32,699.77	6,374.23	80.51%	34,099.41	5,952.86	82.54%
Yuewu Expressway	13,097.77	14,433.53	-10.20%	13,010.93	16,803.84	-29.15%
Total¹	371,992.29	151,277.86	59.33%	386,601.48	155,030.11	59.90%
Liuwu Expressway	52,415.16	22,466.91	57.14%	55,998.19	20,760.75	62.93%

Source: Announcements from the Company

Note: The overall gross profit margin of Anhui Expressway's expressway business = 1- the sum of the cost of sales of each expressway in the current year/the sum of the revenue of each expressway in the current year

According to the above table, there is a significant difference in gross profit margin among different expressway assets within the Company. The overall gross profit margin of the Company's expressway business in 2021 and 2022 was 59.90% and 59.33%, respectively. Based on the unaudited financial data of the Target Company, the gross profit margin of the Target Company in 2021 and 2022 was 62.93% and 57.14%, respectively, which is higher than that of Lianhuo Expressway, New Tianchang Section of National Trunk 205, Ningxuanhang Expressway, and Yuewu Expressway, and lower than that of Gaojie Expressway, Xuanguang Expressway, Guangci Expressway, and Anqing Yangtze River Expressway Bridge. It is basically equivalent to the overall gross profit level of Hening Expressway, Ninghuai Expressway Tianchang Section, and the Company's expressway business.

Considering that it is difficult to allocate the Company's other expenses and expenditures to each expressway item in practice, a further comparative analysis between the overall profitability indicators of the Company and the Target Company is conducted as follows:

Item	Target Company		Anhui Expressway	
	2022	2021	2022	2021
Gross profit margin	57.14%	62.93%	59.42%	59.69%
Operating profit margin	54.16%	60.31%	52.15%	54.05%
EBITDA margin	82.60%	86.84%	79.58%	79.44%
Net profit margin	40.61%	45.01%	38.14%	38.62%
Return on total assets	8.21%	9.56%	6.78%	7.60%

Note 1: Gross profit margin = 1 – cost of sales/revenue; operating profit margin = operating profit/revenue; EBITDA margin = EBITDA/revenue; net profit margin = net profit attributable to shareholders of the parent company/revenue; return on total assets = net profit attributable to shareholders of the parent company/total assets as at the end of the year.

Note 2: The construction period income/cost of the Xuanguang Expressway expansion project has been excluded from the calculation of the gross profit margin and operating profit margin of Anhui Expressway in 2022.

Note 3: Considering the difference in asset-liability ratio between the Target Company and the Company, the comparability of the return on equity may be lower. Therefore, the return on net assets is not used for comparative analysis of profitability.

The Company is an enterprise group with certain headquarter management costs and expenditures, and is also involved in a small number of other businesses and external investments outside of its main business of expressways. The Target Company, on the other hand, focuses on the operation and management of the Target Company and its related ancillary facilities, and its management structure is relatively simple and direct. Therefore, the profitability indicators such as operating profit margin, EBITDA margin, net profit margin, and return on total assets of the Target Company are better than the overall level of the Company, reflecting the good profitability of the Target Company.

(II) Asset-liability ratio

As of 31 December 2022, the total liabilities of the Company amounted to approximately RMB7.799 billion, and the asset-liability ratio was 36.61%. The interest-bearing liabilities amounted to approximately RMB6.776 billion, accounting for approximately 31.81% of the total assets. The Target Company did not have any interest-bearing liabilities, and there is a significant difference between the two companies in terms of asset-liability ratio and the proportion of interest-bearing liabilities.

Generally speaking, with other influencing factors remaining consistent, the differences in the capital structure of an enterprise are often reflected in various aspects including interest-bearing liabilities, finance costs, and debt repayment risk, which in turn have an impact on its equity value and the corresponding valuation indicators. Taking the Target Company as an example, if the Target Company incurs a certain amount of interest-bearing liabilities, although the increase in financial expenses will result in a slight decrease in net profit, the decline in equity value after deducting interest-bearing liabilities will be more significant, resulting in a significant decrease in P/E ratio corresponding to the valuation of the Target Company.

