
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ANE (Cayman) Inc., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



ANE (Cayman) Inc.
安能物流集團有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock code: 9956)

- (1) PROPOSED RE-ELECTION OF DIRECTORS**
(2) PROPOSED RE-APPOINTMENT OF AUDITOR
**(3) PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES**
(4) PROPOSED ADOPTION OF THE 2023 SHARE INCENTIVE SCHEME
(5) PROPOSED AMENDMENTS TO THE 2022 SHARE AWARD SCHEME
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

Capitalized terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 7 to 16 of this circular. A notice convening the Annual General Meeting of ANE (Cayman) Inc. to be held at 33rd Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on Monday, June 19, 2023 at 11:00 a.m. is set out on pages 62 to 67 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited and the Company.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting (i.e. not later than 11:00 a.m. on Saturday, June 7, 2023) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

May 29, 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	7
2. Proposed Re-election of Retiring Directors	8
3. Proposed Re-Appointment of Auditor	8
4. Proposed Granting of General Mandate to Repurchase Shares	9
5. Proposed Granting of General Mandate to Issue Shares	9
6. Proposed Adoption of the 2023 Share Incentive Scheme	10
7. Proposed Amendments to the 2022 Share Award Scheme	13
8. Closure of Register of Members	14
9. Annual General Meeting and Proxy Arrangement	15
10. Responsibility Statement	16
11. Additional Information	16
12. General Information	16
13. Recommendation	16
Appendix I Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	17
Appendix II Explanatory Statement on the Share Repurchase Mandate	23
Appendix III General Information	27
Appendix IV Summary of the Principal Terms of the 2023 Share Incentive Scheme	31
Appendix V Summary of the Principal Terms of the Amended 2022 Share Award Scheme	50
Notice of Annual General Meeting	62

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the conditions to the 2023 Share Incentive Scheme becoming effective, as set out in paragraph 3.1 of Appendix IV, are satisfied
“Amended 2022 Share Award Scheme”	the 2022 Share Award Scheme with 2022 Share Award Scheme Amendments to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix V to this circular
“Annual General Meeting”	the Annual General Meeting of the Company to be held at 33rd Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on Monday, June 19, 2023 at 11:00 a.m. or any adjournment thereof and notice of which is set out on pages 62 to 67 of this circular
“Articles of Association”	the Articles of Association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Award”	an award granted under the Amended 2022 Share Award Scheme or the 2023 Share Incentive Scheme in the form of an Option or a RSU
“Board”	the board of Directors
“business day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Cause”	with respect to a Grantee, such event as will entitle the Company and/or any of its subsidiaries to terminate the employment or service of the Grantee with immediate notice without compensation under the relevant employment or service agreement or, if it is not otherwise provided for in the relevant employment or service agreement, (a) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or the commission of a criminal offence, (b) a material breach of any agreement, arrangement or understanding between the Grantee and the Company and/or any of its subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement, (c) misrepresentation or omission of any material fact in connection with his employment agreement or service agreement, (d) a material failure to perform the customary duties of an employee of the Company and/or any of its subsidiaries, to comply with the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or (e) any conduct that is materially adverse to the name, reputation or interests of the Group

DEFINITIONS

“Consultation Conclusions”	the consultation conclusions on the proposed amendments to listing rules relating to Share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022
“China” or “PRC”	the People’s Republic of China, for the purpose of this circular and for geographical reference only, except where the context requires otherwise, references to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“close associate”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act (As Revised), Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“Company”	ANE (Cayman) Inc. (安能物流集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9956)
“Competitor”	any corporation, partnership, joint venture, trust, individual proprietorship, firm, governmental unit or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activities of any nature that compete (directly or indirectly) with a product, process, technique, procedure, device or service of the Company or any of its subsidiaries
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“core connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disability”	a disability, whether temporary or permanent, partial or total as determined by the Board in its absolute discretion
“ESG Committee”	the Environmental, Social and Governance Committee of the Board
“Exercise Price”	the price per Share which a Grantee may subscribe for or acquire Shares upon the exercise of an Option, as determined under paragraph 5.3 of Appendix IV

DEFINITIONS

“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Amended 2022 Share Award Scheme or the 2023 Share Incentive Scheme or, where the context so permits, a person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person
“Group”	the Company and its subsidiaries and consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the resolution approving such mandate
“Latest Practicable Date”	May 15, 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“New Chapter 17 Rules”	the Chapter 17 of the Listing Rules which became effective on January 1, 2023
“Nomination Committee”	the nomination committee of the Board
“Offer”	the offer of the grant of an Award under the Amended 2022 Share Award Scheme or the 2023 Share Incentive Scheme
“Offer Date”	in respect of an Award, the date on which an Offer is made to a Participant, which must be a business date

DEFINITIONS

“Option”	an Option to subscribe for or acquire Shares which is granted under the Amended 2022 Share Award Scheme or the 2023 Share Incentive Scheme
“Participants”	the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company’s subsidiaries, the employees of the Group or any other persons as determined by the Board who the Board considers, in its absolute discretion, have contributed or will contribute to the Group
“Remuneration Committee”	the Remuneration Committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the resolution approving such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“RSU”	a restricted share unit, being a contingent right to receive Shares which is awarded under the Amended 2022 Share Award Scheme or the 2023 Share Incentive Scheme
“Service Provider”	has the meaning ascribed to it under paragraph 2 of Appendix IV and paragraph 2 of Appendix V of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares with a par value of US\$0.00002 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary(ies)”	any subsidiary (as the term is defined in the Listing Rules) of the Company
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Term”	has the meaning ascribed to it in paragraph 3.2 of Appendix IV and paragraph 3.2 of Appendix V
“Trust”	a discretionary trust established in respect of and for the purpose of the 2023 Share Incentive Scheme and the Amended 2022 Share Award Scheme
“Trustee”	a professional trustee from time to time of the 2023 Share Incentive Scheme and the Amended 2022 Share Award Scheme as may be appointed by the Company under paragraph 3.3 of Appendix IV and paragraph 3.3 of Appendix V to this circular respectively
“Vest”	(a) in respect of Shares underlying an Option, the Grantee becoming entitled to exercise the Option to subscribe for or acquire such Shares; and (b) in respect of Shares underlying a RSU, the Grantee becoming entitled to receive such Shares
“Vesting Date”	in respect of an Award, the date to be determined by the Board and notified to the relevant Grantee in the notice of grant on which the Shares underlying such Award shall Vest
“Vesting Period”	the period commencing on the Offer Date and ending on the Vesting Date
“2022 Scheme Mandate Limit”	has the meaning ascribed to it under paragraph 6.1 of Appendix V to this circular
“2022 Service Provider Sublimit”	has the meaning ascribed to it under paragraph 6.1 of Appendix V to this circular
“2022 Share Award Scheme”	the share award scheme adopted by the Company on June 14, 2022

DEFINITIONS

“2022 Share Award Scheme Amendments”	the amendments to the 2022 Share Award Scheme to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix V to this circular
“2023 Scheme Exercise Period”	means, in respect of any Option granted under the 2023 Share Incentive Scheme, the period to be determined by the Board and notified to the Grantee in the notice of grant or, where applicable, any period for the exercise of an Option determined pursuant to paragraph 12 of Appendix IV to this circular, which period shall commence on the Vesting Date and shall expire no later than ten years from the Offer Date under for each Option granted under the 2023 Share Incentive Scheme
“2023 Scheme Mandate Limit”	has the meaning ascribed to it under paragraph 6.1 of Appendix IV to this circular
“2023 Service Provider Sublimit”	has the meaning ascribed to it under paragraph 6.1 of Appendix IV to this circular
“2023 Share Incentive Scheme”	the share incentive scheme to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix IV to this circular
“%”	per cent

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

* *For identification purposes only*

LETTER FROM THE BOARD



ANE (Cayman) Inc.
安能物流集團有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock code: 9956)

Executive Directors:

Mr. Qin Xinghua (*Co-Chairmen,*
chief executive officer)
Mr. Jin Yun

Registered Office:

PO Box 309, Uglan House
Grand Cayman KY1-1104
Cayman Islands

Non-executive Directors:

Mr. Chen Weihao (*Co-Chairmen*)
Mr. Wang Jian
Mr. Wei Bin

*Headquarters and Principal Place of
Business in the PRC:*

8th Floor, Block B
E Linke World North District
999 Huaxu Road
Xujing Town
Qingpu District
Shanghai, PRC

Independent non-executive Directors:

Mr. Li Wilson Wei
Mr. Geh George Shalchu
Mr. Lam Man Kwong

*Principal Place of Business in
Hong Kong:*

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

May 29, 2023

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED RE-ELECTION OF DIRECTORS
(2) PROPOSED RE-APPOINTMENT OF AUDITOR
(3) PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES
(4) PROPOSED ADOPTION OF THE 2023 SHARE INCENTIVE SCHEME
(5) PROPOSED AMENDMENTS TO THE 2022 SHARE AWARD SCHEME
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. At the Annual General Meeting, resolutions relating to, among other matters, (i) the re-election of retiring Directors, (ii) the re-appointment of auditor; (iii) the grant of the Repurchase Mandate and the Issue Mandate; (iv) the adoption of the 2023 Share Incentive Scheme; and (v) the amendments to the 2022 Share Award Scheme, will be proposed.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with articles 16.2 and 16.19 of the Articles of Association, Mr. Jin Yun, Mr. Wei Bin, Mr. Lam Man Kwong, Mr. Wang Jian and Mr. Geh George Shalchu will retire by rotation, and being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria (including but not limited to gender, age, culture and educational background, professional experience, length of service, skills and knowledge) set out in the Company's Board Diversity Policy, the Director Nomination Policy and the Company's corporate strategy. The Nomination Committee has recommended to the Board on the re-election of all the retiring Directors. The Company considers that the retiring non-executive Directors will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The Nomination Committee has also reviewed and assessed the independence of Mr. Lam Man Kwong and Mr. Geh George Shalchu based on their respective confirmation of independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. Mr. Lam Man Kwong and Mr. Geh George Shalchu are not involved in the daily management of the Company and are not in any relationships which would interfere with the exercise of their independent judgment. In addition, the Board considers that Mr. Lam Man Kwong and Mr. Geh George Shalchu are highly valued and respected members of the Board, and can contribute to the diversity of the Board, in particular, with their strong and diversified educational background and professional experience in their expertise, including their in-depth knowledge in commercial and general management, professional accounting, investment strategies and connections in various industries. The Board believes that they will be able to devote sufficient time to the Board and will continue to provide independent, balanced and objective view to the Company's affairs.

Details of the above Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

3. PROPOSED RE-APPOINTMENT OF AUDITOR

Ernst & Young, the auditor of the Company, will retire at the Annual General Meeting and, being eligible for re-appointment. Following the recommendation of the audit committee of the Board, the Board proposed to re-appoint Ernst & Young as the auditor of the Company with a term expiring upon the next Annual General Meeting of the Company; and the Board proposed it be authorized to fix the remuneration of the auditor.

LETTER FROM THE BOARD

An ordinary resolution in respect of the re-appointment of the auditor of the Company will be proposed at the Annual General Meeting for consideration and approval by the Shareholders.

4. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting of the Company held on June 8, 2022, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase the Shares on the Stock Exchange not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 116,260,548 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting), i.e. being 1,162,605,486 Shares.

The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association or any applicable laws or to be held; or (iii) the variation or revocation of the Repurchase Mandate by ordinary resolution of the Shareholders in a general meeting of the Company.

Under the Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. Such explanatory statement is set out in Appendix II to this circular.

5. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting of the Company held on June 8, 2022, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 232,521,097 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issue Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

The Issue Mandate will remain in effect until the earliest of: (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association or any applicable laws or to be held; or (iii) the variation or revocation of the Issue Mandate by ordinary resolution of the Shareholders in a general meeting of the Company

6. PROPOSED ADOPTION OF THE 2023 SHARE INCENTIVE SCHEME

To better incentivize Directors and employees of the Group to remain with the Group and to develop the business of the Group, the Directors propose to adopt the 2023 Share Incentive Scheme. Pursuant to the Consultation Conclusions, the requirements for share schemes as set out in Chapter 17 of the Listing Rules have been amended with effect from January 1, 2023. As a result of the aforesaid amendments to the Chapter 17 of the Listing Rules, the terms of the 2023 Share Incentive Scheme follow the terms of the 2022 Share Award Scheme with certain adjustments to the extent compliant with and permitted under the Listing Rules, including the New Chapter 17 Rules, so as to ensure the consistent practice of Share incentives of the Group.

