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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY

THE ACQUISITION

As at the date of this announcement, Shanghai ANE is an indirect non wholly-owned subsidiary of the Company and indirectly held as to 96.1637% by the Company, 2.7903% by Ningbo Qinghong and 1.0460% by Beijing Anju. The Board is pleased to announce that on 23 February 2024, ANE Hong Kong (as the Purchaser), and Ningbo Qinghong (as the Vendor) entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, its entire 2.7903% equity interest in Shanghai ANE, an indirect non wholly-owned subsidiary of the Company, at the consideration of RMB338.7 million.

Upon completion of the Acquisition, Shanghai ANE will remain an indirect non wholly-owned subsidiary of the Company and indirectly held as to 98.9540% by the Company and 1.0460% by Beijing Anju.

LISTING RULES IMPLICATIONS

Discloseable and Connected Transaction

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, Shanghai ANE is indirectly held as to 96.1637% by the Company, 2.7903% by Ningbo Qinghong and 1.0460% by Beijing Anju. Ningbo Qinghong is a limited liability partnership established in the PRC. As at the date of this announcement, Mr. Wang, a substantial shareholder of the Company, controls the general partner of Ningbo Qinghong and is interested in Ningbo Qinghong as to 22.85% as a limited partner. Therefore, Ningbo Qinghong is an associate of Mr. Wang and is a connected person of the Company under Rule 14A.07 of the Listing Rules and the Acquisition involving Ningbo Qinghong constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shareholders and potential investors should note that the Acquisition is subject to the satisfaction of certain conditions and accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing the securities of the Company.

THE ACQUISITION

As at the date of this announcement, Shanghai ANE is an indirect non wholly-owned subsidiary of the Company and indirectly held as to 96.1637% by the Company, as to 2.7903% by Ningbo Qinghong and as to 1.0460% by Beijing Anju. As at the date of this announcement, Mr. Wang, a substantial shareholder of the Company, controls the general partner of Ningbo Qinghong and is interested in Ningbo Qinghong as to 22.85% as a limited partner.

The Board is pleased to announce that on 23 February 2024 (after trading hours of the Stock Exchange), ANE Hong Kong (as the Purchaser) and Ningbo Qinghong (as the Vendor) entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, its entire 2.7903% equity interest in Shanghai ANE, an indirect non wholly-owned subsidiary of the Company, at the consideration of RMB338.7 million.

Upon completion of the Acquisition, Shanghai ANE will remain an indirect non wholly-owned subsidiary of the Company and indirectly held as to 98.9540% by the Company and 1.0460% by Beijing Anju.

THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are as follows:

- | | | |
|--|---|---|
| Date | : | 23 February, 2024 |
| Parties to the Share Transfer Agreement | : | (i) ANE Hong Kong as the Purchaser; and
(ii) Ningbo Qinghong as the Vendor. |
| Nature of the transaction and subject matter to be acquired | : | Pursuant to the Share Transfer Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of an aggregate of 2.7903% equity interest in Shanghai ANE (being the entire equity interest in Shanghai ANE held by the Vendor). Upon completion of the Acquisition, Shanghai ANE will remain an indirect non wholly-owned subsidiary of the Company and indirectly held as to 98.9540% by the Company and 1.0460% by Beijing Anju. |
| Consideration | : | Pursuant to the Share Transfer Agreement, the total consideration for the Acquisition is RMB338.7 million, which shall be satisfied in full within three (3) Business Days following the date on which all the conditions precedent of the Acquisition are fulfilled or waived by the Purchaser. |

The consideration for the Acquisition was arrived upon arm's length negotiations between the Purchaser and the Vendor with reference to the valuation of 100% equity interest of Shanghai ANE amounting to RMB12,139.9 million as appraised by the Valuer (as defined below) by way of discounted cash flow method of the income approach.

The consideration for the Acquisition will be financed by the Group's internal resources.

Conditions precedent of the Acquisition

- : Pursuant to the Share Transfer Agreement, completion of the Acquisition is conditional upon the following conditions being fulfilled:
- (1) the Share Transfer Agreement and any other transaction documents relating to the Acquisition shall have been duly executed and delivered by the parties thereto;
 - (2) ANE Hong Kong shall have taken all corporate actions and passed all resolutions necessary to approve the Acquisition, the execution and performance of the transaction documents and transactions contemplated thereunder;
 - (3) the Company shall have obtained all necessary consents, approvals, notices, filings or registrations from applicable governmental authorities, regulatory bodies or other third parties for the execution and delivery of the Share Transfer Agreement and related transaction documents, as well as the performance of obligations contemplated thereunder, as may be required by any (i) applicable laws or requests from any applicable governmental authorities or regulatory bodies (including but not limited to the Stock Exchange, the Securities and Futures Commission or the China Securities Regulatory Commission), (ii) contracts binding to ANE Hong Kong or the Vendor, or (iii) contractual provisions applicable to ANE Hong Kong or the Company;
 - (4) the Vendor and Shanghai ANE shall have obtained all necessary consents, approvals or waivers for the Acquisition, including (i) a written resolution from the existing shareholders of Shanghai ANE approving the Acquisition and the execution and performance of the Share Transfer Agreement (including the registration of ANE Hong Kong as a shareholder of Shanghai ANE and the waiver of other shareholders' rights of first refusal with respect to the Acquisition), and (ii) the Vendor shall have taken all corporate actions necessary to approve the Acquisition and the execution and performance of the Share Transfer Agreement;

