

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

**CONTINUING CONNECTED TRANSACTIONS: 2019 EXPRESSWAY
ROUTINE MAINTENANCE, SNOW REMOVAL AND ROAD REPAIR
WORKS CONTRACTS**

The Board announces that, on 15 May 2019, the Company and Expressway Construction entered into the 2019 expressway routine maintenance, snow removal and road repair works contracts (the "Routine Maintenance Contracts") as follows:

- Pursuant to the Routine Maintenance Contract I, the management office of the Company in Xiao County engaged Expressway Construction to provide service in relation to routine maintenance, snow removal and road repair works for the Anhui Section (K237+000-K290+973) of Lianhuo Expressway;
- Pursuant to the Routine Maintenance Contract II, the management office of the Company in Xiao County engaged Expressway Construction to provide service in relation to routine maintenance, snow removal and road repair works for the Hexu North Section (K742+039-K793+166) of Jingtai Expressway;
- Pursuant to the Routine Maintenance Contract III, the management office of the Company in Tianchang engaged Expressway Construction to provide service in relation to routine maintenance and snow removal for the Anhui Section (K1935+000-K1948+989) of Changshen Expressway and the Tianchang Section (K1166+963-K1196+871) of National Trunk 205;
- Pursuant to the Routine Maintenance Contract IV, the management office of the Company in Tianchang engaged Expressway Construction to provide service in relation to road repair works for the Anhui Section (K1935+000-K1948+989) of Changshen Expressway and the Tianchang Section (K1166+963-K1196+871) of National Trunk 205;

- Anhui Transportation Holding Group is currently holding approximately 31.63% of the Company's total issued shares, and is the controlling shareholder and a connected person (as defined in the Listing Rules) of the Company. Expressway Construction is a wholly-owned subsidiary of Anhui Transportation Holding Group. Under Chapter 14A of the Listing Rules, Expressway Construction is an associate of Anhui Transportation Holding Group and is also a connected person of the Company. Accordingly, the transactions under the Routine Maintenance Contracts constitute continuing connected transactions.
- As the continuing connected transactions under the Routine Maintenance Contracts are conducted with the same connected person (i.e. Expressway Construction), the above continuing connected transactions may be aggregated and regarded as a single transaction pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules.
- As the highest applicable Percentage Ratio in respect of the continuing connected transactions under the Routine Maintenance Contracts on an annual and aggregated basis is more than 0.1% but less than 5%, and the transactions are conducted on normal commercial terms, they are exempted from the independent shareholders' approval requirement, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

(1) Routine Maintenance Contract I

Date	15 May 2019
Parties	(1) the Company (as service user); and (2) Expressway Construction (as service provider), a connected person of the Company under the Listing Rules.

Contract Matters

Pursuant to the Routine Maintenance Contract I, the management office of the Company in Xiao County engaged Expressway Construction to provide routine maintenance service for a total of 53.973 km of Anhui Section (K237+000-K290+973) of Lianhuo Expressway under the jurisdiction of the management office of the Company in Xiao County in 2019. The maintenance works mainly include routine maintenance of the relevant road sections including subgrade, road pavement, bridges and culverts, ancillary facilities and green belt, as well as works such as snow removal and road repairs.

Contract Term

The term of the Routine Maintenance Contract I is from the date the parties entered into the routine maintenance contract to 31 March 2020.

Fees

The total amount of the fee under the Routine Maintenance Contract I is RMB3,809,340.00.

Basis for Service Fees and Payment Terms

The contract fee is an estimated price, which was reasonably determined after commercial negotiation between the parties at arm's length with reference to the industry standards including "Highway Project Budgeting Method and Quota" (《公路工程概預算編製辦法及定額》) and "Highway Maintenance Works Budgeting Guidelines" (《公路養護工程預算編製導則》) and the past experience of the Company on maintenance and repairs of expressway, and was based on the expense on salary, materials and machinery equipment under reasonable organization and normal construction conditions.