The adoption of the 2023 Share Incentive Scheme is subject to the approval of the Shareholders in the Annual General Meeting. The key changes in the 2023 Share Incentive Scheme as compared to the 2022 Share Award Scheme are set out below:

- to revise the scope of eligible Participants and elaborate on the scope of the Service Provider;
- to adopt the 2023 Scheme Mandate Limit and the 2023 Service Provider Sublimit;
- to adopt a minimum Vesting Period of 12 months save where otherwise allowed under the Listing Rules;
- to adopt the individual limits and the Shareholders' approval requirement for grants of Awards to a Director or Chief Executive Officer, or any of their associates;
- to adopt the clawback mechanisms where the Company would be able to clawback the Awards granted to the Grantees under certain circumstances; and
- to bring the requirement of the approval from the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) for any change to the terms of the Awards if the initial grant of the Options or Awards was approved by the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be).

LETTER FROM THE BOARD

Purpose of the 2023 Incentive Scheme

The terms of the 2023 Share Incentive Scheme allow the Company to, where it considers appropriate, specify performance targets which must be achieved before the Awards can be vested or exercised by a Grantee. For details of the performance targets under the 2023 Share Incentive Scheme, please refer to paragraph 5.2 in Appendix IV to this circular. In addition, whilst there is a general rule under the 2023 Share Incentive Scheme that the Vesting Period in respect of any Option granted to any eligible Participant shall not be less than 12 months from the date of acceptance of the Offer, the rule of the 2023 Share Incentive Scheme has nonetheless retained flexibility by setting out exceptional circumstances where there may be shorter Vesting Period as further set out in paragraph 5.1 of Appendix IV to this circular. In addition, the basis for the determination of the Exercise Price has been set out in the 2023 Share Incentive Scheme and such basis is determined in accordance with the Listing Rules. The rules of the 2023 Share Incentive Scheme have also set out clawback mechanisms where the Company would be able to clawback the Awards granted to the Grantees who were involved in misconduct, malfeasance, breach of law or other actions which do not conform with the standard expected of the intended targets of the 2023 Share Incentive Scheme. The Company believes that the mechanism of the 2023 Share Incentive Scheme as described above will provide it with flexibility in setting the terms and conditions of the Awards which are the most appropriate taking into account the individual circumstances of the relevant eligible Participants and therefore can facilitate the Company's aim to offer meaningful incentive to attract, retain and motivate talented employees and business partners towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group, and hence aligns with the purpose of the 2023 Share Incentive Scheme.

Other mechanisms that the Company adopts to facilitate the Company's aim to offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group include offering the employees discretionary bonus and salary increase from time to time. The Awards granted under the 2023 Share Incentive Scheme will be imposed with a staged Vesting schedule rather than a one-off triggering event. The Company believes that such Vesting schedule will help retain the talented employees and increase their loyalty to the Company in the long run, which will further enhance the stability of the Company and better align the long-term contribution of the employees of the Company with the performance goals in business operation and other long-term performance targets set by the Group. In addition, the Company believes that adopting the 2023 Share Incentive Scheme and granting Awards that have objective performance target indicators relating to the financial performance of the Group, which directly correlates the value of the Awards, provides the most directly correlated incentivisation to the Company's employees. Granting Awards under the 2023 Share Incentive Scheme in lieu of cash-based incentives will also help optimize the financial performance of the Company. Based on the above, the Company believes that the grant of Awards is a better option as compared to the other alternative in terms of the Company's aim.

LETTER FROM THE BOARD

The Board is of the view that adopting the 2023 Share Incentive Scheme and granting Awards to the Participants for them to have the opportunity to acquire equity interest through the 2023 Share Incentive Scheme can attract skilled and experienced personnel for the further development and expansion of the Group and motivate the eligible Participants to strive for the future development and expansion of the Group because (i) the value of the Awards under the 2023 Share Incentive Scheme will reflect the Participants' individual capabilities, performance and their value and contribution to the Group's further development and expansion effectively and directly and thus aligns the long-term interest of theirs and the Group as a whole; and (ii) the Awards granted under the 2023 Share Incentive Scheme will be imposed with a staged Vesting schedule, which will help retain the talented, skilled and experienced employees and increase their loyalty to the Company, which will further enhance the stability of the Company and better align the long-term contribution of the talented, skilled and experienced employees of the Company with the performance goals in business operation and other long-term performance targets set by the Group.

Basis of the 2023 Service Provider Sublimit

The basis for determining the 2023 Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the 2023 Share Incentive Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Awards to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, and the fact that the Company expects that a majority of Awards will be granted to the employee Participants and as such there is a need to reserve a larger portion of the 2023 Scheme Mandate Limit for grants to the employee Participants. Given the above, the Directors have considered that a sublimit of 0.8% would not lead to an excessive dilution of existing Shareholders' holdings and thus is appropriate and reasonable.

Vesting Period

The Vesting Period for Awards under the 2023 Share Incentive Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the 2023 Share Incentive Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month Vesting requirement would not work or would not be fair to the Grantees, such as those set out in paragraph 2 of the Appendix IV to this Circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated Vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose Vesting conditions such as performance-based Vesting conditions instead of time-based Vesting criteria depending on individual circumstances.

LETTER FROM THE BOARD

Hence, the Board and the Remuneration Committee are of the view that the shorter Vesting Period prescribed in sub-paragraph 5.1 of the Appendix IV to this Circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Incentive Scheme.

Within the twelve (12) months after obtaining the Shareholders' approval, the Company intends to grant Options under the 2023 Share Incentive Scheme involving approximately 50,000,000 Shares of the Company to Grantees, the grant of which will be imposed with a Vesting Period of no less than 12 months. The Company also intends to grant RSUs under the 2023 Share Incentive Scheme involving approximately 15,000,000 Shares to Grantees who are employee Participants, the grant of which will be imposed with a Vesting Period of less than 12 months. The proposed grant of RSUs to the employee Participants will be imposed with a Vesting Period of less than 12 months because these grants will be imposed with performance-based Vesting conditions in lieu of time-based Vesting criteria, which is specified as one of the specific circumstances under the terms of the 2023 Share Incentive Scheme in sub-paragraph 5.1(c) of the Appendix IV to this circular and thus will be in compliance with Chapter 17 of the Listing Rules. In particular, such RSUs will only be granted when and if the adjusted net profit before tax of the Group for the year ending December 31, 2023 is satisfactory to the Board (the standard of which will be decided by the Board in due course). As of the Latest Practicable Date, no Grantee under the 2023 Share Incentive Scheme has been confirmed.

A copy of the 2023 Share Incentive Scheme will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and the Company at <https://www.ane56.com> for display for a period of not less than 14 days before the date of Annual General Meeting and will be made available for inspection at the Annual General Meeting.

A summary of the principal terms of the 2023 Share Incentive Scheme is set out in Appendix IV to this Circular.

7. PROPOSED AMENDMENTS TO THE 2022 SHARE AWARD SCHEME

The Company has adopted the 2022 Share Award Scheme on June 14, 2022, upon the approval by the Shareholders. Taking into consideration of the proposed adoption of the 2023 Share Incentive Scheme, the Company proposed to amend the terms of the 2022 Share Award Scheme to limit any grant of Awards thereunder to RSUs comprising of existing Shares purchased or to be purchased by the designated Trustee on-market (the “**2022 Share Award Scheme Amendments**”). For the avoidance of doubt, there will be no new Shares being issued to satisfy the grants under the 2022 Share Award Scheme after the 2022 Share Award Scheme Amendments are adopted.

As at the Latest Practicable Date, no Share Awards comprising of newly issued Shares have been granted under the 2022 Share Award Scheme. The designated Trustee of the 2022 Share Award Scheme has, as of the date of Latest Practicable Date and in accordance with prior instruction of the Board, purchased on-market existing Shares utilizing funds that were allocated as bonuses for employees and management. Such Shares purchased on-market by the Trustee are, and shall, after the 2022 Share Award Scheme Amendments become effective, remain reserved for granting of RSUs to the respective employees and management members who were entitled to the allocated bonuses.

LETTER FROM THE BOARD

The major amendments to the 2022 Share Award Scheme are summarized below:

- to limit the Awards under the scheme to RSUs comprising of existing Shares only;
- to revise the scope of eligible Participants;
- to adopt the individual limits and Shareholders' approval requirement for grants of Awards to a Director (other than an independent non-executive Director) or Chief Executive Officer, or any of their associates;
- to adopt the 2022 Service Provider Sublimit;
- to include certain carve-outs on the transferability of the Awards; and
- to bring the requirement of Shareholders' approval for any alterations to the terms of the Awards granted to a Participant;

The full terms of the Amended 2022 Share Award Scheme may be inspected at the Company's principal place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong and the Company's registered office at PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands from the date of this circular up to and including the date of the Company's Annual General Meeting, and at such Annual General Meeting.

A summary of the principal terms of the Amended 2022 Share Award Scheme is set out in Appendix V to this Circular.

8. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, June 14, 2023 to Monday, June 19, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all Share transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, June 13, 2023.

LETTER FROM THE BOARD

9. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 62 to 67 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution relating to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules. As at the Latest Practicable Date, no Grantee under the 2023 Share Incentive Scheme and the Amended 2022 Share Award Scheme has been confirmed. Therefore, no Shareholder is required to abstain from voting on the resolutions proposed in the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<https://www.ane56.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 11:00 a.m. on Saturday, June 17, 2023) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

The Board confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he or she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

The Board confirm that to the best of their knowledge, information and belief of the Directors, as at the Latest Practicable Date, there was no discrepancy between any beneficial shareholding interest in the Company as disclosed in this circular and the number of Shares in the Company in respect of which each of them will control or will be entitled to exercise control over the voting right at the Annual General Meeting.

LETTER FROM THE BOARD

10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or this circular misleading.

11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

12. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting); Appendix II (Explanatory Statement on the Repurchase Mandate) and Appendix III (General Information) to this circular.

13. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors and granting of the Issue Mandate and the Repurchase Mandate, the proposed adoption of the 2023 Share Incentive Scheme, the proposed adoption of the 2023 Service Provider Sublimit and the proposed amendments to the 2022 Share Award Scheme are in the best interests of the Company and the Shareholders.

Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting to approve the above resolutions and to vote in favour of other resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
ANE (Cayman) Inc.
Mr. Chen Weihao and Mr. Qin Xinghua
Co-Chairmen

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

EXECUTIVE DIRECTORS

(1) Jin Yun

Mr. Jin Yun (金雲) (“**Mr. Jin**”), aged 48, was appointed as an executive Director in September 2022. Mr. Jin joined the Group in February 2012 and has been working in a principal subsidiary of the Company, Anneng Juchuang Supply Chain Management (Shenzhen) Co., Ltd., since then, where he currently serves as the general manager. Prior to joining the Group, Mr. Jin worked at Guangzhou Feifan Aviation Passenger and Cargo Service Co., Ltd. from March 2000 to December 2011, where his last position was the marketing manager.

Mr. Jin graduated from North China Institute of Aerospace Engineering with tertiary education qualification in accounting and auditing in June 1999.

Mr. Jin did not hold any directorship in the last three years before the date of this circular in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Jin entered into a service contract with the Company for a term of three years from September 1, 2022, subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles of Association of the Company. In line with the remuneration policy and the recommendation of the Remuneration Committee of the Company, Mr. Jin will not be entitled to any director’s service fees. His remuneration may include RSUs or other Share Options under the equity incentive plans, which he may from time to time be entitled as the Board may determine in light of the Company’s business performance and the Director’s individual performance after confirmation with the Remuneration Committee. He is also entitled to bonus of such amount as the Board may determine in light of the Company’s business performance and the Director’s individual performance after confirmation with the Remuneration Committee of the Company.

As at the Latest Practicable Date, Mr. Jin had interest in 998,775 Shares of the Company representing approximately 0.08% of the issued Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Jin (i) did not hold any other position in the Group, (ii) did not hold any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and (iii) did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, there is no other information in relation to Mr. Jin required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters concerning Mr. Jin that need to be brought to the attention of the Shareholders.

NON-EXECUTIVE DIRECTORS

(2) Wang Jian

Mr. Wang Jian (王劍) (“**Mr. Wang**”), aged 42, was appointed as a non-executive Director in February 2021 and re-designated as a non-executive Director in May 2021.

