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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)

SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS: ENTRUSTED
MANAGEMENT AGREEMENTS

Reference is made to the announcement of the Company made on 22 January 2021 in relation to the entering into of the Entrusted Management Agreements (the “**Announcement**”). Unless otherwise stated, the terms used in this announcement shall have the same meaning as defined in the Announcement.

The Company would like to provide the following supplemental information in respect of the determination of management fees under the Entrusted Management Agreements:

When determining the fees and transaction terms under the Entrusted Management Agreements, the Company would firstly make estimate on the cost under each individual Entrusted Management Agreement by the operation department, finance department, human resource department based on the scope of work involved in managing the highways sections concerned as well as the location, length, term of use, facilities and projects of the highways sections required to be managed, economic environment of the PRC and the Company's business strategies for the year and so on, with reference to the operation of the highways sections under the Company as well as the Company's similar experiences of managing highways sections and the wage standards, and then the amount of entrusted management fees under the agreements are proposed, taking into consideration the expected profits level of the relevant highways sections management project.

Before the entering into of the relevant agreements, the independent non-executive Directors and internal control department of the Company would respectively review the terms of the agreements and the fee scale and consider the reporting of relevant personnel. On this basis, the independent non-executive Directors of the Company would express their prior approval opinions on the transactions under the agreements, to ensure the fee and terms of the relevant transactions are fair and reasonable, on normal commercial terms and in accordance with the Company's usual practice.

The Company takes into consideration the following factors in determining the management fees under the Entrusted Management Agreements:

(1) The cost for the provision of management services by the Company

Pursuant to the Entrusted Management Agreements, under the entrustment by the principal, the management team of the Company will provide guidance and direction for the business areas related to assets maintenance, toll and inspection management, services management, maintenance management, mechanical and electrical and informationization management of the highways sections owned by the principal. The principal will bear the operating cost, implement the specific work under above business, enter into contracts and arrange for settlement, all on its own, therefore, the Company do not need to pay the expenses incurred directly to the suppliers in respect of above business.

The cost of provision of relevant management services by the Company under the Entrusted Management Agreements mainly include labour cost and benefits to be borne by the Company for completing the entrustment management work, as well as the administrative expenses, such as travelling, meeting expenses needed for the management of relevant highways sections. In respect of each Entrusted Management Agreement, the Company would refer to factors such as the size of the management team required by the Company for managing similar highways sections in the past, and the estimated workload, to preliminarily determine the size and composition of the team required for carrying out the transactions under the agreement, and to arrive at the estimated cost under the agreement based on the estimated number and seniority of and the wage standards for the team members, so as to ensure the estimated cost under the Entrusted Management Agreements is reasonable and comparable to the cost for the management of similar highways sections by the Company.

(2) The profits level required to be obtained by the Company

The Company would set an expected profits level for every expressway management project, that is, the profits to be obtained by the Company by subtracting the relevant management fees with the costs for such management service provision.

In determining the relevant profits level, the Company would consider the business strategies of the year (including labour and resources allocation, business development and annual business target to be met), the relevant annual business targets, the social economic environment, the Company's future business development targets, the Company's past business profits levels, the parties who entrusted the Company and the highway sections entrusted. The Company would review and examine the relevant profits level from time to time in accordance with the actual situation faced by the Company in order to maximise returns for the shareholders. Given that the above factors change from time to time, the Company does not have a uniform profits level for all highway management services, and will decide the matters on a case-by-case basis. Due

to the scale management of the current business, on the premise that the labour costs would not significantly increase subsequently, the Company expects that the profits level to be obtained from the transactions under the Entrusted Management Agreements will be higher than that under the Previous Entrusted Management Agreements, which will enhance the profit margin and create additional profits for the shareholders of the Company.

Due to the regional nature of the services under the Entrusted Management Agreements and the feature of natural monopoly in the expressway industry, there is no comparable third party service provider in the market, and the Company has not recently provided similar services to third parties. If the Company would provide such services to third parties in the future, the above-mentioned methods, procedures and considerations for determining the price and transaction terms shall be also applicable to such transactions with third parties. Based on the above reasons, the directors of the Company consider that the methods and procedures for determining the price described above can ensure that the transactions under the Entrusted Management Agreements will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders.

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

Hefei, Anhui, the PRC
10 February 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.