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**安徽皖通高速公路股份有限公司**

**ANHUI EXPRESSWAY COMPANY LIMITED**

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

**(Stock Code: 995)**

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS:  
ENTRUSTED MANAGEMENT AGREEMENTS**

Reference is made to the announcement of the Company dated 31 December 2019 in relation to, among other things, the entering into of the Previous Entrusted Management Agreements of the Group.

The terms of the Previous Entrusted Management Agreements have expired on 31 December 2020, and the Group has entered into the following Entrusted Management Agreements respectively on 22 January 2021:

- Pursuant to the Entrusted Management Agreement I, the Company has agreed to provide entrusted management services for the expressways under Anhui Transportation Holding Group from 2021 to 2023;
- Pursuant to the Entrusted Management Agreement II, the Company has agreed to provide entrusted management services to Anlian Company for the Hexunan Section of Jingtai Expressway and Huangqi Expressway from 2021 to 2023;
- Pursuant to the Entrusted Management Agreement III, the Company has agreed to provide entrusted management services to Anqing Bridge Company for Yuewu Expressway and Anqing Bridge from 2021 to 2023;
- Pursuant to the Entrusted Management Agreement IV, the Company has agreed to provide entrusted management services to Wangqian Company for the Wangdong Bridge North Connection Line of Jiguang Expressway from 2021 to 2023;
- Pursuant to the Entrusted Management Agreement V, the Company has agreed to provide entrusted management services to Wuyan Company for Wuyan Expressway from 2021 to 2023;

- Pursuant to the Entrusted Management Agreement VI, Xuanguang Company has agreed to provide entrusted management services to Liguang Company for Liguang Expressway from 2021 to 2023; and
- Pursuant to the Entrusted Management Agreement VII, Ningxuanhang Company has agreed to provide entrusted management services to Yangji Company for the Ningji Section of Lihuang Expressway from 2021 to 2023.

Under Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Entrusted Management Agreements should be aggregated, since the parties to these agreements, namely, Anhui Transportation Holding Group, Anlian Company, Anqing Bridge Company, Wangqian Company, Wuyan Company, Liguang Company and Yangji Company, are interrelated with each other and each transaction of these agreements is of the same nature. The aggregated Annual Caps for the Entrusted Management Agreements for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 are RMB11,091,500, RMB11,641,400 and RMB12,381,400, respectively.

As one or more of the applicable Percentage Ratios in respect of the transactions contemplated under the Entrusted Management Agreements in aggregate on an annual basis is or are more than 0.1% but all are less than 5%, the transactions contemplated under the Entrusted Management Agreements 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) ENTRUSTED MANAGEMENT AGREEMENT I**

Date: 22 January 2021

### **Parties**

- (1) Anhui Transportation Holding Group (as the principal); and
- (2) The Company (as the trustee).

### **Subject Matter**

Pursuant to the Entrusted Management Agreement I, Anhui Transportation Holding Group has agreed to entrust the Company to manage the business related to assets maintenance, toll and inspection management, services management, maintenance management, mechanical and electrical and informationization management in respect of operating sections of Hechaowu Expressway, Jiefubeng Expressway, He'an Expressway, Maanshan Bridge, Wangdong Yangtze River Bridge and other highways and bridges totaling 3,375.9 kilometers owned by it from 2021 to 2023. Those new

sections (stations) that require the management service from the Company, if any, are also included in the scope of the entrusted management business. The Company has agreed to accept the entrustment from Anhui Transportation Holding Group to duly perform all of the management obligations according to the terms of the Entrusted Management Agreement I.

### **Term**

The parties agreed that the term of the entrusted management shall be from 1 January 2021 to 31 December 2023.

### **Fees**

Pursuant to the Entrusted Management Agreement I, the Company shall charge Anhui Transportation Holding Group entrusted management fees in the amount of RMB9,790,100, RMB10,340,000 and RMB11,080,000 for 2021, 2022 and 2023, respectively, which include:

- (1) the management costs to be borne by the Company for the completion of the entrusted management; and
- (2) the profits to be derived from the entrusted management that the Company is entitled to.