Mr. Wang Jian has worked at Shanghai Panxin Equity Investment Management Co., Ltd, a subsidiary of CITIC Private Equity Funds Management Co., Ltd., from July 2017 to December 2018, then at Tianjin Panmao Enterprise Management Partnership (limited partnership) from January 2019 to September 2020 and Beijing Panmao Investment Management Co., Ltd since October 2020. From August 2016 to May 2017, Mr. Wang Jian worked at Shanghai Vanke Changning Real Estate Co., Ltd, and from March 2014 to March 2016, he worked at Shihenatong (Shanghai) Investment Co., Ltd, currently named as Shihenatong (Shanghai) Industrial Co., Ltd. Prior to that, Mr. Wang Jian worked at an affiliate of Global Logistic Properties Ltd.

Mr. Wang is currently a director of Shanghai ANE, a principal subsidiary of the Company.

Mr. Wang Jian obtained his bachelor’s degree in geomatics engineering from the Tongji University (同濟大學) in Shanghai, PRC in July 2002.

Mr. Wang Jian entered into a service contract with the Company for an initial term of three years commencing from October 30, 2021 and will continue thereafter until terminated in accordance with the terms of the service contract. Mr. Wang Jian is subject to retirement by rotation and re-election at the Annual General Meeting pursuant to the Listing Rules and the Articles of Association. Pursuant to the service contract, Mr. Wang Jian does not receive any director’s fee. His remuneration may include RSUs or other Share Options under the equity incentive plans, which he may from time to time be entitled. He is also entitled to bonus of such amount as the Board may determine in light of the Company’s business performance and the Director’s individual performance after confirmation with the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang Jian (i) did not have any interests in Shares within the meaning of Part XV of the SFO, (ii) did not hold any other position in the Group, (iii) did not hold any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and (iv) did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, there is no other information in relation to Mr. Wang Jian required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters concerning Mr. Wang Jian that need to be brought to the attention of the Shareholders.

(3) Wei Bin

Mr. Wei Bin (魏斌) (“**Mr. Wei**”), aged 53, was appointed as a non-executive Director in March 2023.

Mr. Wei has worked in CDH Investments since April 2019, including CDH Investments Management (Hong Kong) Limited where he is currently serving as a senior partner. Mr. Wei obtained his Bachelor’s degree in auditing from Zhongnan University of Economics in 1992 in China and his Master’s degree in finance from Jinan University in 2001 in China. Mr. Wei has become a non-practicing member of the Chinese Institute of Certified Public Accountants since 1993, a Senior Auditor granted by the National Audit Office of the People’s Republic of China since 2003 and a Senior Accountant granted by the Beijing Municipal Bureau of Personnel since 2003.

Mr. Wei is currently serving as an independent non-executive director of Honghua Group Limited (宏華集團有限公司), a company listed on the Stock Exchange (stock code: 196); an executive director of OCI International Holdings Limited (東建國際控股有限公司), a company listed on the Stock Exchange (stock code: 329); an independent non-executive director of Sinohealth Holdings Limited (中康控股有限公司), a company listed on the Stock Exchange (stock code: 2361); and an independent director of Huize Holding Limited, a NASDAQ-listed company (NASDAQ: HUIZ).

Mr. Wei entered into a service contract with the Company for an initial term of three years from March 31, 2023, subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles of Association of the Company. Mr. Wei is subject to retirement by rotation and re-election at the Annual General Meeting pursuant to the Listing Rules and the Articles of Association. In line with the remuneration policy and the recommendation of the Remuneration Committee, Mr. Wei will not be entitled to any director’s service fees. His remuneration may include RSUs or other Share Options in accordance with the terms of the equity incentive plans, which he may from time to time be entitled as the Board may determine in light of the Company’s business performance and the Director’s individual performance after confirmation with the Remuneration Committee. He is also entitled to bonus of such amount as the Board may determine in light of the Company’s business performance and the Director’s individual performance after confirmation with the Remuneration Committee.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, as at the Latest Practicable Date, Mr. Wei (i) did not have any interests in Shares within the meaning of Part XV of the SFO, (ii) did not hold any other position in the Group, (iii) did not hold any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and (iv) did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Wei required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters concerning Mr. Wei that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

(4) Lam Man Kwong

Mr. Lam Man Kwong (林文剛) (“**Mr. Lam**”), aged 46, was appointed as an independent non-executive Director in October 2021. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee, and the ESG Committee.

Mr. Lam joined Chow Tai Fook Enterprises Limited in September 2019 and is currently a managing principal. From June 2014 to August 2019, Mr. Lam worked at Credit Suisse (Hong Kong) Limited in the Investment Banking and Capital Markets Department, where his last held position was a managing director. Prior to that, Mr. Lam worked at Nomura International (Hong Kong) Limited and Credit Suisse (Hong Kong) Limited. Mr. Lam currently is a director of Yunnan Jinggu Forestry Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600265).

Mr. Lam obtained a Bachelor’s degree with a major in economics from the University of California at Los Angeles in United States in December 1997.

Mr. Lam entered into a letter of appointment with the Company for an initial term of three years commencing from October 30, 2021 and will continue thereafter until terminated in accordance with the terms of the letter of appointment. Mr. Lam is subject to retirement by rotation and re-election at the Annual General Meeting pursuant to the Listing Rules and the Articles of Association. Pursuant to the letter of appointment, Mr. Lam is entitled to receive a director’s fee of RMB500,000 per annum, which was determined by the Board based on the recommendation from the Remuneration Committee with reference to the Company’s performance, his duties and responsibilities with the Company and prevailing market conditions.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Save as disclosed above, as at the Latest Practicable Date, Mr. Lam (i) did not have any interests in Shares within the meaning of Part XV of the SFO, (ii) did not hold any other position in the Group, (iii) did not hold any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and (iv) did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information in relation to Mr. Lam required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters concerning Mr. Lam that need to be brought to the attention of the Shareholders.

(5) Geh George Shalchu

Mr. Geh George Shalchu (葛曉初) (“Mr. Geh”), aged 62, was appointed as an independent non-executive Director with effect from October 30, 2021. He is also a member of the Audit Committee.

Mr. Geh served as a managing director at Lone Star Funds from January 2019 to December 2020. From January 2016 to December 2018, Mr. Geh worked as a managing director at AlixPartners. Mr. Geh was the co-founder of RichWise Capital Ltd. and he worked as managing partner in RichWise Capital Ltd. from September 2008 to December 2015. From September 1998 to February 2005, Mr. Geh worked in McKinsey & Consulting Company where his last position was associate principal.

Mr. Geh obtained his Bachelor’s degree of science in metals engineering from Shanghai Jiao Tong University in Shanghai, PRC in July 1982, his Master of Science degree in metals science and engineering from the Pennsylvania State University in United States in August 1991, and his Master of Science degree in industrial administration from Carnegie Mellon University in United States in May 1998.

Mr. Geh entered into a letter of appointment with the Company for an initial term of three years commencing from October 30, 2021 and will continue thereafter until terminated in accordance with the terms of the letter of appointment. Mr. Geh is subject to retirement by rotation and re-election at the Annual General Meeting pursuant to the Listing Rules and the Articles of Association. Pursuant to the letter of appointment, Mr. Geh is entitled to receive a director’s fee of RMB500,000 per annum, which was determined by the Board based on the recommendation from the Remuneration Committee with reference to the Company’s performance, his duties and responsibilities with the Company and prevailing market conditions.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Save as disclosed above, as at the Latest Practicable Date, Mr. Geh (i) did not have any interests in Shares within the meaning of Part XV of the SFO, (ii) did not hold any other position in the Group, (iii) did not hold any directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and (iv) did not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information in relation to Mr. Geh required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters concerning Mr. Geh that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued Share capital of the Company comprised 1,162,605,486 Shares.

Subject to the passing of the ordinary resolution set out in resolution no. 4 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the number of issued Shares remain unchanged on the date of the Annual General Meeting, i.e. being 1,162,605,486 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 116,260,548 Shares, representing 10% of the total number of issued Shares as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole.

Shares repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

The Company may only apply funds entirely from the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with its Articles of Association, the Companies Act and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended December 31, 2022) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
May	4.53	3.71
June	4.28	3.85
July	4.48	3.86
August	4.06	3.40
September	4.20	2.10
October	2.74	1.86
November	2.95	1.82
December	4.74	2.82
2023		
January	5.76	4.40
February	6.14	4.61
March	5.68	4.39
April	5.75	4.68
May (<i>up to the Latest Practicable Date</i>)	6.10	5.13

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company under the Repurchase Mandate, nor that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Articles of Association, the Listing Rules, and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following parties had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register kept by the Company under Section 336 of the SFO (disregarding, for this purpose, the short positions of the relevant parties) and whose interests are 10% or more:

Name of Shareholder	Capacity in which Shares are held	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽¹⁾	Approximate Percentage of Shareholding if the Repurchase Mandate is exercised in full
Topaz Gem Investment Holdings Limited ⁽²⁾	Beneficial interest	185,954,093(L)	15.99%	17.77%
Advance Step Holdings Limited ⁽²⁾	Interest in a controlled Corporation and beneficial interest	285,989,754(L)	24.60%	27.33%
Centurium Capital Partners 2018, L.P. ⁽²⁾	Interest in a controlled corporation	285,989,754(L)	24.60%	27.33%
Mr. Wang Yongjun ⁽³⁾	Interest in a controlled corporation	135,619,983(L)	11.67%	12.96%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- As at the Latest Practicable Date, Topaz Gem Investment Holdings Limited ("**Topaz**") and Advance Step Holdings Limited ("**Advance Step**") beneficially held 185,954,093 and 100,035,661 Shares, respectively. Topaz is a wholly-owned subsidiary of Advance Step, which in turn is wholly owned by Centurium Capital Partners 2018, L.P. ("**Centurium**"). Hence, Centurium is deemed to be interested in the total number of Shares held by each of Topaz and Advance Step.

3. As at the Latest Practicable Date, (i) CDF ANE Limited (“CDF ANE”) beneficially held 32,213,523 Shares, (ii) Max Choice Ventures Limited (“Max Choice”) beneficially held 76,466,665 Shares, (iii) Double Brighten Creation Limited (“Double Brighten”) beneficially held 16,939,795 Shares, and (iv) ANE-WYJ Holding Limited (“ANE-WYJ”) beneficially held 10,000,000 Shares.

Max Choice is a wholly-owned subsidiary of CDF ANE, which is held by CDF ANE LLP as to approximately 47.1%, CDF Elixir L.P. as to approximately 42.50% and CDH ANE LLP as to approximately 10.40%. The limited partnership interests in CDH ANE LLP and CDF Elixir L.P. are held by Shanghai Anyun Investment Partnership (Limited Partnership)* (上海安勻投資合夥企業(有限合夥)). The majority limited partnership interests in Shanghai Anyun are in turn held by Ningbo Meishan Bonded Area Haoyuan Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區灝元股權投資合夥企業(有限合夥)) whose general partner is Shanghai Yuanyue Commercial Consulting Co., Ltd., a company controlled by Mr. Wang.

Double Brighten Creation Limited is an investment vehicle which holds the Shares on trust settled by Mr. Wang, and ANE-WYJ Holding Limited is wholly owned by Mr. Wang.

As such, Mr. Wang is deemed to be interested in the Shares held by CDF ANE, Max Choice, Double Brighten and ANE-WYJ pursuant to Part XV of the SFO.

In the event the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the interests of the above substantial shareholders of the Company would be increased to approximately the percentages shown in the last column of the above table.