- (5) Shanghai ANE shall have completed the business change registration and any other registrations or filings necessary under applicable laws with respect to the Acquisition, and obtained a written notice of approval from the relevant authorities confirming the registration of ANE Hong Kong as a shareholder of Shanghai ANE;
- (6) each of the representations and warranties of the Vendor as set forth in the Share Transfer Agreement shall be true and accurate both as of the date of the Share Transfer Agreement and as of the date of closing;
- (7) all the agreements and covenants of the Vendor pursuant to the Share Transfer Agreement shall have been performed and complied with in all material respects, and the Vendor shall have duly executed and delivered the Share Transfer Agreement and any other transaction documents necessary to complete the Acquisition;
- (8) as of the date of closing, to the reasonable knowledge of the Vendor, (i) the completion of the Acquisition is not restricted by or subject to any pending or potential actions or procedures by any governmental department in the PRC, (ii) no governmental department in the PRC with jurisdiction has formulated any laws, regulations or rules which may render the Share Transfer Agreement unlawful, and (iii) no claim has been made by any third parties seeking to restrict or prohibit the completion of the Acquisition;
- (9) to the reasonable knowledge of the Vendor, there are no ongoing, pending, or potential lawsuits or legal proceedings against Shanghai ANE, or adverse injunctions, judgments, order, decrees, rulings, allegations, investigations or administrative orders that may result in (i) non-completion of the Acquisition, (ii) revocation or invalidity of the Acquisition after completion, or (iii) material adverse effect on ANE Hong Kong's shareholding in Shanghai ANE; and
- (10) the Vendor shall have executed and delivered a certificate to ANE Hong Kong, certifying that the conditions precedent as set forth in the Share Transfer Agreement have been satisfied in full.

Completion

- : Completion of the Acquisition shall take place on the date on which the total consideration for the Acquisition is satisfied in full by the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company considers that through the Acquisition, the Group is able to acquire Ningbo Qinghong's interest in Shanghai ANE, whereby to receive 98.9540% of the economic interests in distribution of Shanghai ANE and to reduce minority interests held in Shanghai ANE to streamline the corporate structure of the Group strategically. The Acquisition will also allow the Group to increase its influence over the management and operations of Shanghai ANE, which the Board believes will place the Group in a favourable position, and further strengthen the Group's freight transportation and logistics network. The Share Transfer Agreement was arrived at after arm's length negotiations between the parties.

As Mr. Qin and Mr. Jin are interested in Ningbo Qinghong as a limited partner, each of these Directors is deemed or may be perceived to have a material interest in the Acquisition. Accordingly, they abstained from voting on the resolutions in connection with the Acquisition and the transactions contemplated thereunder in the Board meeting. Other than the aforesaid Directors, no other Directors have a material interest in the Acquisition or are required to abstain from voting on the resolutions of the Board approving the same.

The Directors (excluding the independent non-executive Directors, and excluding Mr. Qin and Mr. Jin, who are connected with Ningbo Qinghong and have abstained from voting at the Board resolution on approving the Acquisition) are of the view that the Acquisition is on normal commercial terms which are fair and reasonable, and is in the interest of the Company and its Shareholders as a whole. The independent non-executive Directors will provide their view in respect of the Share Transfer Agreement and the transactions contemplated thereunder in the circular for the EGM after considering the advice from the Independent Financial Adviser.

PROFIT FORECASTS UNDER THE VALUATION REPORT

According to the valuation report dated 28 September 2023 issued by the Valuer (as defined below), the Valuer mainly applied the discounted cash flow method under the income approach and based on certain assumptions in the valuation to appraise the value of Shanghai ANE, which constitutes a profit forecast under Rule 14.61 of the Listing Rules and the requirements of Rule 14.60A of the Listing Rules are therefore applicable.