The labor costs, special maintenance costs, daily mechanical and electrical maintenance expenses, special buildings maintenance expenses, daily management fees, tolling management fees, road assets safety fees, non-standard expenses, electricity charge for lighting for production, fixed assets investment costs (operation-related new construction, renovation and expansion, maintenance of facilities and equipment, tolling, inspection, vehicles, central controlling equipment, office equipment) for the various road sections of Anhui Transportation Holding Group under management shall be borne by Anhui Transportation Holding Group itself, and will not be included into the fees for the entrusted management.

The aforementioned fees for the entrusted management were determined by negotiations between the parties on an arm's length basis with reference to (1) the Company's similar experience in operating and managing road sections and (2) the revenue level required to be achieved by the Company.

Anhui Transportation Holding Group shall pay the Company the fees for the management of the entrusted road sections for the year before 1 December each year, and the Company will issue the VAT invoices to Anhui Transportation Holding Group after receipt of such amounts.

**(2) ENTRUSTED MANAGEMENT AGREEMENT II**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement II are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Anlian Company;
- The Company shall provide the entrusted management service for the Hexunan Section of Jingtai Expressway of 112.5 kilometers and the section of Huangqi Expressway of 102.2 kilometers under the entrustment from Anlian Company; and
- The Company shall charge Anlian Company the fees for the entrusted management of RMB620,000, RMB620,000 and RMB620,000 for 2021, 2022 and 2023, respectively.

**(3) ENTRUSTED MANAGEMENT AGREEMENT III**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement III are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Anqing Bridge Company;
- The Company shall provide the entrusted management service for the section of Anqing Bridge of 6.0 kilometers and the section of Yuewu Expressway of 46.2 kilometers under the entrustment from Anqing Bridge Company; and
- The Company shall charge Anqing Bridge Company the fees for the entrusted management of RMB151,400, RMB151,400 and RMB151,400 for 2021, 2022 and 2023, respectively.

**(4) ENTRUSTED MANAGEMENT AGREEMENT IV**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement IV are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Wangqian Company;
- The Company shall provide the entrusted management service for the Wangdong Bridge North Connection Line of Jiguang Expressway of 50.0 kilometers under the entrustment from Wangqian Company; and

- The Company shall charge Wangqian Company the fees for the entrusted management of RMB150,000, RMB150,000 and RMB150,000 for 2021, 2022 and 2023, respectively.

**(5) ENTRUSTED MANAGEMENT AGREEMENT V**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement V are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Wuyan Company;
- The Company shall provide the entrusted management service for the section of Wuyan Expressway of 16.9 kilometers under the entrustment from Wuyan Company; and
- The Company shall charge Wuyan Company the fees for the entrusted management of RMB50,000, RMB50,000 and RMB50,000 for 2021, 2022 and 2023, respectively.

**(6) ENTRUSTED MANAGEMENT AGREEMENT VI**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement VI are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Liguang Company;
- The party shall change from the Company to Xuanguang Company;
- Xuanguang Company shall provide the entrusted management service for Liguang Expressway of 38.8 kilometers under the entrustment from Liguang Company; and
- Xuanguang Company shall charge Liguang Company the fees for the entrusted management of RMB110,000, RMB110,000 and RMB110,000 for 2021, 2022 and 2023, respectively.

**(7) ENTRUSTED MANAGEMENT AGREEMENT VII**

Except for the following amendments, all other principal terms under the Entrusted Management Agreement VII are the same as those set forth in the Entrusted Management Agreement I:

- The party shall change from Anhui Transportation Holding Group to Yangji Company;

- The party shall change from the Company to Ningxuanhang Company;
- Ningxuanhang Company shall provide the entrusted management service for the Ningji Section of Lihuang Expressway of 76.3 kilometers under the entrustment from Yangji Company; and
- Ningxuanhang Company shall charge Yangji Company the fees for the entrusted management of RMB220,000, RMB220,000 and RMB220,000 for 2021, 2022 and 2023, respectively.