The Directors consider that such increase in shareholding of the above substantial shareholders of the Company would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Directors have no present intention to repurchase the Shares to an extent that will trigger the obligations under the Takeovers Code for the above substantial shareholders of the Company to make a mandatory offer.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued Shares would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

(1) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (“**Model Code**”), were as follows:

Shares and Underlying Shares of the Company

Name of Directors and chief executive	Position	Nature of interest	Number of underlying Shares interested	Approximate percentage of shareholding interest ⁽¹⁾
Mr. Qin ⁽²⁾	Executive Director, chief executive officer	Interest in controlled corporations	89,575,356 (L)	7.70%
Mr. Jin Yun	Executive Director	Beneficial interest	998,775 (L)	0.08%

Notes:

- (1) Refers to the percentage of the number of relevant Shares involved divided by the total number of Shares in issue of the Company as at the Latest Practicable Date, namely 1,162,605,486 Shares. The letter “L” denotes the person’s long position in the Shares.
- (2) Mr. Qin is deemed to be interested in the total number of Shares held by each of Great Vision L.P. and Giant Topway Holding Limited. Great Vision is owned as to 99.00% by ANE-XH Holding Limited as a general partner and 1.00% by ANE-SCS Holding Limited as a limited partner, respectively. Giant Topway Holdings Limited is an investment vehicle which hold the Shares on trust settled by Mr. Qin. As at the Latest Practicable Date, Great Vision L.P. and Giant Topway Holdings Limited beneficially held 54,119,274 and 35,456,082 Shares, respectively.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors or chief executives of the Company has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or our associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO) or which were required to be registered in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(2) Substantial Shareholders who have an interest and/or short position which is disclosable under Divisions 2 and 3 of Part XV of the SFO

So far as the Directors or chief executives of the Company are aware, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of substantial shareholders	Nature of interest	Number of underlying Shares interested	Approximate percentage of shareholding interest ⁽¹⁾
Centurium Capital Partners 2018, L.P. ⁽²⁾	Interest in controlled corporations	285,989,754 (L)	24.60%
Mr. Wang ⁽³⁾	Interest in controlled corporations	135,619,983 (L)	11.67%

Notes:

- (1) Refers to the percentage of the number of relevant Shares involved divided by the total number of Shares in issue of the Company as at the Latest Practicable Date, namely 1,162,605,486 Shares. The letter “L” denotes the person’s long position in the Shares.
- (2) As at the Latest Practicable Date, Topaz Gem Investment Holdings Limited (“**Topaz**”) and Advance Step Holdings Limited (“**Advance Step**”) beneficially held 185,954,093 and 100,035,661 Shares, respectively. Topaz is a wholly-owned subsidiary of Advance Step, which in turn is wholly owned by Centurium Capital Partners 2018, L.P. (“**Centurium**”). Hence, Centurium is deemed to be interested in the total number of Shares held by each of Topaz and Advance Step.
- (3) As at the Latest Practicable Date, (i) CDF ANE Limited (“**CDF ANE**”) beneficially held 32,213,523 Shares, (ii) Max Choice Ventures Limited (“**Max Choice**”) beneficially held 76,466,665 Shares, (iii) Double Brighten Creation Limited (“**Double Brighten**”) beneficially held 16,939,795 Shares, and (iv) ANE-WYJ Holding Limited (“**ANE-WYJ**”) beneficially held 10,000,000 Shares.

Max Choice is a wholly-owned subsidiary of CDF ANE, which is held by CDF ANE LLP as to approximately 47.1%, CDF Elixir L.P. as to approximately 42.50% and CDH ANE LLP as to approximately 10.40%. The limited partnership interests in CDH ANE LLP and CDF Elixir L.P. are held by Shanghai Anyun Investment Partnership (Limited Partnership)* (上海安勻投資合夥企業(有限合夥)). The majority limited partnership interests in Shanghai Anyun are in turn held by Ningbo Meishan Bonded Area Haoyuan Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區灝元股權投資合夥企業(有限合夥)) whose general partner is Shanghai Yuanyue Commercial Consulting Co., Ltd., a company controlled by Mr. Wang.

Double Brighten Creation Limited is an investment vehicle which holds the Shares on trust settled by Mr. Wang, and ANE-WYJ Holding Limited is wholly owned by Mr. Wang.

As such, Mr. Wang is deemed to be interested in the Shares held by CDF ANE, Max Choice, Double Brighten and ANE-WYJ pursuant to Part XV of the SFO.

Save as disclosed above, as far as the Directors are aware, as at the Latest Practicable Date, no person (other than the Directors and chief executive of the Company) owned interests and short positions in the Shares and underlying Shares which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

As at the Latest Practicable Date, so far as known to the Directors, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS

(1) Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(2) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since December 31, 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(3) Interests in competing business

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any members of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Company or any of its subsidiaries within one year without payment (other than statutory compensation).

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.ane56.com>) for a period of 14 days from the date of this circular:

Copies of the following documents are available for inspection during normal business hours on a Business Day at the principal place of business of the Company in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, from the date of this circular up to and including June 19, 2023, being the date of the Annual General Meeting:

- (i) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular; and
- (ii) this circular.

The following is a summary of the principal terms of the 2023 Share Incentive Scheme proposed to be adopted at the Annual General Meeting. The 2023 Share Incentive Scheme is governed by, and its terms are in accordance with, the provisions of New Chapter 17 Rules.

1. PURPOSE OF THE 2023 SHARE INCENTIVE SCHEME

The purpose of the 2023 Share Incentive Scheme is to enable the Company to grant Awards to eligible Participants, as incentives and/or rewards for their contribution to the Group, to better reward the personnel who have contributed to the success and development of the Group, to incentivise them to remain with the Group, to motivate them to strive for the future development and expansion of the Group and to attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

2. WHO MAY PARTICIPATE IN THE 2023 SHARE INCENTIVE SCHEME

On and subject to the terms of the 2023 Share Incentive Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound) at any time during the Term to make an Offer to the following categories of Participants, as the Board may in its absolute discretion select:

- (a) any Director or employee of the Company and its subsidiaries; and
- (b) freight partners and agents of the Group (the “**Service Providers**”).

The Participants include our Directors and employees. Having considered that (i) equity-based remuneration is an important means of ensuring alignment between the interests of the Shareholders and Board members and employees; (ii) it is common to include Directors and employees as eligible persons in share schemes; and (iii) Directors and employees of the Company provide important contributions to the Group’s long-term development and business, the Board believes the inclusion of Directors and employees as Participants will allow the Company to keep its remuneration package competitive in order to attract and retain talent and is in line with the purpose of the 2023 Share Incentive Scheme.

The Board is of the view that the inclusion of persons other than the Directors and employees of the Group as part of the Participants is appropriate and in the interests of the Company and the Shareholders as a whole, given that the success of the Group requires the co-operation and contribution not only from its Directors and employees, but also from other parties who play an instrumental role in and make actual or potential contributions to the business and development of the Group, which may include suppliers of the Group. As the Group operates a leading express freight network in China's less-than-truck-load market, the Board acknowledges the necessity in maintaining the business relationships and exploring potential partnerships with the suppliers of the Group, being a Participant who are not Directors or employees of the Group, who have provided services to the Group, so as to maintain the Group's competitiveness in the long term.

The Group primarily engages in the express freight business in China's less-than-truckload ("LTL") market. Our suppliers include freight partners and agents who primarily provide pickup and dispatch service to us on a continuing basis in the Group's ordinary and usual course of business. Under our freight partner platform model, we directly operate and control all mission-critical sorting and line-haul processes while our freight partners and agents are responsible for operating the outlets at their own costs and providing pickup and dispatch services. Such services are provided by the freight partners and agents on a recurring and continuing basis as part of our service provided to our end customers. Therefore, our freight partners and agents are important stake holders to the financial performance of the Company as an express freight network operator. Based on the above, the services provided by the Service Providers are in the interest of the long term growth of the Group and the performance of the Service Providers and their support to our Group will potentially improve the Group's long-term performance.

The Service Providers provide services akin to the employees in that we have established long term relationship with such Service Providers, that they are engaged on a regular and recurring basis, providing services that constitute part of our service provided to our end customers, and that their invaluable contributions are essential to the sustainable and successful development of the Group.

Although the Company has not previously granted any Awards to the proposed Service Providers, it has been the Company's plan and intention to grant Awards to the Service Providers if and when such Service Providers are, of the Board's view, eligible for being granted the Awards, taking their contributions and importance to the sustainable and successful development of the Group. The Board (including the independent non-executive Directors) is therefore of the view that including the respective proposed category of Service Provider into the 2023 Share Incentive Scheme is in line with the market practice and the Company's needs.

Having taken into account the fact that (i) the categories of Service Providers are in line with the Group's business needs and the market practice; (ii) recognizing the contribution of Service Providers may enhance their performance and further contribution to the Group; and (iii) the invaluable contributions from Service Providers are essential to the sustainable and successful development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of Service Providers as Participants is fair and reasonable and aligns with the purpose of the 2023 Share Incentive Scheme.

In assessing the eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate. In respect of Participants who are employees and Directors of the Group, the Board will assess the eligibility of the Participants based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future. In respect of Participants other than Directors or employees of the Group (i.e. Participants that are Service Providers of the Group), the Board will take into account a wide range of factors. In assessing the eligibility of Participants who are our suppliers, the Company would consider their business dealings with the Group (in terms of fees payable to them, if applicable), the length of business relationships between them and the Group, the positive impacts they have brought to the Group's business development, the long term support the Group may receive from the Participants and such other factors as the Board may at its discretion consider appropriate. The Company has not previously granted any Awards to any of the Service Providers under the existing 2022 Share Award Scheme.

Having taken into account the above and having regard to the nature of the operations of the Company, its relationship with the each of the Participants, the Board (including the independent non-executive Directors) is of the view that the criteria for the selection of eligible Participants and the terms of grants does and will align with the purpose of the 2023 Share Incentive Scheme.

As such, the Board (including the independent non executive Directors) is of the view that with the adoption of the 2023 Share Incentive Scheme that covers a sufficient category of Participants, the Group will be well-placed to incentivise those who or which have been crucial to the business development and expansion of the Group to make further contributions on a continuing basis, which aligns with the purpose of the 2023 Share Incentive Scheme.

3. STATUS OF THE 2023 SHARE INCENTIVE SCHEME

3.1 Condition of the 2023 Share Incentive Scheme

The 2023 Share Incentive Scheme shall take effect subject to (a) the passing of the resolutions by the Shareholders to approve and adopt the 2023 Share Incentive Scheme and to authorise the Board to grant Awards under the 2023 Share Incentive Scheme and to allot, issue, procure the transfer of and otherwise deal with Shares in connection with the 2023 Share Incentive Scheme; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares that may be allotted and issued by the Company to satisfy the Awards which may be granted under the 2023 Share Incentive Scheme.

3.2 Duration of the 2023 Share Incentive Scheme

Subject to paragraphs 3.1 and 18, the 2023 Share Incentive Scheme shall be valid and effective for the period commencing on the Adoption Date and expiring on the fifth anniversary thereof or such earlier date as the 2023 Share Incentive Scheme is terminated in accordance with paragraph 18 (the “**Term**”), after which period no further Awards shall be offered or granted but the provisions of the 2023 Share Incentive Scheme shall remain in full force and effect in all other respects. Awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

3.3 Appointment of the Trustee

The Company may establish a Trust and appoint a Trustee to assist with the administration, exercise and Vesting of Awards (either in the form of RSUs or Options) granted under the 2023 Share Incentive Scheme. The Company may, to the extent permitted by the Companies Act and the Listing Rules, (a) allot and issue Shares to the Trustee and/or (b) direct and procure the Trustee to make on-market purchases of Shares, in either case to satisfy the Awards (either in the form of RSUs or Options) upon Vesting or exercise. Under the 2023 Share Incentive Scheme, no Shares will be issued and allotted to the Trustee without specified Participants and the Trustee will not make on-market purchase of Shares without specified Participants. The Company shall, to the extent permitted by the Companies Act, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration, Vesting and exercise of Awards. If a Trustee is appointed, it is expected that the terms of the Trust deed will provide that the Trustee shall not exercise the voting rights attached to the Shares allotted and issued to the Trustee and/or acquired by the Trustee through on-market purchases for the purpose of the 2023 Share Incentive Scheme before such Shares are vested. No Director shall be the Trustee of the 2023 Share Incentive Scheme or have a direct or indirect interest in the Trustee of the 2023 Share Incentive Scheme.

4. GRANT OF AWARDS

4.1 Making an Offer

The Board shall, in its absolute discretion and at any time prior to the relevant Offer Date, determine whether the relevant Award shall take the form of an Option and/or a RSU. Subject to the foregoing, given that the benefits for Options will take longer term to realise with a substantial Exercise Price while the Vesting of RSUs does not require consideration to receive Shares, the Company expects (i) to grant the Director senior management member or the head of a core department, who are directly responsible for the Group’s overall management and performance, which would be reflected in the Share price of the Company, the Award in the form of Options to better motivate them to strive for the future and long-term development of the Group; and (ii) to grant the Participants who are not a Director senior management member or the head of a core department of the Company and responsible for the supporting work, the Award in the form of RSUs to better incentivise them to remain with the Group and make further contributions on a continuing basis.

An Offer shall be made to a Participant by a notice of grant in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Award on the terms on which it is to be granted and to be bound by the terms of the 2023 Share Incentive Scheme. The notice of grant shall specify the terms on which the Award is to be granted, including: (a) whether the Award is in the form of an Option and/or a RSU; (b) the number of Shares underlying the Award; (c) the Vesting Date and any performance conditions or other conditions that must be satisfied in order for the Award to Vest in whole or in part; (d) in the case of an Award of an Option, the Exercise Price and the 2023 Scheme Exercise Period; and (e) any other terms which may be imposed or not imposed either on a specific Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of the 2023 Share Incentive Scheme.

