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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION:
BITUMEN PURCHASE CONTRACT**

The Board announces that, on 30 November 2023, Guangxuan Company, a subsidiary of the Company, entered into the Purchase Contract with (among others) ATMT. Pursuant to the Purchase Contract, Guangxuan Company agreed to purchase bitumen for the Widening Work from (among others) ATMT. The Users to the Purchase Contract are responsible for compiling and submitting the material consumption plan, quality inspection, storage and use of the material.

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As ATMT is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATMT is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction with ATMT under the Purchase Contract constitutes a continuing connected transaction of the Company.

As the highest applicable percentage ratio in respect of the continuing connected transaction under the Purchase Contract exceeds 0.1% but does not exceed 5% on an annual basis, and such transaction is conducted on normal commercial terms, it is exempt from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

THE PURCHASE CONTRACT

Date: 30 November 2023

Parties:

- (1) Guangxuan Company (as the purchaser);
- (2) ATMT (as a supplier), a company incorporated in accordance with the laws of the PRC and a wholly-owned subsidiary of Anhui Transportation Holding Group, and therefore a connected person of the Company under the Listing Rules;
- (3) Shandong Expressway Supplies Group Co., Ltd.* (山東高速物資集團有限公司) (as a supplier), a company incorporated in accordance with the laws of the PRC (“**SESG**”);
- (4) Anhui Highway & Port Engineering Co., Ltd.* (安徽省路港工程有限公司) (as a user) (“**Anhui Highway & Port**”);
- (5) CCCC Third Highway Engineering Co., Ltd.* (中交第三公路工程局有限公司) (as a user) (“**CCCC Highway**”);
- (6) China Railway Tunnel Group Co., Ltd.* (中鐵隧道局集團有限公司) (as a user) (“**China Railway Tunnel**”);
- (7) China Railway 23rd Bureau Group Co., Ltd.* (中鐵二十三局集團有限公司) (as a user) (“**China Railway Group**”);
- (8) Guizhou Bridge Construction Group Co., Ltd.* (貴州橋樑建設集團有限責任公司) (as a user) (“**Guizhou Bridge Construction**”);
- (9) Road & Bridge International Co., Ltd.* (中交路橋建設有限公司) (as a user) (“**Road & Bridge International**”);
- (10) Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司) (as a user) (“**ATEGC**”); and
- (11) Anhui Water Resources Development Co., Ltd.* (安徽水利開發有限公司) (as a user) (“**Anhui Water Resources**”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, SESG and the Users to the Purchase Contract are third parties independent of and not connected with the Company (or any of its subsidiaries) and its connected persons except for ATEGC, which is a wholly-owned subsidiary of Anhui Transportation Holding Group and the sole shareholder of ATMT.

Subject Matter

Pursuant to the Purchase Contract and as confirmed by the parties to the contract, Guangxuan Company agreed to purchase Grade A No.70 paving bitumen and Grade A No.70 paving bitumen used for producing PC-2 emulsified bitumen (slow breaking), SBS modified bitumen and PCR fast-breaking modified emulsified bitumen for the Widening Work from ATMT and SESG (where ATMT and SESG shall be respectively responsible for 60% and 40% of the procured amount). The Users to the Purchase Contract are responsible for compiling and submitting the material consumption plan, quality inspection, storage and use of the material.

Agreement Term

The term of supply shall be 17 months tentatively, subject to the actual needs of the Users to the Purchase Contract.

Prices

Pursuant to the Purchase Contract, the unit bidding price of bitumen to be supplied by ATMT and SESG are as follows (inclusive of transportation and loading/unloading charges):

Grade A No.70 paving bitumen:	RMB4,270/tonne;
PC-2 emulsified bitumen (slow breaking):	RMB2,705/tonne;
SBS modified bitumen:	RMB4,760/tonne;
PCR fast-breaking modified emulsified bitumen:	RMB3,565/tonne.

The above price will be adjusted monthly from the date of on-site supply. The ex warehouse for the bitumen shall be calculated on a floating price basis, but no adjustment will be made to fixed fees such as transportation charges and miscellaneous fees. Where the indicative price differs from the base reference price within a 5% range ($\pm 5\%$), the relevant risk will be borne by the purchaser or the suppliers as the case may be, and no adjustment will be made; where the indicative price exceeds 105% of the base reference price, such difference in the price of the material shall be borne by the purchaser entirely; where the indicative price falls below 95% of the base reference price, such difference in the price of the material shall be deducted by the purchaser from the calculated settlement price payable to the suppliers.