### **Annual Caps**

The Annual Caps for each of the Entrusted Management Agreements for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

| <b>Agreement</b>                   | <b>Annual Cap for the financial year<br/>ending 31 December</b> |             |             |
|------------------------------------|---|-------------|-------------|
|                                    | <i>(RMB)</i>  |             |             |
|                                    | <b>2021</b>   | <b>2022</b> | <b>2023</b> |
| Entrusted Management Agreement I   | 9,790,100   | 10,340,000  | 11,080,000  |
| Entrusted Management Agreement II  | 620,000   | 620,000     | 620,000     |
| Entrusted Management Agreement III | 151,400   | 151,400     | 151,400     |
| Entrusted Management Agreement IV  | 150,000   | 150,000     | 150,000     |
| Entrusted Management Agreement V   | 50,000  | 50,000      | 50,000      |
| Entrusted Management Agreement VI  | 110,000   | 110,000     | 110,000     |
| Entrusted Management Agreement VII | 220,000   | 220,000     | 220,000     |

The above Annual Caps are determined with reference to the entrusted management fees for each year under each individual Entrusted Management Agreement.

### **REASONS FOR AND BENEFITS OF THE ENTRUSTED MANAGEMENT AGREEMENTS**

The Group has focused on the assets management and business management of expressway operating sections for a long term, and has accumulated extensive management experience and possessed professional management capabilities. The entrusted road sections are connected to the road sections owned by the Group, and the Group has a basic understanding of the status of these sections, which enables the Group to give full play to its management advantages.

Since 2021, the Group has increased the mileage of the entrusted expressways on the basis of the road sections previously entrusted by Anhui Transportation Holding Group and its relevant subsidiaries, which has equally shared the internal labor costs of the Company and increased the entrusted management income. Meanwhile, the Group has managed to take full advantage of its scale so as to comprehensively improve the level of toll collection, operation and maintenance of the road assets and strengthen the principal businesses of the Company.

## **CONFIRMATION OF THE BOARD**

The Board has considered and approved the resolution in relation to the Entrusted Management Agreements. Xiang Xiaolong, Yang Xiaoguang, Tang Jun and Xie Xinyu, who are directors of the Company, are also directors or senior management of Anhui Transportation Holding Group or its controlling subsidiaries. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tang Jun and Xie Xinyu are deemed to be interested in the transactions under the Entrusted Management Agreements and have abstained from voting on the resolution on connected transactions in relation to the Entrusted Management Agreements in accordance with the Listing Rules. Save as mentioned above, none of the directors is materially interested in the transactions under the Entrusted Management Agreements, nor is any director required to abstain from voting on the relevant Board resolution.

After considering the abovementioned reasons, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Entrusted Management Agreements and the Annual Caps are fair and reasonable and are on normal commercial terms, and the continuing connected transactions under the Entrusted Management Agreements are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Anhui Transportation Holding Group is currently the controlling shareholder and a connected person (as defined in the Listing Rules) of the Company, holding approximately 31.63% of the Company's issued shares. As Anqing Bridge Company is a wholly-owned subsidiary of Anhui Transportation Holding Group, and Anlian Company, Wangqian Company, Wuyan Company, Liguang Company and Yangji Company are subsidiaries of Anhui Transportation Holding Group, Anlian Company, Anqing Bridge Company, Wangqian Company, Wuyan Company, Liguang Company and Yangji Company are associates of Anhui Transportation Holding Group and are also connected persons of the Company according to Chapter 14A of the Listing Rules. Therefore, the continuing connected transactions contemplated under the Entrusted Management Agreements constitute continuing connected transactions of the Company.

Under Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Entrusted Management Agreements should be aggregated, since the parties to these agreements, namely, Anhui Transportation Holding Group, Anlian Company, Anqing Bridge Company, Wangqian Company, Wuyan Company, Liguang Company and Yangji Company, are interrelated with each other and each transaction of these agreements is of the same nature. The aggregated Annual Caps for the Entrusted Management Agreements for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 are RMB11,091,500, RMB11,641,400 and RMB12,381,400, respectively.

As one or more of the applicable Percentage Ratios of the highest Annual Caps in respect of the transactions contemplated under the Entrusted Management Agreements in aggregate is or are more than 0.1% but all are less than 5%, those transactions contemplated under the Entrusted Management Agreements 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.

## **INFORMATION ON PARTIES TO THE ENTRUSTED MANAGEMENT AGREEMENTS**

The Company is principally engaged in the design, construction, supervision, toll collection, maintenance, rescue, management of road assets and road right of high grade highways, storage, consultation services of road construction and operation, etc.

Anhui Transportation Holding Group is principally engaged in the building, supervision, testing, design, construction, technical consultation and service of highways and related infrastructure; investment and asset management; real estate development and operation, etc.