4.2 Acceptance of an Offer

An Offer is accepted when the Company receives from the Grantee the duplicate notice of grant duly executed by the Grantee. The Offer shall remain open for acceptance by the Participant for such time to be determined by the Board, provided that no such Offer shall be open for acceptance after the expiry of the Term or after the Participant to whom the Offer is made has ceased to be a Participant. To the extent that the Offer is not accepted within the time period and in the manner specified in the Offer, the Offer will be deemed to have been irrevocably declined and will lapse. There is no additional amount payable on application or acceptance of the Share Option.

4.3 Restriction on Time of Grant

The Company may not grant any Award after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Company may not grant any Award during the period commencing one month immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. Where a grant of an Award is to a Director, no Award may be granted on any day on which the financial results of the Company are published and during the period of:
- (c) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (d) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

4.4 Grant to Connected Persons

Any grant of an Award (either in the form of RSUs or Options) to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed Grantee of the Award in question) and all grants to connected persons shall be subject to compliance with the requirements of the Listing Rules, including where necessary the prior approval of the Shareholders. Where any of RSUs to a Director (other than an independent non-executive Director) or Chief Executive Officer, or any of their associates would result in the Shares issued and to be issued in respect of all RSUs granted (excluding any RSUs lapsed in accordance with the terms of Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1 per cent of the Shares in issues, such further grant of Awards must be approved by Shareholders in general meeting. The relevant Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the resolution relating to the grant of such Award at such general meeting.

For the avoidance of doubt, any grant of Options to any connected person of the Company and the issue and allotment of the Shares upon exercise of such Options are fully exempted from the compliance with Chapter 14A of the Listing Rules pursuant to Rule 14A.92 of the Listing Rules. Any grant of RSUs to any connected person of the Company and the issue and allotment of Shares upon Vesting of such RSUs will constitute a connected transaction of the Company and shall therefore be subject to compliance with Chapter 14A of the Listing Rules (unless an exemption applies).

4.5 Grant to Substantial Shareholders and Independent Non-Executive Directors

Subject to paragraph 4.4, where any grant of an Award to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued and/or transferred and to be transferred upon the exercise and/or Vesting of all Awards already granted and to be granted (excluding any Awards lapsed) to such person under the 2023 Share Incentive Scheme and any other Share award schemes of the Company in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the Shares in issue on the Offer Date, such further grant of an Award shall be subject to prior approval by the Shareholders in general meeting by way of poll. The relevant Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the resolution relating to the grant of such Award at such general meeting.

Any change in the terms of an Award granted to any Director, executive or substantial shareholder of the Company, or any of their respective associates, shall also be subject to the prior approval of the Shareholders in general meeting by way of poll and the Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the resolutions relating to the change in the Award's terms.

5. VESTING AND EXERCISE PRICE

5.1 Vesting

Subject to the terms of the 2023 Share Incentive Scheme and to the specific terms on which each Award is granted, the Shares underlying an Award shall Vest on the Vesting Date of such Award, provided that in the case of a RSU, if the Vesting Date of the RSU falls within a period during which the Company, the Trustee (in its capacity only under its appointment in terms of paragraph 3.3 above) or the relevant Grantee is prohibited from dealing in Shares by the Stock Exchange, the Listing Rules or any applicable laws, rules or regulations, the RSU shall Vest on the first business day after the expiry of such period or such later date as the Board notifies to the Grantee. If Vesting is subject to the satisfaction of performance or other conditions and such conditions are not satisfied in whole or in part, the Award shall lapse automatically in respect of such proportion of underlying Shares as have not vested with effect from the date on which the conditions are not satisfied.

Under the 2023 Share Incentive Scheme, the Board may at its absolute discretion specify the Vesting Date and any conditions which must be satisfied before the Award can be exercised in the Notice of Grant whereby the Award is offered. Save for the circumstances prescribed below, the Vesting Period for the Awards under the 2023 Share Incentive Scheme shall not be less than 12 months.

A shorter Vesting Period for the Awards granted to the Company's employee Participants under the 2023 Share Incentive Scheme may be granted at the discretion of the Board as deemed appropriate in the following circumstances:

- (a) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Awards would have been granted;
- (b) grants with a mixed or accelerated Vesting schedule such as where the Award may Vest evenly over a period of 12 months; and
- (c) grants with performance-based Vesting conditions in lieu of time-based Vesting criteria.

In determining the Vesting Date, the Board would mainly take into account: (i) the importance of the Participants to the Group's business on long term and short term basis, respectively; (ii) the time expected for the Participants to achieve the relevant performance targets; (iii) the nature and expected length of employment or business relationships of the Participants with the Group taking into account past experience and prevailing market conditions; and (iv) the prevailing market practice within the peer companies in the same industry. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Award under particular circumstances of each Grantee and facilitate the Board's aim to offer meaningful incentive to retain and motivate quality personnel that are valuable to the development of the Group.

5.2 Performance Targets

The Vesting of Awards shall be subject to the performance criteria to be satisfied by the Participant as determined by the Board or the committee of the Board from time to time. The performance criteria may comprise a mixture of attaining a satisfactory key performance indicators components which may vary among the Participants. When assessing performance targets, the Board will consider objective performance target indicators, which primarily include the financial performance of the Group, i.e., the adjusted net profit before tax of the Group and the revenue/operational profit recorded by the Group with reference to its accounts. When assessing whether the objective performance targets are satisfied, the Board will primarily review the published audited financial results of the Company. In addition, the Board will compare the financial results with reference to the market capitalization of the Company. The Board will also consider individual performance based on the performance assessment conducted on an individual basis. Human resources department will collate the reference materials including but not limited to sales report, the Group's financial accounts and individual annual performance results and prepare a recommended Grantees list for the Board or committee of the Board for their consideration and decision on the grant of Awards.

5.3 Exercise Price

The Exercise Price of an Option shall be determined by the Board at the Offer Date in its absolute discretion but in any event shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Offer Date, which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares.

For the avoidance of doubt, the above-mentioned criteria of the Exercise Price of an Option will not apply to the grant of an Award in the form of a RSU under the 2023 Share Incentive Scheme, as Participants are not required to pay for Shares upon Vesting of an Award of RSUs.

5.4 Exercise

An Option will be deemed to be exercised when the Company receives a written notice from the Grantee accompanied by payment for the full amount of the Exercise Price multiplied by the number of Shares in respect of which the Option is exercised, save to the extent that other arrangements have been made for payment of the Exercise Price which are satisfactory to the Board.

Any amount payable by the Grantee upon exercise of an Option shall be paid by cash, cheque or any other means deemed acceptable by the Board (including, without limitation, the sale on behalf of the Grantee of a sufficient number of the Shares in respect of which the Option is exercised to satisfy the Grantee's payment liability).

6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR THE 2023 SHARE INCENTIVE SCHEME

6.1 2023 Scheme Mandate Limit

The maximum number of Shares in respect of which Awards may be granted under the 2023 Share Incentive Scheme (the "**2023 Scheme Mandate Limit**"), in aggregate shall not exceed 100,000,000 Shares (which include new Shares that may be issued by the Company and the Awards granted with existing Shares of the Company), being approximately 8.60 per cent of the Shares in issue as at the Adoption Date (assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date), of which the total number of Shares in respect of which Awards may be granted to Service Providers under the 2023 Share Incentive Scheme (the "**2023 Service Provider Sublimit**") shall not exceed 9,300,844 Shares, being no more than 0.8 per cent of the Shares in issue as at the Adoption Date (assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date); provided that the number of new Shares in respect of the Awards that may be granted under the 2023 Share Incentive Scheme together with any Shares underlying Awards under any other award schemes of the Company (excluding existing Shares purchased on-market) shall not exceed 10% of the total number of issued Shares as at the Adoption Date.

The basis for determining the 2023 Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the 2023 Share Incentive Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Awards to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, and the fact that the Company expects that a majority of Awards will be granted to the employee Participants and as such there is a need to reserve a larger portion of the 2023 Scheme Mandate Limit for grants to the employee Participants. Given the above, the Directors have considered that a sublimit of 0.8% would not lead to an excessive dilution of existing Shareholders' holdings and thus is appropriate and reasonable.

Shares in respect of Awards which have lapsed in accordance with the terms of the 2023 Share Incentive Scheme and any other Share award schemes of the Company will not be counted for the purpose of determining the maximum aggregate number of Shares which may be issued and/or transferred upon the Vesting or exercise of Awards granted pursuant to the 2023 Share Incentive Scheme.

6.2 Grant of Awards beyond the 2023 Scheme Mandate Limit

Notwithstanding the foregoing, the Company may grant Awards beyond the 2023 Scheme Mandate Limit to Participants if:

- (a) separate Shareholders' approval has been obtained for granting Awards beyond the 2023 Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought;
- (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing the name of each specified Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Participant, and the purpose of granting Awards to the specified Participants with an explanation as to how the terms of the Awards serve such purpose;
- (c) the number and terms of Awards to be granted to such Participants will be fixed before the Shareholders' approval; and
- (d) in respect of any Awards to be granted beyond the 2023 Scheme Mandate Limit, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price of the Awards under the Rule 17.03E of the Listing Rules.

For the avoidance of doubt, the total number of new Shares in respect of the Awards that may be granted under the 2023 Share Incentive Scheme, including the grants of Awards beyond the 2023 Scheme Mandate Limit under this paragraph 6.2, together with any Shares underlying Awards under any other Award schemes of the Company (excluding existing Shares purchased on-market) shall not exceed 10% of the total number of issued Shares as at the Adoption Date.

For the avoidance of doubt, the Company will not grant RSUs to any connected person of the Company pursuant to the aforementioned annual mandate. Instead, the Company will seek separate independent Shareholders' approval pursuant to paragraph 4.4.

6.3 Grantee's Maximum Holding

Subject to the paragraph below, the total number of Shares issued and to be issued in respect of all Awards granted to each eligible Participant (excluding any Options and Awards lapsed in accordance with the terms of the 2023 Share Incentive Scheme) in any period of twelve (12) consecutive months up to and including the date of such grant shall not exceed 1 per cent of the Shares in issue.

Where any further grant of Awards to a Participant would result in the Shares issued and to be issued and/or transferred and to be transferred upon the Vesting or exercise of all Awards granted and to be granted to such person (excluding Options and RSUs lapsed in accordance with relevant scheme rules) in the 12-month period up to and including the date of such further grant (when aggregated with any Shares underlying the Awards granted during such period pursuant to any other Share award schemes of the Company) representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Participant in the 12-month period), the purpose of granting Awards to the Participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of the Awards to be granted to such Participant must be fixed before the Shareholders' approval. In respect of any Awards to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price under the Rule 17.03E of the Listing Rules.

7. RIGHTS ATTACHED TO THE AWARDS

The Awards do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding-up of the Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award under the 2023 Share Incentive Scheme, unless and until the Shares underlying the Award are actually allotted and issued or transferred (as the case may be) to the Grantee pursuant to the Vesting or exercise of such Award.

8. RIGHTS ATTACHED TO THE SHARES

A Grantee shall not be entitled to any dividends or distributions in respect of any Shares underlying the Awards granted until such Shares have been allotted and issued or transferred to the Grantee. Subject to the foregoing, the Shares to be allotted and issued or transferred upon the Vesting or exercise of the Awards shall be subject to all the provisions of the memorandum and Articles of Association of the Company for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of the Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred pursuant to the Vesting or exercise of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued, or transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued or transferred.

9. ASSIGNMENT OF THE AWARDS

An Awards shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award, except for (i) a waiver is obtained from the Stock Exchange and express written consent is obtained from the Board, or (ii) the transmission of an Award on the death of the Grantee to his/her personal representative(s) on the terms of the Scheme.

10. CORPORATE EVENTS**10.1 Rights on a Takeover**

If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement under paragraph 10.2 below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the expiry of the 2023 Scheme Exercise Period of any Option or the Vesting Date of any RSU, the Company shall as soon as practicable give notice to each employee Participant of such general offer and the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below and, in the case of an Option, the employee Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) at any time after the general offer becomes or is declared unconditional and up to the close of such offer (or, as the case may be, revised offer). The Award (to the extent not vested or, in the case of Options, not exercised) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes.