Assuming that the Target Company incurs a certain amount of interest-bearing liabilities at an interest rate of 3.70% (calculated based on the average of interest expenses and interest-bearing liabilities at the end of 2021 and 2022 of the Company), and based on the estimated price cap of RMB4 billion without leverage, the impact on the valuation indicators of the Target Company is as follows:

Scale of interest-bearing liabilities

<i>(RMB100 million)</i>		0	5	10
Equity value <i>(RMB100 million)</i>		40	35	30
Asset-liability ratio		0.37%	19.66%	38.95%
EV/EBITDA	2022	9.24	9.24	9.24
	2021	8.23	8.23	8.23
P/E ratio	2022	18.79	17.59	16.21
	2021	15.87	14.70	13.38
P/B ratio	2022	1.55	1.68	1.90
	2021	1.54	1.67	1.87

Note 1: Assuming the equity value after considering interest-bearing liabilities = estimated price without leverage – scale of interest-bearing liabilities

Note 2: The above calculation takes into account the tax offset effect of interest on interest-bearing liabilities at a tax rate of 25%

Note 3: The Target Company's asset-liability ratio is calculated based on the simulated unaudited financial data for 2022

According to the table above, the change in the Target Company's asset-liability ratio is not expected to affect its EV/EBITDA. However, if the scale of the Target Company's interest-bearing liabilities increases, the P/E ratio corresponding to the estimated price cap of RMB4 billion will decrease accordingly. While its P/B ratio may increase to some extent, it still remains within the valuation range of comparable companies and transactions in the same industry as previously mentioned.

Therefore, as the Target Company currently does not have any interest-bearing liabilities and its financial leverage has not been fully utilized, the difference in asset-liability ratio between the Target Company and the Company objectively leads to a certain degree of higher P/E ratio for the Target Company than the overall valuation level, which is reasonable.

(III) Remaining toll collection period

Generally speaking, the valuation level of expressway companies gradually decreases as operating time increases and the remaining toll collection period decreases. Therefore, the valuation analysis of expressway assets should also be linked to their toll collection period.

As of 31 March 2023, the remaining toll collection periods approved for other expressways within the Company are as follows:

	Remaining toll collection period <i>(year)</i>
Hening Expressway ¹	8.38
Gaojie Expressway	6.51
Lianhuo Expressway	9.26
Ninghuai Expressway	9.22
Tianchang Section	
New Tianchang Section of	3.76
National Trunk 205	
Xuanguang Expressway	5.32
Guangci Expressway	6.31
Ningxuanhang Expressway	Xuanning Section, Ningqian Section and Lixuan Section ranged from 20.45 to 24.76 years, respectively
Anqing Yangtze River	10.75
Expressway Bridge	
Yuewu Expressway	22.77

Note: The reconstruction and expansion of Hening Expressway was opened to traffic in December 2019, the concession period granted was tentatively set as 5 years from the expiration date of the original toll collection period for Hening Expressway (15 August 2026)

Based on the table above, the Company's main road assets have gradually entered a mature stage. Although the Company has extended the toll collection period of some sections through expansion and renovation, it still faces the problem of decreasing toll collection periods year by year. As of 31 March 2023, except for Ningxuanhang Expressway and Yuewu Expressway, the remaining toll collection periods approved for other expressway assets within the Company are relatively short. The remaining toll collection periods for the Gaojie Expressway, Xuanguang Expressway, Guangci Expressway and Anqing Yangtze River Expressway Bridge, which have a higher gross profit margin, are 6.51 years, 5.32 years, 6.31 years and 10.75 years, respectively. In contrast, the remaining toll collection period for the Target Company is approximately 16.75 years, significantly longer than the approved remaining toll collection period of other major road assets within the Company.

The longer remaining toll collection period of the Target Company objectively means that it is able to generate income, profit, and cash flow for a longer period of time, which may result in its valuation multiple corresponding to current static financial indicators being somewhat higher than the overall situation of the Company.