Xuanguang Company is principally engaged in the toll collection, maintenance and obstruction removal services of Xuanguang Expressway, etc.

Ningxuanhang Company is principally engaged in the construction, toll collection, maintenance, management and advertising support services of high grade highways, etc.

Anlian Company is principally engaged in the construction, management, toll collection and operation services of high grade highways and supporting facilities; development and sales of real estate; storage (excluding hazardous chemicals), sales of machinery and equipment, vehicle spares and construction materials; interior and outdoor decoration.

Wangqian Company is principally engaged in the investment, management and operation and advertisement business of project highway and ancillary facilities.



Anqing Bridge Company is principally engaged in bridge construction and fund raising, material supply, tertiary industry operation and bridge operation and management services.

Wuyan Company is principally engaged in the construction, building, management, toll collection, maintenance, rescue, service of high grade highways and supporting facilities, etc.

Liguang Company is principally engaged in the investment, management and operation and advertisement business of project highway and ancillary facilities.

Yangji Company is principally engaged in the construction, building, management, toll collection, maintenance, rescue service of high grade highways and supporting facilities, etc.

## 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 company incorporated under the laws of the PRC  |
| “Annual Cap(s)”                      | the maximum aggregate annual value(s) for the continuing connected transactions contemplated under the Entrusted Management Agreement I, the Entrusted Management Agreement II, the Entrusted Management Agreement III, the Entrusted Management Agreement IV, the Entrusted Management Agreement V, the Entrusted Management Agreement VI and the Entrusted Management Agreement VII |
| “Anlian Company”                     | Anhui Anlian Expressway Co., Ltd.* (安徽安聯高速公路有限公司), a company incorporated under the laws of the PRC   |
| “Anqing Bridge Company”              | Anhui Anqing Yangtzi Highway Bridge Company Limited* (安徽安慶長江公路大橋有限責任公司), a company incorporated under the laws of the PRC   |
| “associate (s)”                      | has the meaning ascribed to it under the Hong Kong 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 Hong Kong Stock Exchange, and the domestic ordinary shares of which are listed on the Shanghai Stock Exchange in the PRC |
| “Group”                              | the Company and its subsidiaries  |
| “Liguang Company”                    | Anhui Liguang Expressway Company Limited* (安徽省溧廣高速公路有限公司), a company incorporated under the laws of the PRC   |
| “Listing Rules”                      | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Entrusted Management Agreement I”   | the entrusted management agreement entered into between Anhui Transportation Holding Group and the Company in relation to the management of expressways under Anhui Transportation Holding Group on 22 January 2021   |
| “Entrusted Management Agreement II”  | the entrusted management agreement entered into between Anlian Company and the Company in relation to the management of the Hexunan Section of Jingtai Expressway and Huangqi Expressway on 22 January 2021   |
| “Entrusted Management Agreement III” | the entrusted management agreement entered into between Anqing Bridge Company and the Company in relation to the management of Yuewu Expressway and Anqing Bridge on 22 January 2021  |
| “Entrusted Management Agreement IV”  | the entrusted management agreement entered into between Wangqian Company and the Company in relation to the management of the Wangdong Bridge North Connection Line of Jiguang Expressway on 22 January 2021  |
| “Entrusted Management Agreement V”   | the entrusted management agreement entered into between Wuyan Company and the Company in relation to the management of Wuyan Expressway on 22 January 2021  |
| “Entrusted Management Agreement VI”  | the entrusted management agreement entered into between Liguang Company and Xuanguang Company in relation to the management of Liguang Expressway on 22 January 2021  |