10.2 Rights on a Scheme of Arrangement

If a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry of the 2023 Scheme Exercise Period of any Option or the Vesting Date of any RSU, the Company shall as soon as practicable give notice to each employee Participant of such approval and the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below and, in the case of an Option, each employee Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) at any time after the meetings whereby the scheme is approved and up to the record date for determining entitlements under such scheme of arrangement. Subject to the scheme of arrangement becoming effective, the Award (to the extent not vested or, in the case of an Option, not exercised) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

10.3 Rights on a Compromise or Arrangement

If, under the Companies Act, a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph 10.2 above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the expiry of the 2023 Scheme Exercise Period of any Option or the Vesting Date of any RSU, the Company shall give notice thereof to all the employee Grantees on the same day as it despatches to the Shareholders and/or its creditors a notice summoning the meeting to consider such a compromise or arrangement and the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below and, in the case of an Option, each employee Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) provided that such exercise is not later than three business days prior to the date of the proposed meeting. The Company shall as soon as possible and at least one business day before the date of the proposed meeting, allot and issue or procure the transfer (as the case may be) of such number of Shares to the employee Grantee which falls to be issued or transferred on such Vesting or exercise of the Award, credited as fully paid, and shall register such Shares in the employee Grantee's name and issue to the employee Grantee (or his custodian agent) Share certificates in respect of such Shares. With effect from the date two business days before the date of such meeting, the rights of all employee Grantees to exercise their Options shall be suspended. The Board shall endeavour to procure that the Shares issued or transferred (as the case may be) upon the Vesting or exercise of the Awards in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If, for any reason, such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the employee Grantees to exercise their Options shall, with effect from the date of the court's order and to the extent they had not been exercised at the date such rights were suspended, be restored in full as if such compromise or arrangement had not been proposed by the Company and neither the Company nor the Directors shall be liable for any loss or damage suffered or sustained by any employee Grantee as a result of the aforesaid suspension of rights.

10.4 Rights on a Voluntary Winding-Up

If a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the expiry of the 2023 Scheme Exercise Period of any Option or the Vesting Date of any RSU, the Company shall give notice thereof to all the employee Grantees on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below and, in the case of an Option, each employee Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) provided such exercise is not later than three

business days prior to the date of the proposed meeting. The Company shall as soon as possible and in any event at least one business day before the date of the proposed general meeting, allot and issue or procure the transfer of (as the case may be) such number of Shares to the employee Grantee which falls to be issued or transferred on such Vesting or exercise of the Award, credited as fully paid and shall register such Shares in the employee Grantee's name and issue to the employee Grantee (or his custodian agent) Share certificates in respect of such Shares. With effect from the date two business days prior to the date of such meeting, the rights of all employee Grantees to exercise their Options shall be suspended. If, for any reason, the resolution for the voluntary winding-up of the Company is not approved by the Shareholders, the rights of the employee Grantees to exercise their Options shall be restored in full, to the extent that they had not been exercised at the date such rights were suspended, as if such resolution for the voluntary winding-up of the Company had not been proposed by the Company and neither the Company nor the Directors shall be liable for any loss or damage suffered or sustained by any employee Grantee as a result of the aforesaid suspension of rights.

10.5 Upon the occurrence of any of the events referred to in paragraphs 10.1 to 10.4 above, the number of underlying Shares (if any) which shall Vest and the date on which any such Vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to Vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify the employee Grantee of the date on which and the extent to which his Award will Vest and, in the case of an Option, the period during which it may be exercised (which period shall not expire after the expiry of the periods for exercising the Options referred to in paragraphs 10.1 to 10.4 above). If the Board determines that any Award shall Vest in part only, the balance of the Award shall lapse.

10.6 Save upon (i) the occurrence of any of the events referred to in paragraphs 10.1 to 10.4 above, and (ii) the exceptional circumstances where there may be a shorter Vesting Period for the Awards granted to the Company's employee Participants as set out in paragraph 5.1 of Appendix IV to this circular, the Vesting Period for the Awards under the 2023 Share Incentive Scheme shall not be less than 12 months. The Board (including the independent non-executive Directors) is therefore of the view that the 2023 Share Incentive Scheme is in compliance with the Vesting Period requirements stipulated in the New Chapter 17 Rules.

11. LAPSE OF AWARDS

Unless otherwise provided in the notice of grant, an Award or any part thereof which has not yet vested or which, in the case of an Option, has vested but not yet been exercised shall lapse automatically and not be exercisable on the earliest of:

- (a) in the case of an Option, the expiry of the 2023 Scheme Exercise Period (subject to the provisions of the 2023 Share Incentive Scheme);

- (b) the date of termination of the Grantee's employment or service by the Company or any of its subsidiaries for Cause;
- (c) the date on which the Grantee:
 - (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning an interest of 5 per cent or more in, any Competitor; or
 - (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (d) subject to paragraph 10.1 above, the date on which the offer (or, as the case may be, revised offer) closes;
- (e) subject to paragraph 10.2 above, the record date for determining entitlements under a scheme of arrangement;
- (f) the date on which the compromise or arrangement referred to in paragraph 10.3 above becomes effective;
- (g) the date of the commencement of the winding-up of the Company;
- (h) the expiry of the period for exercising the Option referred to in paragraph 12 below;
- (i) the date on which the Grantee (whether intentionally or otherwise) commits a breach of paragraph 9 above;
- (j) the date on which the Grantee is declared bankrupt or enters into any arrangement or compromise with his creditors generally; and
- (k) (in respect of Shares underlying an Award which are subject to performance or other Vesting condition(s)) the date on which the condition(s) to Vesting are not capable of being satisfied.

The Board shall have the right to determine whether the Grantee's employment or service has been terminated for Cause, the effective date of such termination for Cause, whether someone is a Competitor and whether the condition(s) to Vesting are not capable of being satisfied, and such determination by the Board shall be final and conclusive.

12. RIGHTS ON CESSATION OF EMPLOYMENT OF SERVICE

If the Grantee's employment or service with the Company or any of its subsidiaries is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause) prior to the expiry of the 2023 Scheme Exercise Period of any Option or the Vesting of any RSU, then notwithstanding any other terms on which the Award was granted, the Board shall determine at its absolute discretion and shall notify the Grantee whether following such termination of employment or service the Award (to the extent not already vested) shall Vest, the date on which any such Vesting will occur and, in the case of an Option, the period within which the Grantee will be entitled to exercise the Option (to the extent not already exercised). To the extent that (a) the Board determines that any Award shall not Vest in respect of some or all of the underlying Shares following such termination of employment or service or (b) in the case of an Option, the Option has vested but has not been exercised by the expiry of the period for exercise of Options determined by the Board under this paragraph 12, such Award shall automatically lapse in respect of those underlying Shares with effect from the date on which the Grantee's employment or service is terminated or the expiry of such period for the exercise of Options (as the case may be). The 2023 Scheme Exercise Period of any Option shall commence on the Vesting Date and shall expire no later than ten years from the Offer Date.

13. CANCELLATION OF AWARDS

The Board may at any time with the consent of and on such terms as may be agreed with the relevant Grantee cancel Awards previously granted but which have not yet vested. Where the Company cancels Awards and Offers new Awards to the same Grantee, the Offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limits prescribed by paragraph 6 above. The Awards cancelled will be regarded as utilised for the purpose of calculating the 2023 Scheme mandate Limit and the 2023 Service Provider Sublimit.

14. CLAWBACK

In the event that

- (a) a Grantee ceases to be a selected Participant by reason of (i) the termination of his/her employment or contractual engagement with the Group for Cause or without notice, (ii) termination of his/her employment or contractual engagement with the Group as a result of he/she having been convicted of a criminal offence involving his/her integrity or honesty, (iii) termination of his/her employment or contractual engagement with the Group as a result of he/she having received a regulatory or administrative penalty by a competent authority; or
- (b) in the reasonable opinion of the Board, a Grantee has engaged in serious misconduct,

the Board may make a determination at its absolute discretion that, any Awards issued but not yet exercised or vested (as the case may be) shall immediately lapse.

15. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any Share award schemes of the Company) during the Term, such corresponding adjustments (if any) shall be made to:

- (a) the number and/or nominal value of Shares underlying any RSU or part thereof which has not yet vested and/or been satisfied; and/or
- (b) the number and/or nominal value of underlying Shares and the Exercise Price of any Option which has not yet vested or has vested but not yet been exercised and/or satisfied,

or any combination thereof, provided that:

- (c) any such adjustments give a Grantee the same proportion of the Share capital of the Company as that to which that Grantee was previously entitled; and
- (d) notwithstanding sub-paragraph (e) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per Share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, the Auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

The Company shall engage the Auditors or an independent financial adviser to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph 15 satisfy the requirements set out in sub-paragraphs (c) and (d) above.

If the Company conducts a Share consolidation or subdivision after the 2023 Scheme Mandate Limit or the 2023 Service Provider Sublimit has been approved in the Annual General Meeting, the maximum number of Shares that may be issued in respect of all Options and Awards to be granted under all of the schemes of the Company under the 2023 Scheme Mandate Limit or the 2023 Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

16. ALTERATION OF THE 2023 SHARE INCENTIVE SCHEME

Save as provided in this paragraph 16, the Board may alter any of the terms of the 2023 Share Incentive Scheme at any time, to the extent that the altered terms of the 2023 Share Incentive Scheme shall still comply with the New Chapter 17 Rules.

Any alteration to the terms and conditions of the 2023 Share Incentive Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants and any change to the authority of the Board or the administrator of the 2023 Share Incentive Scheme in relation to any alteration of the terms of the 2023 Share Incentive Scheme, in either case, must be approved by Shareholders in general meeting.

Any change to the terms of Awards granted to a Participant must be approved by the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options or Awards was approved by the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be).

17. REFRESHMENT OF THE 2023 SCHEME MANDATE LIMIT

The Company may seek the approval of its Shareholders in general meeting to refresh the 2023 Scheme Mandate Limit in paragraph in paragraph 6.1 after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the 2023 Share Incentive Scheme), such that the aggregate number of Shares underlying all grants after Listing made to be issued pursuant to the 2023 Share Incentive Scheme and other incentive schemes adopted by the Company shall not exceed 10% of the total number of issued Shares as of the date of approval of the refreshed limit, and the circular to the Shareholders will contain the number of Awards that were already granted under the existing 2023 Scheme Mandate Limit and the reasons for the refreshment. Awards previously granted under the 2023 Share Incentive Scheme or any other incentive scheme, including Awards outstanding, cancelled or lapsed in accordance with the relevant incentive scheme, shall not be counted for the purpose of calculating the limit to be refreshed.

In the event that the 2023 Scheme Mandate Limit in paragraph 6.1 is refreshed within three years from the date of Shareholders' approval for the last refreshment (or the adoption of the 2023 Share Incentive Scheme), the Company may seek the approval of its Shareholders in general meeting, provided that the controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Director (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of such resolutions at the general meeting, and the Company must comply with the relevant requirements under the Listing Rules.

18. TERMINATION OF THE 2023 SHARE INCENTIVE SCHEME

The Company by ordinary resolution in general meeting or the Board may at any time terminate the 2023 Share Incentive Scheme and in such event, no further Awards may be offered or granted but in all other respects the terms of the 2023 Share Incentive Scheme shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested or which have vested but not yet been exercised immediately prior to the termination of the 2023 Share Incentive Scheme.

19. ADMINISTRATION OF THE 2023 SHARE INCENTIVE SCHEME

The 2023 Share Incentive Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the 2023 Share Incentive Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of the 2023 Share Incentive Scheme; (b) determine the persons (if any) who shall be offered Awards under the 2023 Share Incentive Scheme; (c) determine the terms on which Awards are granted; (d) determine the number of Shares underlying the Awards; (e) subject to paragraphs 15 and 16 above, make such adjustments to the terms of the 2023 Share Incentive Scheme and of Awards granted under the Share Award Scheme as the Board deems necessary and shall notify the relevant Grantee(s) of such adjustment(s) by written notice; and (f) make such other decisions or determination as it shall deem appropriate provided that the same are not inconsistent with the provisions of the 2023 Share Incentive Scheme and the Listing Rules. The Board shall have the power from time to time to make or vary regulations for the administration and operation of the 2023 Share Incentive Scheme, provided that the same are not inconsistent with the other provisions of the 2023 Share Incentive Scheme. The Board shall also have the power to delegate its powers to grant Awards and to determine the terms on which such Awards are granted to any of the Directors or any duly authorised committee of the Board from time to time.

