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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)

Continuing Connected Transactions

The Board announces that the Company and Xiandai Transportation Company entered into the Lianhuo Agreement on 29 April 2016. Pursuant to the Lianhuo Agreement, the Company appointed Xiandai Transportation Company as a contractor to conduct special bituminous pavement maintenance work for Lianhuo Expressway Anhui Section for years 2016 and 2017. On the same day, the Company and Xiandai Transportation Company entered into the Supplemental Hening Agreement such that, apart from the volume of work confirmed in the bill of quantity of the Original Hening Agreement, the additional maintenance, milling and repair work for the bituminous pavement of Hening Expressway would be undertaken by Xiandai Transportation Company in accordance with the terms of the Original Hening Agreement.

As to the continuing connected transactions under the Lianhuo Agreement, as the highest applicable percentage ratio specified under the Listing Rules on an annual basis exceeds 0.1% but is less than 5% and that the said continuing connected transactions would be conducted on normal commercial terms, they are exempt from the independent shareholders' approval requirement, but shall be subject to the announcement, reporting and annual review requirements under the Listing Rules.

In relation to the continuing connected transactions under the Supplemental Hening Agreement, as the highest applicable percentage ratio on an annual basis (inclusive of the aggregate annual value of the Original Hening Agreement for the financial year ending 31 December 2016) exceeds 0.1% but is less than 5% and the said continuing connected transactions would be conducted on normal commercial terms, they are exempt from the independent shareholders' approval requirement, but shall be subject to the announcement, reporting and annual review requirements under the Listing Rules.

1. The Lianhuo Agreement

Date: 29 April 2016

Parties:

- (1) the Company (as principal); and
- (2) Xiandai Transportation Company (as contractor), a company incorporated under the laws of PRC and a wholly-owned subsidiary of the controlling shareholder of the Company, Anhui Transportation Group, and therefore a connected person of the Company under the Listing Rules.

Subject matter

Pursuant to the Lianhuo Agreement, the Company appointed Xiandai Transportation Company to conduct special bituminous pavement maintenance work for Lianhuo Expressway Anhui Section for years 2016 and 2017.

Term of agreement

The parties agreed that the duration of the maintenance work shall be 12 months from the date on which the maintenance supervisor instructs to commence work. The work is expected to take place from 1 May 2016 to 30 April 2017. The work mainly includes pavement milling and re-pavement, repair of damage to bridges, and work on ramps and interchanges.

Agreed fee

According to the Lianhuo Agreement, the aggregate contract amount shall be RMB11,995,110.00 (approximately HK\$14,279,892.86), as calculated on the basis of the estimated quantity and the unit price or total price stated in the bill of quantity of the Lianhuo Agreement. The aggregate contract amount shall be paid out of the Company's internal resources to Xiandai Transportation Company as soon as possible after the completion of the work contemplated under the Lianhuo Agreement and the passing of inspection procedure and acceptance of work.

The fee under the Lianhuo Agreement represents the price of the successful bid made by Xiandai Transportation Company during the tender process. To ensure that the price is in line with normal commercial terms, the Company usually selects contractors for its road construction projects (including maintenance work) by way of open tender. It is the Group's policy to solicit bids from at least three contractors

and that the tender procedures must be in line with the relevant local regulations. Factors that the Company takes into consideration during the tender process include: (i) terms of tender proposals offered by participating bidders, including tender price and feedback to the terms set by the Company for the tender (e.g. provision of performance guarantee by third parties); (ii) background, qualifications and financial position of participating bidders; (iii) track record and previous business relationship between the Company and participating bidders; and (iv) the Company's financial budget for the relevant work.

Before accepting any bids, responsible officers of the work would ascertain the market price of the relevant road construction work projects from various sources (including government documents and market participants). The responsible management would only approve a tender and enter into an agreement upon confirmation that the relevant fee is commercially reasonable and comparable to market range reflected in the market data. To ensure a fair bidding process, Directors and employees who have a conflict of interest in the transaction would not participate in the invitation to tender and selection process. The internal monitor and control department of the Company would also conduct internal monitoring in respect of the fee under continuing connected transactions from time to time and ensure that the transactions accord with normal commercial terms.

Annual Caps

The maximum aggregate annual values (i.e. the Annual Caps) of the Lianhuo Agreement for the financial years ending 31 December 2016 and 31 December 2017 are RMB11,995,110.00 (approximately HK\$14,279,892.86) and RMB5,997,555.00 (approximately HK\$7,139,946.43) respectively. Such Annual Caps are determined with reference to factors including (1) the estimated volume of work; (2) the contractual unit price or total price; and (3) uncertain factors such as the expected progress of the work.