In summary, the Target Company's gross profit margin level is basically comparable to the overall gross profit margin of the Company's expressway business. Other profit indicators such as operating profit margin, EBITDA margin, net profit margin, and return on total assets are better than those of the Company. Moreover, considering that the Target Company's asset-liability ratio is relatively low and its financial leverage has not been fully utilized, and that the toll collection period of the Target Company is significantly longer than the approved remaining toll collection period of other major road assets within the Company, it objectively brings more long-term income, profit, and cash flow, which makes the Target Company's valuation indicators somewhat higher than the overall level of the Company, which is reasonable.

III. Basis and rationality of the estimated value of the Target Company

As of the date of the Reply Report Announcement, the audit and valuation work of the Target Company has not been completed, and the evaluated value of the Target Asset and the consideration have not been determined. The estimated price of the transaction is determined through negotiation between the Company and the counterparty based on the asset situation and historical operating conditions of the Target Company, reference to the valuation of comparable companies and transactions in the same industry, and the comparison of asset-liability ratio, profitability, and remaining toll collection period between the Target Company and the Company.

The final consideration of the Target Asset will be based on the appraised value stated in the Asset Valuation Report issued by the qualified asset appraisal agency that complies with relevant laws and regulations and has been approved or filed by the state-owned assets supervision and administration authority or its authorized agency, and determined through negotiation between the Company and the counterparty. If the valuation result of the income approach is finally used as the pricing basis for the Target Company of the Reorganisation, the Company will sign relevant agreements with the counterparty on performance commitment, compensation, impairment testing and other matters in accordance with the relevant requirements of the Measures for the Reorganisations.

As the audit and valuation work of the Target Company has not been completed, the unaudited financial data and preliminary estimated pricing of the Target Company in the Reply Report Announcement may be adjusted based on the further progress of the audit and valuation work and may differ from the audited financial data or final consideration. Investors are advised to pay attention to the relevant risks. The audited financial data, valuation results and final consideration of the Target Company will be disclosed in the Reorganisation Report.

The Company has made supplementary disclosures in “Section VI. Estimation and Pricing of the Target Company” of the Reorganisation Proposal regarding the valuation of comparable transactions and comparable companies in the same industry, the comparison of the profitability, asset-liability ratio and remaining toll collection period of Liuwu Expressway and other expressway assets within the Company, as well as the basis of the estimated value of Liuwu Expressway and its reasonableness.

Question 2: According to the official website of the controlling shareholder Anhui Transportation Holding Group, Anhui Transportation Holding Group currently operates 4,961 kilometers of expressways, accounting for 91% of the province, and has over 1,140 kilometers of expressways under construction. The Company has previously acquired in cash the 100% equity interests and related debt of Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company (安徽安慶長江公路大橋有限責任公司), as well as two road assets, Anqing Yangtze River Expressway Bridge and Anhui Section of Yuewu Expressway under Bridge Company (大橋公司) from the controlling shareholder. Please supplement and disclose the current status of the controlling shareholder’s expressway assets and explain whether the transaction is beneficial for the Company to reduce related-party transactions, avoid horizontal competition, and enhance independence.

Response:

I. Current status of Anhui Transportation Holding Group’s expressway assets

As of 31 March 2023, apart from the expressway assets held through the Company and its holding subsidiaries, the major expressway assets held by Anhui Transportation Holding Group and its holding subsidiaries are set out in the table below:

Operators	Name of expressways	Origin destination	Date of commencing operation	Proportion of interests
Anhui Transportation Holding Group	Haochaowu Expressway	Wuhu-Hefei	2005	100%
	Jiefubeng Expressway	Huaiyuan-Jieshou	2004	100%
	He’an Expressway	Hefei-Anqing	2002	100%
	Wuxuan Expressway	Wuhu-Xuancheng	2003	100%