The following is a summary of the principal terms of the Amended 2022 Share Award Scheme proposed to be adopted at the Annual General Meeting. The grant of Awards under the Amended 2022 Share Award Scheme will be RSUs comprising of existing Shares purchased or to be purchased by the designated Trustee of the Company on-market. For the avoidance of doubt, there will be no new Shares being issued to satisfy the grants under the Amended 2022 Share Award Scheme.

1. PURPOSE OF THE AMENDED 2022 SHARE AWARD SCHEME

The purpose of the Amended 2022 Share Award Scheme is to enable the Company to grant Awards to eligible Participants, as incentives and/or rewards for their contribution to the Group, to better reward the personnel who have contributed to the success and development of the Group, to incentivise them to remain with the Group, to motivate them to strive for the future development and expansion of the Group and to attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

2. WHO MAY PARTICIPATE IN THE AMENDED 2022 SHARE AWARD SCHEME

On and subject to the terms of the Amended 2022 Share Award Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound) at any time during the Term to make an Offer to the following categories of Participants, as the Board may in its absolute discretion select:

- (a) any Director, employee or proposed employee of the Company and its subsidiaries;
- (b) any service provider of the Company, being persons (natural person or corporate entity) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including independent contractor, consultant and/or advisors who provide services to the Group (excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service provider such as auditors or valuers who provide assurance or are required to perform their services with impartially and objectively) (the “**Service Provider**”), including:
 - i. any supplier of goods or services to any member of the Group;
 - ii. any person or entity that provides research, development or other technological support to any member of the Group;
 - iii. any joint venture partner or business or strategic alliance that co-operates with any member of the Group in any area of business operation or development; and
 - iv. any service provider, adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group.

The Board is of the view that the inclusion of persons other than the Directors and employees or proposed employees of the Group as part of the Participants is appropriate and in the interests of the Company and the Shareholders as a whole, given that the success of the Group requires the co-operation and contribution not only from its Directors and employees or proposed employees, but also from various other parties who play an instrumental role in and make actual or potential contributions to the business and development of the Group, which may include customers, suppliers, consultants, advisors, joint venture and business or strategic alliance partners of the Group. As the Group operates a leading express freight network in China's less-than-truckload market, the Board acknowledges the necessity in maintaining the business relationships and exploring potential partnerships with the aforesaid stakeholders, being a Participant who are not Directors or employees of the Group, who have provided services and professional advices to the Group, so as to maintain the Group's competitiveness in the long term.

In assessing the eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate. In respect of Participants who are employees and Directors of the Group, the Board will assess the eligibility of the Participants based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future. In respect of Participants other than Directors or employees of the Group, the Board will take into account a wide range of factors, including but not limited to the scale of their business dealings with the Group (in terms of fees payable to them, if applicable), the length of business relationships between them and the Group, the positive impacts they have brought to the Group's business development, the long term support the Group may receive from the Participants and such other factors as the Board may at its discretion consider appropriate. Particularly, in determining the granting of Awards to Participants who are service providers, advisers or consultants of the Group, the Company would also consider (i) the performance of the Participants, including the quality of their services previously provided to the Group; (ii) their contributions to the profits and business development of the Group and potential contributions to be made to the Group in light of their experience, qualification, know-how and/or network, market condition of the services they provide, and the scarcity of their services which may therefore justify compensation in the long run, and (iii) the possibility of developing a long term business relationship with such Participants to secure, for the Group, the supply of certain quality services, which can avoid replacement cost and may reduce transaction cost in the long run.

As such, the Board is of the view that with the adoption of the Amended 2022 Share Award Scheme that covers a broad category of Participants, the Group will be well-placed to incentivise those who or which have been crucial to the business development and expansion of the Group to make further contributions on a continuing basis.

3. STATUS OF THE AMENDED 2022 SHARE AWARD SCHEME

3.1 Conditions of the Amended 2022 Share Award Scheme

The Amended 2022 Share Award Scheme shall take effect subject to the passing of the resolutions by the Shareholders to approve and adopt the Amended 2022 Share Award Scheme and to authorise the Board to grant Awards under the Amended 2022 Share Award Scheme and to procure the transfer of and otherwise deal with Shares in connection with the Amended 2022 Share Award Scheme.

3.2 Duration of the Amended 2022 Share Award Scheme

Subject to paragraphs 3.1 and 16, the Amended 2022 Share Award Scheme shall be valid and effective for the period commencing on the Adoption Date and expiring on the fifth anniversary thereof or such earlier date as the Amended 2022 Share Award Scheme is terminated in accordance with paragraph 16 (the “**Term**”), after which period no further Awards shall be offered or granted but the provisions of the Amended 2022 Share Award Scheme shall remain in full force and effect in all other respects. Awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

3.3 Appointment of Trustee

The Company shall establish a Trust and appoint a Trustee to assist with the administration and Vesting of Awards granted under the Amended 2022 Share Award Scheme. The Company shall, to the extent permitted by the Companies Act and the Listing Rules direct and procure the Trustee to make on-market purchases of Shares, in either case to satisfy the Awards upon Vesting. The Company shall, to the extent permitted by the Companies Act, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and Vesting of Awards. If a Trustee is appointed, it is expected that the terms of the Trust deed will provide that the Trustee shall not exercise the voting rights attached to the Shares acquired by the Trustee through on-market purchases for the purpose of the Amended 2022 Share Award Scheme before such Shares are vested. For the avoidance of doubt, no new Shares may be issued in respect of any Awards to be granted under the Amended 2022 Share Award Scheme.

4. GRANT OF AWARDS

4.1 Making an Offer

An Offer shall be made to a Participant by a notice of grant in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Award on the terms on which it is to be granted and to be bound by the terms of the Amended 2022 Share Award Scheme. The Company may, in its absolute discretion, enter into a deed poll recording

its intention to grant Awards and agreeing to be bound by the signed notices of grant in respect of such Awards. An Offer shall remain open for acceptance by the Participant for such time to be determined by the Board, provided that no such Offer shall be open for acceptance after the expiry of the Term or after the Participant to whom the Offer is made has ceased to be a Participant.

The notice of grant shall specify the terms on which the Award is to be granted, including: (a) the number of Shares underlying the Award; (b) the Vesting Date and any performance conditions or other conditions that must be satisfied in order for the Award to Vest in whole or in part; and (c) any other terms which may be imposed or not imposed either on a specific Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of the Amended 2022 Share Award Scheme.

4.2 Acceptance of an Offer

An Offer is accepted when the Company receives from the Grantee the duplicate notice of grant duly executed by the Grantee. The Offer shall remain open for acceptance by the Participant for such time to be determined by the Board, provided that no such Offer shall be open for acceptance after the expiry of the Term or after the Participant to whom the Offer is made has ceased to be a Participant. To the extent that the Offer is not accepted within the time period and in the manner specified in the Offer, the Offer will be deemed to have been irrevocably declined and will lapse. There is no additional amount payable on application or acceptance of the Share Option.

4.3 Restrictions on Time of Grant

The Company may not grant any Award after inside information has come to its knowledge until the trading day after it has announced the information or the relevant information has otherwise ceased to be inside information. Where a grant of an Award is to a Director, no Award may be granted on any day on which the financial results of the Company are published and during the period of:

- (a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

4.4 Grant to Connected Persons

Any grant of an Award to any connected persons shall be subject to the compliance of all applicable requirements under Chapter 14A of the Listing Rules.

5. VESTING

Subject to the terms of the Amended 2022 Share Award Scheme and to the specific terms on which each Award is granted, the Shares underlying an Award shall Vest on the Vesting Date of such Award, provided that in the case of a RSU, if the Vesting Date of the RSU falls within a period during which the Company, the Trustee (in its capacity only under its appointment in terms of paragraph 3.3 above) or the relevant Grantee is prohibited from dealing in Shares by the Stock Exchange, the Listing Rules or any applicable laws, rules or regulations, the RSU shall Vest on the first business day after the expiry of such period or such later date as the Board notifies to the Grantee. If Vesting is subject to the satisfaction of performance or other conditions and such conditions are not satisfied in whole or in part, the Award shall lapse automatically in respect of such proportion of underlying Shares as have not vested with effect from the date on which the conditions are not satisfied.

The Amended 2022 Share Award Scheme does not stipulate a minimum Vesting Period for which an Award must be held or any performance conditions or other conditions that are must be satisfied before the Award can be vested. However, under the Amended 2022 Share Award Scheme, the Board may at its absolute discretion specify the Vesting Date and any conditions which must be satisfied before the Award can be exercised in the notice of grant whereby the Award is offered. In determining the Vesting Date, the Board would mainly take into account: (i) the importance of the Participants to the Group's business on long term and short term basis, respectively; (ii) the time expected for the Participants to achieve the relevant performance targets; (iii) the nature and expected length of employment or business relationships of the Participants with the Group taking into account past experience and prevailing market conditions; and (iv) the prevailing market practice within the peer companies in the same industry. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Award under particular circumstances of each Grantee and facilitate the Board's aim to offer meaningful incentive to retain and motivate quality personnel that are valuable to the development of the Group.

6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR THE AMENDED 2022 SHARE AWARD SCHEME

6.1 2022 Scheme Mandate Limit

The maximum number of Shares in respect of which Awards may be granted under the Amended 2022 Share Award Scheme (the "**2022 Scheme Mandate Limit**"), in aggregate shall not exceed 8 per cent of the Shares in issue as at the Adoption Date, of which the total number of Shares in respect of which Awards may be granted to Service Providers under the Amended 2022 Share Award Scheme (the "**2022 Service Provider Sublimit**") shall not exceed 0.8 per cent of the Shares in issue as at the Adoption Date.

Shares in respect of Awards which have lapsed in accordance with the terms of the Amended 2022 Share Award Scheme will not be counted for the purpose of determining the maximum aggregate number of Shares which may be transferred upon the Vesting of Awards granted under the Amended 2022 Share Award Scheme.

6.2 Renewal of 2022 Scheme Mandate Limit

The 2022 Scheme Mandate Limit may be renewed subject to prior approval by the Board and the Remuneration Committee of the Board, but in any event, the total number of Shares which may be transferred upon the Vesting of the Awards granted under the Amended 2022 Share Award Scheme following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 8 per cent. of the Shares in issue as at the New Approval Date. Shares which may be transferred upon the Vesting of Awards granted under the Amended 2022 Share Award Scheme (including those outstanding, cancelled, lapsed in accordance with the Amended 2022 Share Award Scheme or any other Share award schemes of the Company or vested Awards) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares which may be transferred upon the Vesting of Awards granted following the New Approval Date under the limit as renewed.

6.3 Grant of Awards beyond the 2022 Scheme Mandate Limit

Notwithstanding the foregoing, the Company may grant Awards beyond the 2022 Scheme Mandate Limit to Participants if approval by the Board has been obtained.

6.4 Grantee’s Maximum Holding

Subject to the paragraph below, unless otherwise approved by the Board and the Remuneration Committee of the Board, the maximum number of Shares transferred and to be transferred upon the Vesting of the Awards granted to each Participant under the Amended 2022 Share Award Scheme (including all vested, cancelled and outstanding Awards) in any 12-month period shall not (when aggregated with any Shares underlying the Awards granted during such period under any other Share award schemes of the Company) exceed 1 per cent. of the Shares in issue for the time being.

7. RIGHTS ATTACHED TO THE AWARDS

The Awards do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding-up of the Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award under the Amended 2022 Share Award Scheme, unless and until the Shares underlying the Award are actually transferred to the Grantee pursuant to the Vesting of such Award.

8. RIGHTS ATTACHED TO THE SHARES

A Grantee shall not be entitled to any dividends or distributions in respect of any Shares underlying the Awards granted until such Shares have been transferred to the Grantee. Subject to the foregoing, the Shares to be transferred upon the Vesting of the Awards shall be subject to all the provisions of the memorandum and Articles of Association of the Company for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of the Company) as, the existing fully paid Shares in issue on the date on which those Shares are transferred pursuant to the Vesting of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are or transferred.

9. ASSIGNMENT OF AWARDS

An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award.

10. CORPORATE EVENTS**10.1 Rights on a Takeover**

If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement under paragraph 10.2 below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the Vesting Date of any RSU, the Company shall as soon as practicable give notice to each Participant of such general offer and the Shares underlying the Award shall Vest in accordance with paragraph 10.5 at any time after the general offer becomes or is declared unconditional and up to the close of such offer (or, as the case may be, revised offer). The Award will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes.

