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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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS: HENING INTELLIGENT EXPRESSWAY CONSTRUCTION WORK CONTRACTS

The Board announces that on 29 November 2023, the Company entered into the following contracts regarding the construction of intelligent expressway (the “**Construction Work Contracts**”) with the Consortium formed by Design Institute, ATEGC and Information Industry Company:

According to the Construction Work Contract I, the Company shall engage the Consortium to provide work services of intelligence enhancement project for the section of Hening Expressway managed by Chuzhou Management Center of the Company, which include work design and implementation of software and hardware for the intelligent perception system, unified communication system, smart middleware system, smart application system and infrastructure support system, etc.;

According to the Construction Work Contract II, the Company shall engage the Consortium to provide work services of intelligence enhancement project for the section of Hening Expressway managed by Hefei Management Office of the Company, which include work design and implementation of software and hardware for the intelligent perception system, unified communication system, smart middleware system, smart application system and infrastructure support system, 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 Design Institute and Information Industry Company are subsidiaries of Anhui Transportation Holding Group and ATEGC is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, ATEGC and Information Industry Company are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transactions under the Construction Work Contracts constitute continuing connected transactions of the Company.

As the continuing connected transactions under the Construction Work Contracts are conducted with the same connected persons (i.e. the Consortium), therefore pursuant to the requirements under Rule 14A.83 of the Listing Rules, the above continuing connected transactions may be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios in respect of the maximum Annual Caps for the transactions contemplated under the Construction Work Contracts on an aggregated basis are more than 0.1% but all are less than 5%, and such transactions are conducted on normal commercial terms. Therefore, the transactions contemplated under the Construction Work Contracts are exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

CONSTRUCTION WORK CONTRACT I

Date

29 November 2023

Parties

- (1) the Company (as service user); and
- (2) The Consortium formed by Design Institute, ATEGC and Information Industry Company (as service providers), all of which are connected persons of the Company under the Listing Rules.

Subject Matters

According to the Construction Work Contract I, the Company shall engage the Consortium to provide work services of intelligence enhancement project for the section of Hening Expressway managed by Chuzhou Management Center of the Company, which include work design and implementation of software and hardware for the intelligent perception system, unified communication system, smart middleware system, smart application system and infrastructure support system, etc.

Contract Term

The construction period under the Construction Work Contract I shall be 8 months and the commencement time shall be subject to the order issued by the operation management unit (or the supervision engineer).

Fees

The estimated fees under the Construction Work Contract I shall be RMB35,266,049.14, among which, the work design fee shall be RMB1,104,982.48, the hardware implementation fee shall be RMB19,271,066.66 (including a provisional amount of RMB2,000,000), and the software implementation fee shall be RMB14,890,000.00. (Provisional amount is reserved for work fees that are unforeseen in advance or cannot be estimated accurately. Such amount may be used or may not be used at all, subject to the Company's review and approval)

Basis for Fees and Payment Terms

The contract fee is the successful bid price submitted by the Consortium in the tender for the provision of services under the Construction Work Contract I. To ensure that the price is in line with normal commercial terms, the Construction Work Contract I 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.

According to the relevant terms of the Construction Work Contract I and as confirmed by the parties, the payment under the Construction Work Contract I shall be made by the Company to the Consortium in accordance with the progress of the construction works. 70% of the design fee shall be paid after the approval of the construction drawing, up to 97% of the settlement price shall be paid after the completion and acceptance inspection of all the construction works, and the remaining 3% shall be kept as quality guarantee deposit for the construction works and paid upon the expiration of the defect liability period of 24 months and confirmation of no quality defect by the user. The software and hardware implementation

fee shall be paid quarterly according to the progress of the construction works, with 80% of the approved construction works price paid in each installment upon the acceptance inspection, up to 97% of the settlement price shall be paid after the completion of the construction works, and the remaining 3% shall be kept as quality guarantee deposit for the construction works and paid upon the expiration of the defect liability period of 24 months and confirmation of no quality defect by the user.

The aforesaid fees will be paid out of the internal funds of the Company.

CONSTRUCTION WORK CONTRACT II

Except for the following amendments, other major terms of Construction Work Contract II shall be the same as those set out in Construction Work Contract I:

- According to the Construction Work Contract II, the Company shall engage the Consortium to provide work services of intelligence enhancement project for the section of Hening Expressway managed by Hefei Management Office of the Company, which include work design and implementation of software and hardware for the intelligent perception system, unified communication system, smart middleware system, smart application system and infrastructure support system, etc.
- According to the Construction Work Contract II, the total estimated fees charged by the Consortium to the Company shall be RMB20,039,031.73, among which, the work design fee shall be RMB637,648.90, the hardware implementation fee shall be RMB18,131,382.83 (including a provisional amount of RMB800,000.00), and the software implementation fee shall be RMB1,270,000.00.