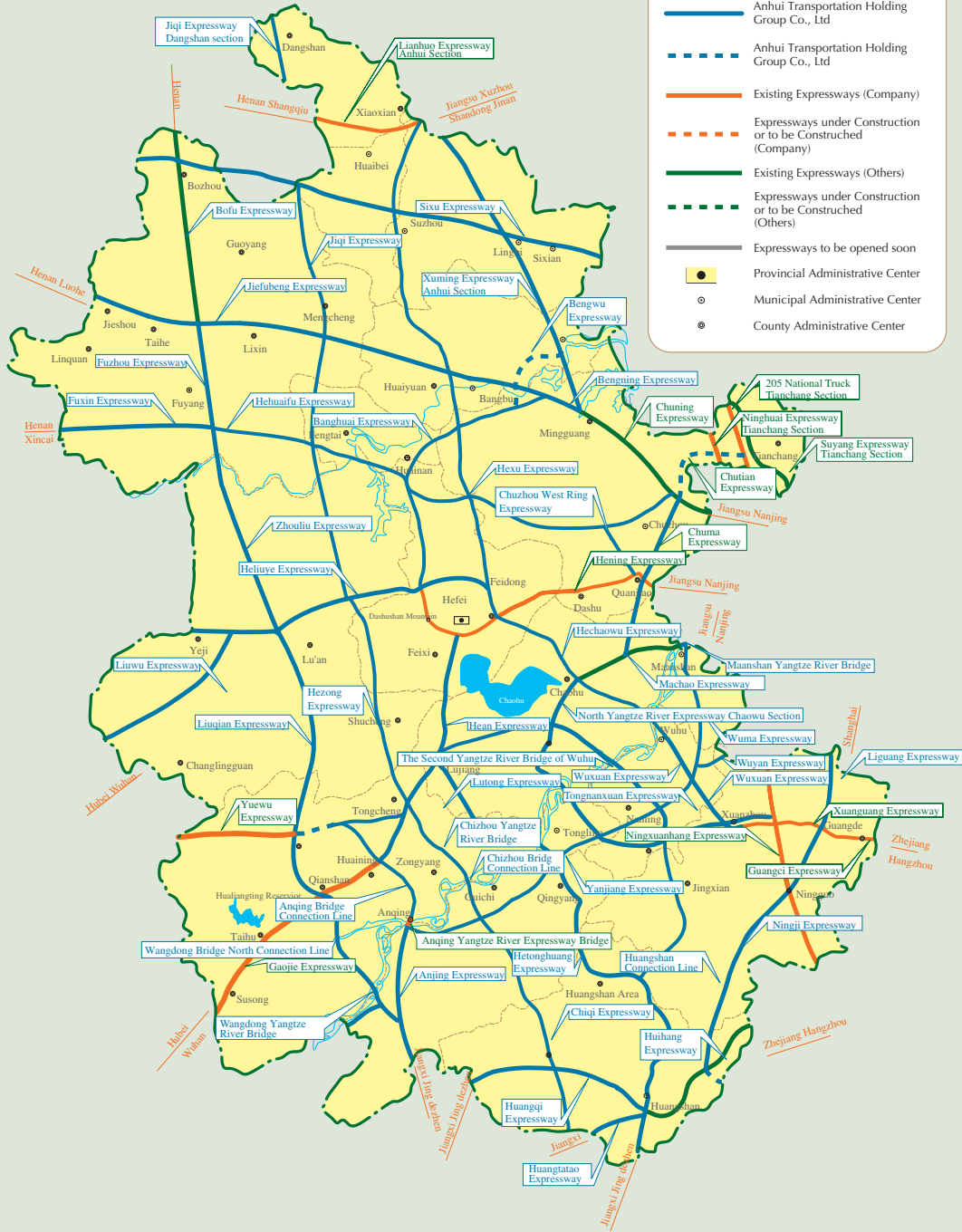
Operators	Name of expressways	Origin destination	Date of commencing operation	Proportion of interests
	Hexu North Expressway	Bengbu-Xuzhou	2003	100%
	Anqing Bridge Connection Line	–	2004	100%
	Lutong Expressway	Lujiang-Tongling	2005	100%
	Mawu Expressway	Maanshan-Wuhu	2005	100%
	Tongling Branch Line	–	2007	100%
	Tonghuang Tongtang Section	Tongling-Tangkou	2007	100%
	Tonghuang Tongtun Section	Tangkou-Tunxi	2008	100%
	Heiluye Expressway	Feixi-Yeji	2007	100%
	Hehuaifu Expressway	Hefei-Fuyang	2007	100%
	Anjing Expressway	Anqing-Jingde Town	2008	100%
	Huangtatao Expressway	Hongli-Taolin	2008	100%
	Fuzhou Expressway	Fuyang-Zhouji	2009	100%
	Liuqian Expressway	Liu'an-Qianshan	2009	100%
	Sixu Suzhou Section	Zhangdian-Niuji	2010	100%
	Sixu Bozhou Section	Zhenglou-Guolou	2011	100%
	Jihuang Expressway	Jixi-Jingde	2011	100%
	Zhouliu Expressway	Zhouji-Liu'an	2011	100%
	Sixu Huaibei Section	Gurao-Suixi	2012	100%
	Maanshan East Ring Expressway	Geyang-Yushan Road	2012	100%
	Banghuai Expressway	Bengbu-Huainan	2012	100%
	Xinqiao Airport Expressway	Gaoliu-Nanguang	2012	100%
	Fuxin Expressway	Fuyang-Linquan	2013	100%
	Maanshan Bridge	–	2013	100%
	Xuming Expressway	Lingbi-Mingguang	2014	100%
	Jiqidangshan Section	Shanxian-Yongcheng	2015	100%
	Jiqiyongli Section	Yongcheng-Lixin	2015	100%
	Dongjiu Anhui Section	Dongzhi Pangcun-Yingshanjian	2015	100%
	Tongnanxuan Expressway	Tongling-Nanling-Xuancheng	2015	100%
	Chuma Expressway	Chuzhou-Maanshan	2015	100%
	Wangdong Yangtze River Bridge	–	2016	100%
	Jiqilihuai Section	Lixin-Huainan	2016	100%
	Jiqihuaihe Section	Huainan-Hefei	2016	100%