According to the relevant terms under the Routine Maintenance Contract I and the confirmation by the Company, the Company will make a payment to Expressway Construction at each quarter (save as snow removal works, which will be settled in accordance with relevant regulations of the Company), and the amount of each payment is subject to the actual progress of works. Upon quarterly settlement, the Company will temporarily retain 5% of such amount as the construction quality guarantee deposit in respect of such services and such quality guarantee deposit will be paid to Expressway Construction upon expiry of the 1-year quality guarantee period and upon acceptance of all the routine maintenance works by the Company. The abovementioned service fees will be paid to Expressway Construction from the internal funds of the Company.

(2) Routine Maintenance Contract II

Save as the amendments below, other major terms of the Routine Maintenance Contract II are the same as those set out in the Routine Maintenance Contract I:

- The management office of the Company in Xiao County engaged Expressway Construction to provide routine maintenance service for a total of 55.267 km of Hexu North Section (K742+039-K793+166) of Jingtai Expressway under the jurisdiction of the management office of the Company in Xiao County in 2019. The maintenance works mainly include routine maintenance of the relevant road sections including subgrade, road pavement, bridges and culverts, ancillary facilities and green belt, as well as works such as snow removal and road repairs.
- The total fee is RMB3,788,300.00.

(3) Routine Maintenance Contract III

Save as the amendments below, other major terms of the Routine Maintenance Contract III are the same as those set out in the Routine Maintenance Contract I:

- The management office of the Company in Tianchang engaged Expressway Construction to provide routine service for a total of 43.897 km of Anhui Section (K1935+000-K1948+989) of Changshen Expressway and Tianchang

Section (K1166+963-K1196+871) of National Trunk 205. The service mainly includes routine maintenance of the relevant road sections including subgrade, road pavement, bridges and culverts, ancillary facilities and green belt, as well as works such as snow removal.

- The total fee is RMB2,446,288.00.

(4) Routine Maintenance Contract IV

Save as the amendments below, other major terms of the Routine Maintenance Contract IV are the same as those set out in the Routine Maintenance Contract I:

- The management office of the Company in Tianchang engaged Expressway Construction to provide routine service for a total of 43.897 km of Anhui Section (K1935+000-K1948+989) of Changshen Expressway and Tianchang Section (K1166+963-K1196+871) of National Trunk 205. The service mainly includes repairs of damaged guard rails, separating fences, traffic markers and toll facilities due to traffic accidents on relevant road sections.
- The total fee is RMB493,190.00.

Annual Caps

For the financial year ending 31 December 2019:

- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract I is RMB3,000,000;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract II is RMB3,000,000;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract III is RMB1,600,000;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract IV is RMB400,000;

For the financial year ending 31 December 2020:

- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract I is RMB809,340;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract II is RMB788,300;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract III is RMB846,288;
- The maximum annual total value (i.e. Annual Cap) for the Routine Maintenance Contract IV is RMB93,190;

The above Annual Caps are determined with reference to factors including (1) the expected workload; (2) the total contractual amount; and (3) the expected payment schedule.

The above Annual Cap is RMB8,000,000 in aggregate for the year 2019, and RMB2,537,118 in aggregate for the year 2020.

Reasons for and benefits of the transactions

The continuing connected transactions conducted by Expressway Construction under the Routine Maintenance Contracts are work that must be carried out by the Company during daily operations. Expressway Construction is a company under the Anhui Transportation Holding Group and possesses category I qualification of road maintenance. The Company has considered the aforementioned factors in this announcement and the qualifications of Expressway Construction, and decided to engage Expressway Construction to provide services for the abovementioned routine maintenance works.

Implications under the Listing Rules

Anhui Transportation Holding Group is currently holding approximately 31.63% of the Company's total issued shares, and is the controlling shareholder and a connected person (as defined in the Listing Rules) of the Company. Expressway Construction is a wholly-owned subsidiary of Anhui Transportation Holding Group. Under Chapter 14A of the Listing Rules, Expressway Construction is an associate of Anhui Transportation Holding Group and is also a connected person of the Company. Accordingly, the transactions under the Routine Maintenance Contracts constitute continuing connected transactions.