10.2 Rights on a Scheme of Arrangement

If a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the Vesting Date of any RSU, the Company shall as soon as practicable give notice to each Participant of such approval and the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below. Subject to the scheme of arrangement becoming effective, the Award (to the extent not vested) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

10.3 Rights on a Compromise or Arrangement

If, under the Companies Act, a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph 10.2 above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the Vesting Date of any RSU, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders and/or its creditors a notice summoning the meeting to consider such a compromise or arrangement and the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below. The Company shall as soon as possible and at least one business day before the date of the proposed meeting, procure the transfer of such number of Shares to the Grantee which falls to be transferred on such Vesting or exercise of the Award, and shall register such Shares in the Grantee's name and issue to the Grantee (or his custodian agent) Share certificates in respect of such Shares (as applicable). The Board shall endeavour to procure that the Shares transferred upon the Vesting of the Awards in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement.

10.4 Rights on a Voluntary Winding-Up

If a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any RSU, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested) shall Vest in accordance with paragraph 10.5 below. The Company shall as soon as possible and in any event at least one business day before the date of the proposed general meeting, procure the transfer of such number of Shares to the Grantee which falls to be transferred on such Vesting of the Award, and shall register such Shares in the Grantee's name and issue to the Grantee (or his custodian agent) Share certificates in respect of such Shares (as applicable).

10.5 Upon the occurrence of any of the events referred to in paragraphs 10.1 to 10.4 above, the number of underlying Shares (if any) which shall Vest and the date on which any such Vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to Vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify the Grantee of the date on which and the extent to which his Award will Vest. If the Board determines that any Award shall Vest in part only, the balance of the Award shall lapse.

11. LAPSE OF AWARDS

Unless otherwise provided in the notice of grant, an Award or any part thereof which has not yet vested shall lapse automatically on the earliest of:

- (a) the date of termination of the Grantee's employment or service by the Company or any of its subsidiaries for Cause;
- (b) the date on which the Grantee:
 - (i) becomes an officer, Director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning an interest of 5 per cent. or more in, any Competitor; or
 - (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (c) subject to paragraph 10.1 above, the date on which the offer (or, as the case may be, revised offer) closes;
- (d) subject to paragraph 10.2 above, the record date for determining entitlements under a scheme of arrangement;
- (e) the date on which the compromise or arrangement referred to in paragraph 10.3 above becomes effective;
- (f) the date of the commencement of the winding-up of the Company;
- (g) the date on which the Grantee (whether intentionally or otherwise) commits a breach of paragraph 9 above;
- (h) the date on which the Grantee is declared bankrupt or enters into any arrangement or compromise with his creditors generally; and
- (i) (in respect of Shares underlying an Award which are subject to performance or other Vesting condition(s)) the date on which the condition(s) to Vesting are not capable of being satisfied.

The Board shall have the right to determine whether the Grantee's employment or service has been terminated for Cause, the effective date of such termination for Cause, whether someone is a Competitor and whether the condition(s) to Vesting are not capable of being satisfied, and such determination by the Board shall be final and conclusive.

12. RIGHTS ON CESSATION OF EMPLOYMENT OR SERVICE

If the Grantee's employment or service with the Company or any of its subsidiaries is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause) prior to the Vesting of any RSU, then notwithstanding any other terms on which the Award was granted, the Board shall determine at its absolute discretion and shall notify the Grantee whether following such termination of employment or service the Award (to the extent not already vested) shall Vest, the date on which any such Vesting will occur. To the extent that the Board determines that any Award shall not Vest in respect of some or all of the underlying Shares following such termination of employment or service, such Award shall automatically lapse in respect of those underlying Shares with effect from the date on which the Grantee's employment or service is terminated.

13. CANCELLATION OF AWARDS

The Board may at any time with the consent of and on such terms as may be agreed with the relevant Grantee cancel Awards previously granted but which have not yet vested. Where the Company cancels Awards and offers new Awards to the same Grantee, the Offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limits prescribed by paragraph 6 above.

14. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of Shares or reduction of the Share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any Share award schemes of the Company) during the Term, such corresponding adjustments (if any) shall be made to:

- (a) the 2022 Scheme Mandate Limit;
- (b) the 2022 Service Provider Sublimit;
- (c) the number and/or nominal value of Shares underlying any RSU or part thereof which has not yet vested and/or been satisfied; and/or
- (d) the number and/or nominal value of underlying Shares,

or any combination thereof, provided that:

- (e) any such adjustments give a Grantee the same proportion of the Share capital of the Company as that to which that Grantee was previously entitled; and
- (f) notwithstanding sub-paragraph (d) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per Share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, the Auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

The Company shall engage the Auditors or an independent financial adviser to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph 14 satisfy the requirements set out in sub-paragraphs (d) and (e) above.

15. ALTERATION OF THE AMENDED 2022 SHARE AWARD SCHEME

Any alterations to the terms and conditions of the Amended 2022 Share Award Scheme must be approved by Board and the Remuneration Committee of the Board.

Any change to the terms of Awards granted to a Participant must be approved by the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be).

16. TERMINATION OF THE AMENDED 2022 SHARE AWARD SCHEME

The Company by resolution of the Board may at any time terminate the Amended 2022 Share Award Scheme and in such event, no further Awards may be offered or granted but in all other respects the terms of the Amended 2022 Share Award Scheme shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested immediately prior to the termination of the Amended 2022 Share Award Scheme.

17. ADMINISTRATION OF THE AMENDED 2022 SHARE AWARD SCHEME

The Amended 2022 Share Award Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Amended 2022 Share Award Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of the Amended 2022 Share Award Scheme; (b) determine the persons (if any) who shall be offered Awards under the Amended 2022 Share Award Scheme; (c) determine the terms on which Awards are granted; (d) determine the number of Shares underlying the Awards; (e) subject to paragraphs 14 and 15 above, make such adjustments to the terms of the Amended 2022 Share Award Scheme and of Awards granted under the Amended 2022 Share Award Scheme as the Board deems necessary and shall notify the relevant Grantee(s) of such adjustment(s) by written notice; and (f) make such other decisions or determination as it shall deem appropriate provided that the same are not inconsistent with the provisions of the Amended 2022 Share Award Scheme and the Listing Rules. The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Amended 2022 Share Award Scheme, provided that the same are not inconsistent with the other provisions of the Amended 2022 Share Award Scheme. The Board shall also have the power to delegate its powers to grant Awards and to determine the terms on which such Awards are granted to any of the Directors or any duly authorised committee of the Board from time to time.

NOTICE OF ANNUAL GENERAL MEETING



ANE (Cayman) Inc.
安能物流集團有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock code: 9956)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “**Meeting**”) of ANE (Cayman) Inc. (the “**Company**”) will be held at 33rd Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on Monday, June 19, 2023 at 11:00 a.m..

Shareholders of the Company will be asked to consider and if thought fit, transact the following resolutions as resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and auditor of the Company for the year ended December 31, 2022.
2.
 - (a) To re-elect Mr. Jin Yun as an executive Director.
 - (b) To re-elect Mr. Wei Bin as a non-executive Director.
 - (c) To re-elect Mr. Wang Jian as a non-executive Director.
 - (d) To re-elect Mr. Lam Man Kwong as an independent non-executive Director.
 - (e) To re-elect Mr. Geh George Shalchu as an independent non-executive Director.
 - (f) To authorize the board of Directors (the “**Board**”) to fix the respective Directors’ remuneration.
3. To re-appoint Ernst & Young as auditor of the Company and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

4. To pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the applicable laws of Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the variation or revocation of such mandate by an ordinary resolution of the shareholders of the Company in a general meeting.”

5. To pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and/or Options (including bonds, warrants and debentures convertible into Shares) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or Options (including bonds, warrants and debentures convertible into Shares of the Company) which may require the exercise of such power after the end of the Relevant Period;
- (c) the total number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to Options or otherwise) by the Directors during the Relevant Period pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) an issue of Shares upon the exercise of Options which may be granted under any Share Option schemes or similar arrangement or Shares issued to satisfy Awards granted under the Share award scheme of the Company;
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company and other relevant regulations in force from time to time; and/or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which carry the rights to subscribe or are convertible into Shares;

shall not exceed 20% of the total number of issued Shares as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of Shares is conducted after the approval in (a) above is granted, the maximum number of Shares that may be issued under the approval in paragraph (a) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the variation or revocation of such mandate by an ordinary resolution of the shareholders of the Company in a general meeting.”

“**Rights Issue**” means an offer of Shares or offer or issue of warrants, Options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof as at the date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

6. To pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions numbered 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of Shares which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to such general mandate of the number of Shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of Shares shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of Shares after the date of passing of this resolution).”

7. To pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) the rules of the share incentive scheme pursuant to which the Company intends to reward the personnel who have contributed to the success and development of the Group, to better incentivise them to remain with the Company’s group, to motivate them to strive for the future development and expansion of the Company’s group and to attract skilled and experienced personnel for the further development and expansion of the Company’s group by providing them with the opportunity to acquire Shares in the Company, a copy of which marked “IV” is produced to the meeting and for the purpose of identification signed by the Chairman thereof (the “**2023 Share Incentive Scheme**”), subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares of the Company to be issued pursuant to the Vesting or exercise of any Awards granted under the 2023 Share Incentive Scheme, be and are hereby approved and adopted;

NOTICE OF ANNUAL GENERAL MEETING

- (b) conditional upon the passing of resolution (a), the 2023 Service Provider Sublimit as defined in the 2023 Share Incentive Scheme be and is hereby approved and adopted;
- (c) the board (the “**Board**”) of directors (each a “**Director**”) of the Company be and is hereby authorised to grant Awards of Options or RSUs (“**RSUs**”) pursuant to the 2023 Share Incentive Scheme and to allot and issue Shares, direct and procure any professional Trustee as may be appointed by the Company to assist with the administration, exercise and Vesting of Options and RSUs to transfer Shares and otherwise deal with Shares underlying the Options and/or RSUs granted pursuant to the 2023 Share Incentive Scheme as and when they Vest or are exercised (as the case may be);
- (d) a mandate authorising the Board to grant Awards of Options and/or RSUs pursuant to the 2023 Share Incentive Scheme in respect of a maximum number of the underlying new Shares equal to approximately 8.60 per cent of the Shares in issue as at the date of adoption of the 2023 Share Incentive Scheme during the period from the date of adoption until the earlier of (a) the end of the period within which the Company is required by any applicable law or its bye-laws to hold its next Annual General Meeting and (b) the date on which the resolution granting such authorization is varied or revoked by ordinary resolution of the Shareholders in general meeting (the “**Applicable Period**”) and to allot, issue and deal with Shares underlying the Options and/or RSUs granted pursuant to the 2023 Share Incentive Scheme during the Applicable Period as and when such Options and/or RSUs Vest be and is hereby approved;
- (e) the amended rules of the 2022 Share Award Scheme, a copy of which marked “V” is produced to the meeting and for the purpose of identification signed by the Chairman thereof (the “**Amended 2022 Share Award Scheme**”), be and are hereby approved and adopted; and
- (f) the Board of the Company be and is hereby authorised to grant Awards of RSUs pursuant to the Amended 2022 Share Award Scheme and to procure any professional Trustee as may be appointed by the Company to assist with the administration and Vesting of RSUs to transfer Shares and otherwise deal with Shares underlying the RSUs granted pursuant to the Amended 2022 Share Award Scheme as and when they Vest.

Yours faithfully,
By Order of the Board
ANE (Cayman) Inc.
Mr. Chen Weihao and
Mr. Qin Xinghua
Co-Chairmen

Hong Kong, May 29, 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting or its adjournment is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more Shares (the “**Shares**”) may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
3. Where there are joint holders of any Shares of the Company any one of such joint holders may vote at the above meeting, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s branch Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the Annual General Meeting of the Company (i.e. not later than 11:00 a.m. on Saturday, June 17, 2023) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, June 14, 2023 to Monday, June 19, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, all share transfer forms accompanied by the relevant Share certificates must be lodged with the Company’s branch Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, June 13, 2023.
6. In the event that the Annual General Meeting of the Company is adjourned to a date later than Monday, June 19, 2023 because of bad weather or other reasons, the book closure period and the record date for determination of the entitlement to attend and vote at the above meeting will remain as the aforesaid date.
7. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.

As at the date of this announcement, the Board comprises Mr. Qin Xinghua and Mr. Jin Yun as executive Directors; Mr. Chen Weihao, Mr. Wang Jian and Mr. Wei Bin as non-executive Directors; and Mr. Li Wilson Wei, Mr. Geh George Shalchu and Mr. Lam Man Kwong as independent non-executive Directors.

* For identification purposes only