Operators	Name of expressways	Origin destination	Date of commencing operation	Proportion of interests
	Sixu Sixian Section	Xiaoliangxiang-Beidapengzhuang	2017	100%
	Chaowu Expressway	Lintou-Hetian	2017	100%
	Wuhu Second Bridge	Shijian-Eshan	2017	100%
	Chuhuai Expressway Chuding Section	Huangnigang-Cangzhen	2018	100%
	Chuhuai Expressway Dingchang Section	Cangzhen-Luotang	2018	100%
	Guangning Expressway	Shijie-Helixi	2018	100%
	Chizhou Yangtze River Bridge	Huigong-Yinjiahui	2019	100%
	Chuzhou West Ring Expressway	Nanqiao- Quanjiao	2020	100%
	Gubeng Expressway	Guzhen -Huaishang	2021	100%
	Chiqi Expressway	Guichi -Shitai	2021	100%
	Wuhuang Expressway	Fanchang - Huangshan	2021	100%
	Chutian Expressway	Chuzhou-Tianchang	2022	100%
Anhui Transportation Yanjiang Expressway Public Offering REITs	Yanjiang Expressway	Chizhou-Anqing	2006	51%*
		Wuhu-Tongling	2007	51%
		Tongling-Chizhou	2008	51%
Anhui Anlian Expressway Co., Ltd.	Huxu South Expressway	Hefei-Bengbu	2001	98.86%
	Huangqi Expressway	Huangshan-Yimeng	2013	98.86%
Anhui Wuyan Expressway Co., Ltd.	Wuyan Expressway	Wuhu-Yanchi	2012	70%
Anhui Machao Expressway Co., Ltd.	Machao Expressway	Hexian-Hanshan	2013	51%
Anhui Yangji Expressway Co., Ltd.	Ningji Expressway	Ningguo-Jixi	2014	90%
Anhui Wangqian Expressway Co., Ltd.	Wangdong Bridge North Connection Line	–	2015	60%
Anhui Liguang Expressway Co., Ltd.	Liguang Expressway Anhui Section	Liyang-Guangde	2016	80%
Target Company	Liuwu Expressway	Huoqiu-Jinzhai	2009	100%
Anhui Yuehuang Expressway Co., Ltd.	Anqing Branch Line	Anqing-Anqing	2022	100%
	Huangqian Expressway	Huangshan-Huangshan	2022	100%
Anhui Hezong Expressway Co., Ltd.	Hezong Expressway	Hefei-Zongyang	2022	50.98%