As the continuing connected transactions under the Routine Maintenance Contracts are conducted with the same connected person (i.e. Expressway Construction), the above continuing connected transactions may be aggregated and regarded as a single transaction pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules.

As the highest applicable Percentage Ratio in respect of the continuing connected transactions under the Routine Maintenance Contracts on an annual and aggregated basis is more than 0.1% but less than 5%, and the transactions are conducted on normal commercial terms, they are exempted from the independent shareholders' approval requirement, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

Confirmation of the Board

The Board has considered and approved the resolutions in relation to the Routine Maintenance Contracts. Qiao Chuanfu, Chen Dafeng, Xu Zhen and Xie Xinyu who are the directors of the Company are also directors or senior executives of Anhui Transportation Holding Group or its controlling subsidiaries. Therefore, Qiao Chuanfu, Chen Dafeng, Xu Zhen and Xie Xinyu are deemed to be interested in the Routine Maintenance Contracts and have abstained from voting on the resolutions in relation to the connected transactions under the Routine Maintenance Contracts in accordance with the Listing Rules. Save as disclosed above, none of the directors of the Company is materially interested in the Routine Maintenance Contracts, nor is any director required to abstain from voting on the relevant board resolutions.

The Board (including independent non-executive directors) considers that the transactions under the Routine Maintenance Contracts are (i) fair and reasonable; (ii) conducted on normal commercial terms or better terms in the ordinary course of business of the Group; and (iii) in the interests of the Company and its shareholders as a whole.

Information of relevant parties

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

Expressway Construction is principally engaged in general contracting of highways, civil engineering, housing construction, water conservancy and hydropower, ports and waterways; special contracting of steel structures, reinforcement of building structures, traffic safety facilities, electromechanics, highway subgrade, road pavement, bridges, tunnels, renovation and decoration and landscape engineering; production, sales and construction of traffic safety facilities such as guard rails, traffic signs, pavement markings, sound barriers and separating fences; maintenance and construction of highway subgrade, road pavement, bridges, tunnels and electromechanics; external project contracting; transportation infrastructure construction and investment; sales and leasing of automobile and construction machinery; new energy project development; production and sales of highway construction energy-saving and safety products; production, sales and installation of concrete structures; production and sales of engineering and building materials; sales of asphalt materials; production and sales of modified asphalt and emulsified asphalt; production and sales of asphalt concrete and renewable asphalt concrete; and sales of mechanical and electrical equipment accessories. (business activities subject to approval according to law may be carried out only after being approved by the competent authorities)

DEFINITIONS

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

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省高速公路控股集團有限公司), the former Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司)
“Annual Cap(s)”	the maximum aggregate annual value(s) for the continuing connected transactions contemplated under the Routine Maintenance Contracts
“associate(s)”	has the meaning as defined in the Listing Rules
“Board”	the board of directors of the Company

“Company”	Anhui Expressway Company Limited, a joint stock limited company incorporated in the PRC, its overseas listed shares are listed on the Stock Exchange, and its domestic ordinary shares are listed on the Shanghai Stock Exchange in the PRC
“connected person(s)”	has the meaning as defined in the Listing Rules
“Expressway Construction”	Anhui Expressway Construction Company Limited* (安徽省高路建設有限公司), a company incorporated under the law of the PRC and is a wholly-owned subsidiary of Anhui Transportation Holding Group
“Group”	the Company and its subsidiaries
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

By Order of the Board
安徽皖通高速公路股份有限公司
Anhui Expressway Company Limited
Xie Xinyu
Company Secretary

Hefei, Anhui, the PRC

15 May 2019

As at the date of this announcement, the board of directors of the Company comprises Qiao Chuanfu (chairman), Chen Dafeng, Xu Zhen and Xie Xinyu as executive directors; Yang Xudong and Du Jian as the non-executive directors; and Kong Yat Fan, Jiang Jun and Liu Hao as the 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