ANNUAL CAPS

For the financial years ending 31 December 2023 and 2024, the maximum annual total amounts (i.e. Annual Caps) for the transactions under the Construction Work Contracts are as follows:

	Annual Caps for the year ending 31 December 2023 <i>(RMB)</i>	Annual Caps for the year ending 31 December 2024 <i>(RMB)</i>
Construction Work Contract I	14,531,487.74	20,734,561.40
Construction Work Contract II	<u>6,108,354.23</u>	<u>13,930,677.50</u>
Total	<u><u>20,639,841.97</u></u>	<u><u>34,665,238.90</u></u>

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

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Construction Work Contracts are entered into by the Company according to the actual needs of operation, so as to promote the intelligent expressway construction and strengthen the safety control of expressway. The Construction Work Contracts have undergone open tender and are the results of successful bid made by the Consortium. Design Institute possesses Class-A integrated qualification for construction works design; ATEGC possesses Class-I qualification for professional contracting of highway traffic engineering (highway electromechanical engineering); Information Industry Company possesses relevant qualifications including Class-II qualification for professional contracting of electronic and intelligent engineering, Class-II general contracting for electromechanical engineering construction, and Class-II qualification for professional contracting of highway traffic engineering (highway electromechanical engineering subdivision). During the bidding process, the Company has considered the aforementioned factors in this announcement and the qualifications of the Consortium, and has decided to accept the tenders of the Consortium and engage it to provide the abovementioned construction work services.

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 Design Institute and Information Industry Company are subsidiaries of Anhui Transportation Holding Group and ATEGC is a wholly-owned subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, Design Institute, ATEGC and Information Industry Company are associates of Anhui Transportation Holding Group and are therefore also connected persons of the Company. Accordingly, the transactions under the Construction Work Contracts constitute continuing connected transactions of the Company.

As the continuing connected transactions under the Construction Work Contracts are conducted with the same connected persons (i.e. the Consortium), therefore pursuant to the requirements under Rule 14A.83 of the Listing Rules, the above continuing connected transactions may be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios in respect of the maximum Annual Caps for the transactions contemplated under the Construction Work Contracts on an aggregated basis are more than 0.1% but all are less than 5%, and such transactions are conducted on normal commercial terms. Therefore, the transactions contemplated under the Construction Work Contracts are exempted from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

CONFIRMATION BY THE BOARD

At the twenty-ninth meeting of the ninth session of the Board of the Company held on 30 March 2023, the resolution in relation to the transaction under the Construction Work Contracts was considered and approved. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng 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, Yang Xiaoguang, Tao Wensheng and Chen Jiping are considered to have interests in the transaction under the Construction Work Contracts, and have abstained from voting on the resolution in relation to the continuing connected transactions under the Construction Work Contracts under the Listing Rules.

Save as aforesaid, none of the directors have any material interests in the transaction under the Construction Work Contracts and are required to abstain from voting on the relevant Board resolution.

After considering the abovementioned reasons and benefits, the directors of the Company (including the independent non-executive directors of the Company) are of the view that the terms of the Construction Work Contracts and the Annual Caps are fair and reasonable and are on normal commercial terms, and such continuing connected transactions under the Construction Work Contracts 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.

INFORMATION OF THE RELEVANT PARTIES

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

Design Institute is principally engaged in investment, planning, consulting, project management, survey, design, supervision, testing, construction, operation and maintenance, technology, equipment and building materials development, agent, general contracting and external contracting of the transportation and urban and rural infrastructure (such as road, bridge, tunnel, port, channel, rail, transportation works, geotechnical, landscaping, water supply and drainage, architecture, structures, etc.), resources and ecology and environment (such as protection, restoration, disaster prevention, governance and development and utilization) and the intelligence and information system.

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..

Information Industry Company is principally engaged in intelligent control system integration; software development; rail transportation operation management system development; information system integration services; information system operation and maintenance services; information technology consulting services; data processing and storage support services; computer system services; artificial intelligence industry application system integration services; engineering technical services (other than planning management, survey, design and supervision); technical services, technical development, technical consultation, technical exchange, technical transfer, technical promotion; permitted item of sales of equipment relating to Internet of Things (in addition to permitted business, the company may also conduct business other than those prohibited or restricted by the law at its discretion in accordance with the law): building intelligent system design; construction work construction, 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
“Annual Cap(s)”	the maximum aggregate annual amount(s) for the continuing connected transactions contemplated under the Construction Work Contracts
“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
“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

“Consortium”	the consortium formed by Design Institute, ATEGC and Information Industry Company to provide transactions under the Construction Work Contracts
“Construction Work Contract I”	the contract entered into between the Company and the Consortium on 29 November 2023 regarding the intelligence enhancement project for the section of the Hening Expressway administered by Chuzhou Management Center of the Company
“Construction Work Contract II”	the contract entered into between the Company and the Consortium on 29 November 2023 regarding the intelligence enhancement project for the section of the Hening Expressway administered by Hefei Management Office of the Company
“Construction Work Contracts”	Construction Work Contract I and Construction Work Contract II
“Design Institute”	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in the PRC
“Information Industry Company”	Anhui Transportation Information Industry Co., Ltd.* (安徽交控信息產業有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	the percentage ratio(s) (except for profits ratio and equity capital ratio) prescribed 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 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

“%”

per cent

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

Hefei, Anhui, the PRC
29 November 2023

As at the date of this announcement, the Board of the Company comprises Xiang Xiaolong (chairman) and Chen Jiping as the executive Directors; Yang Xudong and Du Jian as the non-executive Directors; and Liu Hao, Zhang Jianping and Fang Fang as the independent non-executive Directors.

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

* *For identification purpose only*