Of which: the indicative price is the price of the relevant type of product announced in the Indicative Prices for Externally Procured Materials for Communication Construction in Guangdong Province* (《廣東省交通建設工程主要外購材料信息價》) issued by Guangdong Communications Engineering Cost Administration Station* (廣東省交通運輸工程造價管理站) in the month of delivery for the corresponding products, and the base reference price is the price of the relevant type of product announced in the Indicative Prices for Externally Procured Materials for Communication Construction in Guangdong Province for June 2023* (《廣東省交通建設工程主要外購材料信息價(2023年6月)》) issued by Guangdong Communications Engineering Cost Administration Station* (廣東省交通運輸工程造價管理站).

Basis for Prices and Payment Terms

The unit price of the Purchase Contract is the successful bid price submitted by ATMT in the tender for the provision of products under the Purchase Contract. To ensure that the price is on normal commercial terms, the Purchase Contract shall be awarded to a supplier selected by way of open tender. At least 3 suppliers have participated in the tender and the tender process has complied with the relevant local regulations. The factors considered by the Company in the bidding procedure include (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant product; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set. In addition, the Purchase Contract has set a mechanism whereby the purchase price is adjusted on a monthly basis with reference to the Indicative Prices for Externally Procured Materials for Communication Construction in Guangdong Province* (《廣東省交通建設工程主要外購材料信息價》).

According to the Purchase Contract, after the products are delivered to the site and pass the on-site inspection, Guangxuan Company will measure and pay on a monthly basis. 95% of the contract price of a batch of contract materials shall be paid as the progress payment each time. After the expiration of the warranty period of all contract materials, the remaining 5% of the contract price shall be paid by the purchaser as the settlement payment within 28 days if no error has been found after receiving the certificate of expiration of the warranty period submitted by the suppliers and signed by the purchaser. The aforesaid amount will be settled by Guangxuan Company's own funds and/or bank borrowings.

Annual Caps

The maximum annual values (i.e. the Annual Caps) of the transaction for Guangxuan Company's procurement of bitumen from ATMT under the Purchase Contract for each financial year ending 31 December 2023, 31 December 2024 and 31 December 2025 shall be RMB10,000,000, RMB249,000,000 and RMB76,766,094.08 respectively, which have been determined with reference to (1) the estimated usage volume for the relevant materials, including the wastage volume; (2) the contractual unit price for the relevant materials; (3) expected progress of the construction; and (4) the proportion of supply to be provided by ATMT under the Purchase Contract, etc..

Reasons for and Benefits of the Purchase Contract

The transactions under the Purchase Contract are for the purpose of purchasing of raw materials for the Widening Work. Guangxuan Company selected the suppliers for the abovementioned bitumen procurement by way of public tender. ATMT won the bids to become one of the suppliers of bitumen for the Widening Work.

Confirmation by the Board

The resolution in relation to the approval of the transactions under the Purchase Contract was considered and approved at the 29th meeting of the ninth session of the Board of the Company held on 30 March 2023. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, then Directors of the Company, were directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. As such, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interest in the transaction under the Purchase Contract and have abstained from voting on the resolution on the continuing connected transaction in relation to the Purchase Contract under the Listing Rules.

Save as aforesaid, none of the Directors has any material interests in the transactions under the Purchase Contract or is required to abstain from voting on the relevant Board resolution.

After considering the abovementioned reasons and benefits, the Directors (including the independent non-executive Directors) of the Company are of the view that the terms and Annual Caps under the Purchase Contract are fair and reasonable and on normal commercial terms and the continuing connected transaction under the Purchase Contract is 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.

Information of the Parties

Guangxuan Company is mainly engaged in highway management and maintenance; construction engineering design; catering services; accommodation services; retail of refined oil products (excluding hazardous chemicals); repair and maintenance of motor vehicles; general merchandise sales; advertising design and agency; advertising production, etc..

ATMT is mainly engaged in building materials sales; manufacturing of non-metallic minerals products; sales of non-metallic minerals and products; metal materials sales; sales of surface functional materials; sales of building and ornament materials; sales of anti-corrosive materials; sales of ecological environment materials, etc..

SESG is mainly engaged in manufacturing and sale of bitumen products, bitumen modifiers, wires, cables, fibre optic cables, electromechanical equipment, bridge bearings, construction materials, mechanical equipment, hardware tools, insulation materials, waterproofing materials, fuel oil, bridge expansion joints, rubber bearings, silicon core pipes, bitumen, chemical products (excluding hazardous and toxic chemicals), steel, timber, cement, heavy oil, residual oil, stone, lubricating oil, coal, coke, automobiles (including sedan cars), mineral products, garments, textiles and raw materials, handicrafts, food and agricultural products, rubber and its products, paper, pulp, cotton, glass; sale of non-ferrous metals; purchase and sale of wax oil on a commission basis; manufacturing, processing and sale of kerosene (limited to 7# above and with a flash point of above 61°C); storage and sale of low-sulphur fuel oil; wholesale and retail of pre-packaged and bulk foods; manufacturing, sale and

installation of traffic equipment, traffic safety facilities, traffic signs and scutcheon; bidding agent for construction and supervision of highway projects; warehouse storage (excluding hazardous and toxic chemicals); house leasing; site leasing services; import and export business.