|   |   |
|---|---|
| “Entrusted Management Agreement VII”        | the entrusted management agreement entered into between Yangji Company and Ningxuanhang Company in relation to the management of the Ningji Section of Lihuang Expressway on 22 January 2021  |
| “Entrusted Management Agreements”           | collectively, the Entrusted Management Agreement I, the Entrusted Management Agreement II, the Entrusted Management Agreement III, the Entrusted Management Agreement IV, the Entrusted Management Agreement V, the Entrusted Management Agreement VI and the Entrusted Management Agreement VII  |
| “Ningxuanhang Company”                      | Anhui Ningxuanhang Expressway Investment Company Limited* (安徽寧宣杭高速公路投資有限公司), the equity interests of which are owned as to 51% by the Company, 10% by Xuangcheng City Transportation Investment Company Limited* (宣城市交通投資有限公司) and 39% by Anhui Transportation Holding Group, respectively, and a connected subsidiary of the Company under Chapter 14A of the Listing Rules  |
| “Percentage Ratio(s)”                       | the percentage ratios (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 purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan   |
| “Previous Entrusted Management Agreement I” | the entrusted management agreement entered into between Anhui Transportation Holding Group and the Company in relation to the management of the highways and bridges of Xiaofang Section of Jingtai Expressway, Shuxi Section of Hefei Ring Expressway, Heluye Section of Hushan Expressway, Airport Expressway and Extension, Benghe Expressway Section, Chuma Section of Tianqian Expressway, Chuzhou Section of Chuxin Expressway, Yueqian Section of Jiguang Expressway, Jiqidangshan Section, Suzhou Section of Jingtai Expressway and Wangdong Bridge of Jiguang Expressway on 31 December 2019 |

|   |   |
|---|---|
| “Previous Entrusted Management Agreement II”  | the entrusted management agreement entered into between Wangqian Company and the Company in relation to the management of the highway and bridge of Wangdong Bridge North Connection Line on 31 December 2019   |
| “Previous Entrusted Management Agreement III” | the entrusted management agreement entered into between Anqing Bridge Company and the Company in relation to the management of the highway and bridges of Yuewu Section on 31 December 2019   |
| “Previous Entrusted Management Agreement IV”  | the entrusted management agreement entered into between Anhui Transportation Holding Group and Xuanguang Company in relation to the management of the highways and bridges of Tongnanxuan Section of Xuantong Expressway, Wuxuan Section of Huyu Expressway on 31 December 2019   |
| “Previous Entrusted Management Agreement V”   | the entrusted management agreement entered into between Liguang Company and Xuanguang Company in relation to the management of Liguang Highway and its bridges on 31 December 2019  |
| “Previous Entrusted Management Agreement VI”  | the entrusted management agreement entered into between Anhui Transportation Holding Group and Ningxuanhang Company in relation to the management of the highways and bridges of Jihuang Section of Lihuang Expressway and Guangning Section of Yangji Expressway on 31 December 2019   |
| “Previous Entrusted Management Agreement VII” | the entrusted management agreement entered into between Yangji Company and Ningxuanhang Company in relation to the management of the highways and bridges of Ningji Section on 31 December 2019   |
| “Previous Entrusted Management Agreements”    | collectively, the Previous Entrusted Management Agreement I, the Previous Entrusted Management Agreement II, the Previous Entrusted Management Agreement III, the Previous Entrusted Management Agreement IV, the Previous Entrusted Management Agreement V, the Previous Entrusted Management Agreement VI and the Previous Entrusted Management Agreement VII, details of which are set out in the announcement of the Company dated 31 December 2019 |
| “RMB”   | Renminbi, the lawful currency of the PRC  |
| “Stock Exchange”                              | The Stock Exchange of Hong Kong Limited   |

|                     |  |
|---------------------|--|
| “Wangqian Company”  | Anhui Wangqian Expressway Company Limited* (安徽望潛高速公路有限公司), a company incorporated under the laws of the PRC  |
| “Wuyan Company”     | Anhui Provincial Wuyan Expressway Company Limited* (安徽省蕪雁高速公路有限公司), a company incorporated under the laws of the PRC   |
| “Xuanguang Company” | Xuanguang Expressway Company Limited* (宣廣高速公路有限責任公司), a company incorporated under the laws of the PRC, the equity interests of which are owned as to 55.47% by the Company and 44.53% by Xuangcheng City Transportation Investment Company Limited* (宣城市交通投資有限公司), respectively |
| “Yangji Company”    | Anhui Yangji Expressway Company Limited* (安徽省揚績高速公路有限公司), a company incorporated under the laws of the PRC   |
| “%”                 | percentage   |

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

Hefei, Anhui, the PRC  
22 January 2021

*As at the date of this announcement, the Board of the Company comprises Xiang Xiaolong (Chairman), Yang Xiaoguang, Tang Jun and Xie Xinyu, 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 was originally prepared in Chinese. In the event of discrepancies between the Chinese and the English version, the Chinese version shall prevail.*

\* translation for identification purpose only