2. The Supplemental Hening Agreement

Date: 29 April 2016

Parties:

- (1) the Company (as principal); and
- (2) Xiandai Transportation Company (as contractor), a company incorporated under the laws of PRC and a wholly-owned subsidiary of the controlling shareholder of the Company, Anhui Transportation Group, and therefore a connected person of the Company under the Listing Rules.

Subject matter

Owing to damage to the Hening Expressway including grave breaks and ruts, the Company and Xiandai Transportation Company entered into the Original Hening Agreement on 5 June 2014, under which Xiandai Transportation Company undertook the bituminous pavement maintenance, milling and repair work for Hening Expressway in accordance with the requests of the Company so as to resume the navigation function of the road. The term of the work would be from 1 April 2014 to 31 March 2016. As the damage to Hening Expressway has been aggravated rapidly, which has led to a substantial increase in the volume of the maintenance, milling and repair work, the parties entered into the Supplemental Hening Agreement in relation to the additional bituminous pavement maintenance, milling and repair work for Hening Expressway. According to the Supplemental Hening Agreement, apart from the work confirmed in the bill of quantity of the Original Hening Agreement, the increased volume of work owing to the said additional repair work would be undertaken by Xiandai Transportation Company in accordance with the terms of the Original Hening Agreement.

Term of agreement

Pursuant to the Supplemental Hening Agreement, the additional work shall be completed and the payment shall be settled on or before 31 December 2016.

Agreed fee

According to the Supplemental Hening Agreement, the aggregate contract amount shall be RMB9,815,864.46 (approximately HK\$11,685,552.93). The aggregate contract amount shall be paid out of the Company's internal resources to Xiandai Transportation Company as soon as possible after the completion of the work contemplated under the Supplemental Hening Agreement and the passing of inspection procedure and acceptance of work.

The fee under the Supplemental Hening Agreement is calculated based on the formula listed in the Original Hening Agreement, i.e. the estimated quantity and unit price as stated in the bill of quantity (with the unit price stipulated in the Original Hening Agreement remains unchanged). The agreed fee under the Original Hening Agreement represented the price of the successful bid made by Xiandai Transportation Company during the tender process. To ensure that the price is in line with normal commercial terms, the Company usually selects contractors for its road construction projects (including maintenance) by way of open tender. It is the Company's policy to solicit bids from at least three contractors and that the tender

procedures must be in line with the relevant local regulations. Factors that the Company takes into consideration during the tender process include: (i) terms of tender proposals offered by participating bidders, including tender price and feedback to the terms set by the Company for the tender (e.g. provision of performance guarantee by third parties); (ii) background, qualifications and financial position of participating bidders; (iii) track record and previous business relationship between the Company and participating bidders; and (iv) the Company's financial budget for the relevant work.

Before accepting any bids, responsible officers of the work would ascertain the market price of the relevant road construction work projects from various sources (including government documents and market participants). The responsible management would only approve a tender and enter into an agreement upon confirmation that the relevant fee is commercially reasonable and comparable to market range reflected in the market data. To ensure a fair bidding process, Directors and employees who have a conflict of interest in the transaction would not participate in the invitation to tender and selection process. The internal monitor and control department of the Company would also conduct internal monitoring in respect of the fee under continuing connected transactions from time to time and ensure that the transactions accord with normal commercial terms.

Annual Cap

The maximum aggregate annual value (i.e. the Annual Cap) of the Supplemental Henning Agreement for the financial year ending 31 December 2016 is RMB11,115,864.46 (approximately HK\$13,233,171.98). Such Annual Cap is determined with reference to factors including (1) the estimated volume of work pursuant to the Supplemental Henning Agreement; (2) the aggregate annual value of the Original Henning Agreement for the financial year ending 31 December 2016; (3) the contractual unit price or total price; and (4) the expected progress of the work.

REASONS FOR ENTERING INTO THE LIANHUO AGREEMENT AND THE SUPPLEMENTAL HENING AGREEMENT

The principal area of business of the Company is the possession, operation and management of toll expressways and highways, inside or outside Anhui province.

Xiandai Transportation Company is principally engaged in road transport facilities construction, installation and other services.

In relation to the continuing connected transactions under the Lianhuo Agreement, the Lianhuo Agreement was entered into as a result of the successful bid by Xiandai Transportation Company through an open tender. In the tender process, the Company considered the aforementioned factors. Xiandai Transportation Company is a specialized engineering company which has a good track record of cooperation with the Company. Therefore, the Company decided to accept the tender from Xiandai Transportation Company and appointed it as a contractor to conduct the special bituminous pavement maintenance work for Hening Expressway for years 2016 and 2017.