Note: The equity ratio of Anhui Transportation Yanjiang Expressway Public Offering REITs is the direct shareholding ratio of Anhui Transportation Holding Group

The locations of the road assets held by the Company and Anhui Transportation Holding Group are indicated in the following diagram (for illustration purposes only):

The Map of the Highway Network of Anhui Province



In addition, as expressways are operated as a network, the Company provides entrusted management services to Anhui Transportation Holding Group and its controlling subsidiaries for the operation of their expressway sections, including asset maintenance, toll collection and inspection management, service management, maintenance management, and electromechanical and information management. Prior to the transaction, the Liuwu Expressway was also within the scope of the road assets under the aforementioned entrusted management by the Company for Anhui Transportation Holding Group.

II. Explanation on whether the transaction is beneficial for the Company to reduce related-party transactions, avoid industry competition, and enhance independence

(I) Whether the transaction is beneficial for the Company to reduce related party transactions:

Before the transaction, the Company and the Target Company mainly engaged in related party transactions with its controlling shareholder, Anhui Transportation Holding Group and other affiliated enterprises controlled by it. Specifically, in terms of related procurement, the Company and the Target Company mainly purchased services such as construction testing, research and design service, maintenance engineering management service, engineering construction management service, and toll settlement service from related parties. In terms of related sales, the Company mainly provided entrusted expressway management services to its related parties, and the Target Company had no related sales.

After the transaction, the Target Company will become a wholly-owned subsidiary of the Company, and the controlling shareholder of the Company and the Target Company will still be Anhui Transportation Holding Group. The original related party transactions of the Target Company will be included in the consolidated financial statements of the Company and become related party transactions of the Company.

Before and after the completion of the transaction, the specific amounts and proportions of related party transactions of the Company are as follows:

Item	2022	
	Before transactions	After transactions (pro forma)
Related sales (RMB0'000)	1,121.70	1,121.70
Operating revenue (RMB0'000)	520,636.64	573,051.80
Proportion in operating revenue	0.22%	0.20%
Related procurement (RMB0'000)	28,331.55	31,280.20
Operating cost (RMB0'000)	295,490.81	318,127.41
Proportion in operating cost	9.59%	9.83%

Note: As at the date of the Reply Report Announcement, the audit work of the Target Company has not been completed. Except for the financial data before the 2022 transactions, all other data has not been audited

Upon completion of the transaction, the proportion of related sales to operating revenue of the Company in 2022 decreased by 0.02% as compared with that before the transaction, the proportion of related procurement to operating costs increased by 0.24% as compared with that before the transaction. The above related procurement mainly includes necessary services such as construction inspection, design, maintenance, engineering, and road network operation required for the operation of expressways by the Company and the Target Company. The transactions between the Company and the Target Company are mainly due to their respective operational needs. Listed companies in the same industry, such as Shanxi Road and Bridge, Chutian Expressway, etc., all have the same or similar related party transactions. Among the aforesaid related procurement, the prices of engineering procurement transactions are mainly determined through the bidding results; the procurement prices of road network operation services are determined in accordance with the Toll Model of Anhui Province Networked Toll Collection Road Network Operation Service Fee* (《安徽省聯網收費路網運行服務費收取模式》) adopted by the Management Committee of Anhui Provincial Expressway Network Toll Collection; the pricing of other types of procurement follows the principle of fairness and reasonableness, and is determined on the basis of fair market rate. Therefore, it is reasonable and necessary to a certain extent for the Company to engage in transactions with relevant entities, and the pricing of related party transactions is fair.

