

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

ANNOUNCEMENT

CONNECTED TRANSACTION: GENERAL CONTRACTING AGREEMENT FOR MAINTENANCE AND REFINED UPGRADING PROJECT OF EXPRESSWAY TRAFFIC SAFETY FACILITIES

The Board announces that on 17 July 2024, the Company entered into the General Contracting Agreement for Maintenance and Refined Upgrading Project of Expressway Traffic Safety Facilities (the “**General Contracting Agreement**”) with ATEGC, pursuant to which the Company engaged ATEGC to provide general contracting services regarding the maintenance and refined upgrading project of safety facilities of expressways operated by the Company’s Chuzhou Center, including painting of expressway section marking lines, upgrading of guardrails, upgrading of open guardrails in the central divider, replacement of 100-meter signs, replacement of reflective panels on bridges, replacement of separation barriers, addition of crash cushions, addition of signs, and repair and addition of sound barriers, etc.

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

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

GENERAL CONTRACTING AGREEMENT

Date: 17 July 2024

Parties

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

Subject Matters

Pursuant to the General Contracting Agreement, the Company engaged ATEGC to provide general contracting services regarding the maintenance and refined upgrading project of safety facilities of expressways operated by the Company's Chuzhou Center, including painting of expressway section marking lines, upgrading of guardrails, upgrading of open guardrails in the central divider, replacement of 100-meter signs, replacement of reflective panels on bridges, replacement of separation barriers, addition of crash cushions, addition of signs, and repair and addition of sound barriers, etc.

Agreement Term

The construction period of the upgrading project under the General Contracting Agreement shall be 6 months and the actual commencement time of the project shall be subject to the commencement notification issued by the supervision engineer.

Fees

Pursuant to the General Contracting Agreement, the total fee charged by ATEGC to the Company shall be RMB10,644,976.18.

Basis for Fees and Payment Terms

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

The fees under the General Contracting Agreement shall be paid by the Company to ATEGC within 42 days after the acceptance inspection of the project, and 3% of the project payments shall be withheld as the warranty deposit. The warranty deposit shall be refunded upon the expiry of the warranty period (12 months), if no quality problems are found as audited by a third-party audit unit. The aforesaid fees will be paid out of the internal funds of the Company.

REASONS FOR AND BENEFITS OF GENERAL CONTRACTING AGREEMENT

The connected transaction under the General Contracting Agreement is work that must be carried out by the Company during daily operations. The General Contracting Agreement has undergone open tenders and is the result of successful bids made by ATEGC. ATEGC possesses the qualifications related to maintenance, traffic safety and electromechanics, such as the first-grade qualification for general contracting of highway engineering construction, the first-grade qualification for professional contracting of highway safety facilities, and the second-grade qualification for professional contracting of steel structure engineering. During the bidding process, the Company has considered the aforementioned factors in this announcement and the qualifications of ATEGC, and has decided to accept the tender of ATEGC and engage it to provide the above-mentioned general contracting services.

CONFIRMATION OF THE BOARD

At the forty-fourth meeting of the ninth session of the Board of the Company held on 28 March 2024, the resolution in relation to the approval of the General Contracting Agreement was considered and approved. Xiang Xiaolong, and Chen Jiping, then directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong and Chen Jiping were considered to have interests in the General Contracting Agreement, and have abstained from voting on the resolution on the connected transaction under the General Contracting Agreement under the Listing Rules. Save as aforesaid, none of the directors has any material interests in the General Contracting Agreement and is required to abstain from voting on the relevant Board resolution.

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

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As ATEGC is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATEGC is an associate of Anhui Transportation Holding Group and is therefore also a connected person of the Company. Accordingly, the transaction under the General Contracting Agreement constitute connected transaction of the Company.

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

INFORMATION ON THE PARTIES TO GENERAL CONTRACTING AGREEMENT

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

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

DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated in accordance with the laws of the PRC
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Anhui Transportation Holding Group
“Board”	the board of directors of the Company
“Company”	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the overseas listed shares of which are listed on the Stock Exchange, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“General Contracting Agreement”	the general contracting agreement for the maintenance and refined upgrading project of expressway traffic safety facilities entered into between the Company and ATEGC on 17 July 2024
“percentage ratio(s)”	the percentage ratio(s) (other than the profits ratio and 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, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hefei, Anhui, the PRC
17 July 2024

As at the date of this announcement, the Board of the Company comprises: Wang Xiaowen (chairman), Yu Yong, Chen Jiping and Wu Changming as executive directors, Yang Xudong and Du Jian as non-executive directors, and Zhang Jianping, Lu Taiping and Zhao Jianli as independent non-executive directors.

This announcement was originally prepared in Chinese. In the event of discrepancies between the Chinese and the English version, the Chinese version shall prevail.

* *for identification purpose only*