In relation to the continuing connected transactions under the Supplemental Hening Agreement, as the damage to Hening Expressway has been aggravated rapidly, which has led to a substantial increase in volume of the maintenance, milling and repair work and that Xiandai Transportation Company was providing maintenance services for the said expressway pursuant to the Original Hening Agreement (that the parties agree to enter into a supplemental agreement for other further matters), the Company and Anhui Transportation Company entered into the Supplemental Hening Agreement. This accorded with the terms of the Original Hening Agreement and saved the costs and work involved in re-invitation of tender such that Hening Expressway would resume full services as soon as possible. The Original Hening Agreement was entered into as a result of the successful bid by Xiandai Transportation Company through an open tender. In the tender process, the Company considered the aforementioned factors. Xiandai Transportation Company is a specialized engineering company which has a good track record of cooperation with the Company. Therefore, the Company decided to accept the tender from Xiandai Transportation Company and appointed it as a contractor for the bituminous pavement maintenance, milling and repair work of Hening Expressway for years 2014 to 2016.

Upon considering the aforementioned reasons, the Directors (including independent non-executive Directors) are of the view that the terms and Annual Caps of the Lianhuo Agreement and the Supplemental Hening Agreement are fair and reasonable and on normal commercial terms, and that such continuing connected transactions would be conducted in the ordinary and usual course of business of the Company and would be in the interests of the Company and its shareholders as a whole.

Zhou Renqiang and Chen Dafeng (being directors or senior management of Anhui Transportation Group) are deemed to have an material interest in the Lianhuo Agreement and the Supplemental Hening Agreement and have abstained from voting on the resolutions approving the Agreements at the relevant Board meeting.

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Group is currently the controlling shareholder (as defined in the Listing Rules) of the Company, holding approximately 31.63% of the Company's issued share capital, whereas Xiandai Transportation Company is a wholly-owned subsidiary of Anhui Transportation Group. Pursuant to Chapter 14A of the Listing Rules, Anhui Transportation Group is a connected person of the Company, and Xiandai Transportation Company, as an associate of Anhui Transportation Group, is also a connected person of the Company. Hence, the transactions under the Lianhuo Agreement and the Supplemental Hening Agreement constitute continuing connected transactions of the Company respectively.

As to the continuing connected transactions under the Lianhuo Agreement, as the highest applicable percentage ratio specified under the Listing Rules on an annual basis exceeds 0.1% but is less than 5% and that the said continuing connected transactions would be conducted on normal commercial terms, they are exempt from the independent shareholders' approval requirement, but shall be subject to the announcement, reporting and annual review requirements under the Listing Rules.

Regarding the continuing connected transactions under the Original Hening Agreement, at the time when the Original Hening Agreement was entered into in 2014, as the highest applicable percentage ratio on an annual basis was less than 0.1% and that the said continuing connected transactions were conducted on normal commercial terms, they were exempt from the independent shareholders' approval requirement, as well as the announcement, reporting and annual review requirements under the Listing Rules.

In relation to the continuing connected transactions under the Supplemental Hening Agreement, as the highest applicable percentage ratio on an annual basis (inclusive of the aggregate annual value of the Original Hening Agreement for the financial year ending 31 December 2016) exceeds 0.1% but is less than 5% and the said continuing connected transactions would be conducted on normal commercial terms, they are exempt from the independent shareholders' approval requirement, but shall be subject to the announcement, reporting and annual review requirements under the Listing Rules.

DEFINITIONS

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

“Anhui Transportation 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);
“Annual Cap(s)”	the maximum aggregate annual value(s) for the continuing connected transactions under the Lianhuo Agreement or the Supplemental Hening Agreement (inclusive of the aggregate annual value of the Original Henning Agreement for the financial year ending 31 December 2016);
“associate(s)”	has the meaning ascribed to it under 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, 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;
“Director(s)”	the director(s) of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Lianhuo Agreement”	the agreement in respect of the special bituminous pavement maintenance work for Lianhuo Expressway Anhui Section for years 2016 and 2017 entered into between the Company and Xiandai Transportation Company on 29 April 2016;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Original Hening Agreement”	the agreement in respect of the bituminous pavement maintenance, milling and repair work for Hening Expressway entered into between the Company and Xiandai Transportation Company on 5 June 2014;

“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;
“Supplemental Hening Agreement”	the supplemental agreement to the Original Hening Agreement entered into between the Company and Xiandai Transportation Company on 29 April 2016;
“Xiandai Transportation Company”	Anhui Provincial Xiandai Transportation Facilities Project Company Limited* (安徽省現代交通設施工程有限公司); and
“%”	percentage.

By Order of the Board
Anhui Expressway Company Limited
Xie Xinyu
Company Secretary

Hefei, Anhui, the PRC
29 April 2016

As at the date of this announcement, the board of directors of the Company comprises: Zhou Renqiang, Chen Dafeng, Xie Xinyu, Wu Xinhua, Ni Shilin, Hu Bin, Yang Mianzhi and KongYat Fan.

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

Unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00=RMB0.84. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

* *Translation for illustrative purpose only*