ATEGC is one of the contractors of the Widening Work and is mainly engaged in construction works; specialised construction work; production of prestressed concrete railway bridge simple-support beam products; production of steel reinforcement products for construction; construction of landscaping projects; manufacturing of concrete structure components; sales of concrete structure components; manufacturing of cement products; sales of cement products; manufacture of metal structures; sale of metal structures, etc..

Anhui Highway & Port is one of the contractors of the Widening Work and is mainly engaged in general contracting for highway engineering construction; general contracting for port and waterway engineering construction; general contracting for water conservancy and hydropower construction; general contracting for electromechanical engineering construction; specialised contracting for bridge engineering; specialised contracting for highway pavement engineering; specialised contracting for highway subgrade engineering; general contracting for building construction engineering, etc..

CCCC Highway is one of the contractors of the Widening Work and is mainly engaged in management of construction projects; engineering survey and design; contracting of overseas engineering projects that are compatible with its strength, size and performance, and dispatching labor personnel required for the implementation of the above overseas projects; general construction contracting; specialised contracting, etc..

China Railway Tunnel is one of the contractors of the Widening Work and is mainly engaged in construction of landscaping projects; advertisement publication (non-broadcast radio stations, television stations, newspaper and magazine publishing units); technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; leasing of non-residential properties; housing leasing; external contracting; engineering management services; engineering and technology research and experimental development; engineering technical services (other than planning and management, survey, design and supervision), etc..

China Railway Group is one of the contractors of the Widening Work and is mainly engaged in construction works; construction engineering design; construction engineering survey; inspection and testing services; real estate development and operation; catering services; food sales; accommodation services; timber harvesting and transportation; forestry seed production and operation; construction of landscaping projects; external contracting projects, etc..

Guizhou Bridge Construction is one of the contractors of the Widening Work and is mainly engaged in project management business; leasing of machinery and construction equipment, sales and maintenance of machinery and construction equipment; construction of water conservancy and hydropower engineering; construction of port and waterway engineering; construction of building decoration engineering, etc..

Road & Bridge International is one of the contractors of the Widening Work and is mainly engaged in management of construction projects; engineering survey and design; contracting of overseas engineering projects that are compatible with its strength, size and performance, and dispatching labor personnel required for the implementation of the above overseas projects; general construction contracting; specialised contracting; urban garden greening, etc..

Anhui Water Resources is one of the contractors of the Widening Work and is mainly engaged in construction of water conservancy engineering, architectural engineering, highway engineering, port and waterway engineering, municipal public works, electromechanical engineering and urban landscape and greening engineering; specialised beam engineering construction; engineering survey, planning, design, consultation service; investment in and operation of infrastructure and environmental protection projects; development of water conservancy and hydropower resources; real estate development; processing, manufacturing and installation of metal structures; leasing and sale of construction machinery and materials.

Implications under the Listing Rules

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As ATMT is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATMT is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction with ATMT under the Purchase Contract constitutes continuing a connected transaction of the Company.

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DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated under the PRC law
“Annual Cap(s)”	the maximum aggregate annual value(s) for the continuing connected transaction under the Purchase Contract
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Anhui Transportation Holding Group
“ATMT”	Anhui Transportation Material Technology Co., Ltd.* (安徽交控材料科技有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Anhui Transportation Holding Group
“Board”	The board of directors of the Company
“Company”	Anhui Expressway Company Limited, a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Stock Exchange, and the A shares of which are listed on the Shanghai Stock Exchange in the PRC
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangxuan Company”	Anhui Province Guangxuan Expressway Limited Liability Company* (安徽省廣宣高速公路有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	the percentage ratio(s) (other than the profits ratio and the equity capital ratio) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Purchase Contract”	the purchase contract entered into by Guangxuan Company with (among others) ATMT on 30 November 2023 in respect of the purchase of bitumen under the Widening Work
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Users to the Purchase Contract”	Anhui Highway & Port, CCCC Highway, China Railway Tunnel, China Railway Group, Guizhou Bridge Construction, Road & Bridge International, ATEGC and Anhui Water Resources
“Widening Work”	the reconstruction and widening work in respect of the expansion of Xuanguang Expressway (Guangde – Xuancheng Section of G50 Huyu Expressway) carried out by Guangxuan Company
“%”	per cent

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

Hefei, Anhui, the PRC
30 November 2023

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

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

* *Translation for identification purpose only*