Upon completion of the transaction, the Company will try its best to avoid and reduce related party transactions with its controlling shareholder and other enterprises under its control. For necessary related party transactions, the Company will strictly comply with the Listing Rules of the Shanghai Stock Exchange, the Articles of Association, and the relevant systems of related party transactions, fulfill corresponding decision-making procedures in accordance with the law, ensure that the prices of related party transactions are fair and reasonable, and fulfill information disclosure obligations in a timely manner.

In summary, according to the unaudited pro forma financial statements, after the implementation of the transaction, the percentage of related sales of the Company will be reduced, and the listed company will cease to collect entrusted management fees of Liuwu Expressway from Anhui Transportation Holding Group in the future, which is conducive to the reduction of related party transactions of the Company; although the transaction has increased the proportion of related procurement of the Company to a certain extent, it is reasonable and necessary and in line with the industry practice. The Company will formulate measures to regulate and reduce related party transactions to ensure that subsequent related party transactions meet the requirements of reasonableness, necessity and fairness. Therefore, the transaction is beneficial for the Company to reduce related party transactions.

(II) Whether the transaction is beneficial to the Company in avoiding horizontal competition

The expressways have obvious regional and directional characteristics. When choosing the expressways to drive on, only similar grade highways with the same or similar starting and ending points, and almost parallel within a relatively short distance, will have substantial horizontal competition. The same or similar identification criteria have also been adopted by listed companies in the same industry, such as Guangdong Expressway A, Shanxi Road and Bridge, Sichuan Road and Bridge, and Shandong Expressway.

Prior to the transaction, none of expressways held by Anhui Transportation Holding Group and its holding subsidiaries (other than Wantong Expressway and its holding subsidiaries) had the same or similar starting and ending points as those held by the Company and its holding subsidiaries, and were almost parallel within a relatively short distance to each other. Therefore, before the transaction, there was no substantial horizontal competition between the Company and Anhui Transportation Holding Group. At the same time, considering that the Company provides entrusted management services for the operating section of Anhui Transportation Holding Group and its holding subsidiaries, to a certain extent, it can avoid the horizontal competition between the Company and the controlling shareholder.

Although the starting and ending points are not exactly the same and are far apart, Liuwu Expressway (i.e. the target of the transaction) and Yuewu Expressway and Gaojie Expressway already held by the Company all serve to a certain extent the vehicles from Wuhan, Hubei to Shanghai, Nanjing and other places via Anhui Province, there is a certain degree of similarity in the direction of the routes.

After the transaction, the Company will own all the interests in Liuwu Expressway, Yuewu Expressway and Gaojie Expressway, and the Company will hold all three provincial expressways leading to Hubei from the central and southern parts of Anhui Province, forming a more significant road network effect, which is conducive to further avoiding horizontal competition between the Company and its controlling shareholder.

(III) Whether the transaction is beneficial to the Company in enhancing its independence

Prior to the transaction, the Company had established a standardised operating system in accordance with the relevant laws and regulations and was independent from the controlling shareholders, the de facto controllers and their related parties in terms of business, assets, finance, personnel and institutions.

Upon completion of the transaction, the controlling shareholder of the Company will remain to be Anhui Transportation Holding Group and the de facto controller will remain to be Anhui State-owned Assets Supervision and Administration Commission, and the transaction will not result in any changes in the controlling shareholders and de facto controllers of the Company. The Company will continue to maintain its independence in terms of business, assets, finance, personnel and institutions, in compliance with the relevant regulations of the CSRC on the independence of listed companies.

In summary, the transaction is beneficial to the Company in reducing related party transactions, avoiding horizontal competition and enhancing independence.

The Company has made supplementary disclosures in “Section VIII. Other Significant Matters” of the Reorganisation Proposal regarding the expressway assets of Anhui Transportation Holding Group and whether the transaction is beneficial to the Company to reduce related party transactions, avoid horizontal competition and enhance independence.

Announcement is hereby made.

The Board of Anhui Expressway Company Limited

16 May 2023