To select the most appropriate approach for the valuation of the equity interest of Shanghai ANE, the Valuer has considered:

- (a) the quantity and quality of the information provided, accessibility to available data, availability of relevant market information, uniqueness of Shanghai ANE's business operations and nature of the industry in which Shanghai ANE is engaged, professional judgment and technical expertise;
- (b) the income approach takes the future growth potential and firm-specific issues of Shanghai ANE into consideration;

- (c) the discounted cash flow method, which begins with an estimation of the annual cash flows that a market participant acquirer would expect the asset to generate over a discrete projection period, is appropriate because the purpose of the Acquisition is for the Company to benefit from the future income to be generated by Shanghai ANE. Therefore, the prospect of future income-generating is the central factor to consider when it comes to gauging the value of Shanghai ANE from the perspective of the Company;
- (d) the market approach is ultimately not considered due to the limited number of comparable companies in the same industry; and
- (e) the cost approach is not considered because it could not reflect the value of Shanghai ANE's management team, market and customer resources, marketing network, and brand.

Main Assumptions

For the valuation of the market value of the entire equity interests in Shanghai ANE, the Valuer has mainly adopted the income approach and the following valuation assumptions:

Preconditional Assumptions

1. *Fair Transaction Assumption*

Fair transaction assumption assumes that the subject under valuation is already in the course of transaction, and the Valuer simulates the market for appraisal based on the transaction conditions of the subject under valuation and other principles of fairness.

2. *Open Market Assumption*

Open market assumption assumes that the subject under valuation is situated in a fully competitive and comprehensive market (regional, national or international market), where the market positions of the parties to the proposed transaction are equal to each other, and each has the ability, opportunity and time to obtain sufficient market information; the transaction behaviors of each party to the transaction are conducted under voluntary, rational and non-compulsory or unrestricted conditions, so that each party to the transaction can make rational judgments on the function, purpose and transaction price of the transaction target. Under fully competitive market conditions, the exchange value of the transaction target is subject to market mechanisms and determined by market conditions instead of the transaction price in individual transactions.

3. *Going-concern Assumption*

Going-concern assumption assumes that the unit under valuation will continue to operate according to its current model, scale, frequency, environment, etc. This assumption not only sets down the subsisting status of the subject under valuation, but also sets down the market conditions or market environment faced by the subject under valuation.

General Assumptions

1. It is assumed that the current relevant laws and regulations, industry policies, industrial policies and macroeconomic environment of the country and region (where the subject under valuation conducts business) have not changed significantly since the valuation base date, and that there is no material change in the political, economic and social environment in the regions where the parties of the subject transaction are located.
2. It is assumed that the fiscal and monetary policies, as well as the relevant interest rates, exchange rates, tax bases and tax rates, and policy levies, etc., of the regions where the subject under valuation conducts business have not undergone major changes.
3. It is assumed that there are no other force majeure and unforeseeable factors which will have a material adverse effect on the continuing operation of the subject under valuation.

Special Assumptions

1. It is assumed that based on the existing management method and management level of the subject under valuation, its business scope and operation model will remain basically consistent with the current business scope and operation model, and that the future development trend of its business will remain basically consistent with the development trend of the industry as at the valuation base date.
2. It is assumed that the manager of the subject under valuation will remain diligent in their duties, and that its management is capable of taking up their responsibilities and performing their duties.
3. It is assumed that the data (basic data, financial data, operating data, forecast data, etc.) provided by the principal and the subject under valuation is true, accurate and complete, and that all relevant material matters have been fully disclosed.
4. It is assumed that the subject under valuation fully complies with all relevant laws and regulations currently in force.
5. It is assumed that the income of the subject under valuation are accrued evenly each year, and that the time of realizing its annual income takes place at the mid-point of each year.

Confirmations

The Reporting Accountants (as defined below) have been engaged to report on the calculations of the discounted cash flows used in the valuation prepared by the Valuer. The Reporting Accountants have reported that so far as the calculations are concerned, the discounted cash flow forecast has been properly compiled in accordance with the assumptions adopted by the Directors as set out in this announcement. The text of the report issued by the Reporting Accountants in relation to the calculations of the discounted cash flows is set out in Appendix I to this announcement for the purpose under Rule 14.60A(2) of the Listing Rules.

A letter from the Board, confirming that the profit forecast in the valuation has been made after due and careful enquiry by the Board, is set out in Appendix II to this announcement for the purpose under Rule 14.60A(3) of the Listing Rules.

Experts

The following are the qualifications of experts who have provided opinions and/or suggestions contained in this announcement:

Name	Qualification
Beijing Chenglian Valuation Company Limited* (北京誠聯評估有限公司) (the “ Valuer ”)	Independent valuation firm with asset valuation qualification in PRC
ZHONGHUI ANDA CPA Limited (the “ Reporting Accountants ”)	Certified public accountants

Each of the experts mentioned above has given and none of the experts has withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names included herein in the form and context in which it is included.

As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, as far as the Directors are aware, none of the experts nor their respective subsidiaries mentioned above had, or have had, any direct or indirect interest in any material assets which have been since 31 December 2022 (being the date to which the latest published audited consolidated accounts of the Company were made up) acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

LISTING RULES IMPLICATIONS

Discloseable and Connected Transaction

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, Shanghai ANE is indirectly held as to 96.1637% by the Company, 2.7903% by Ningbo Qinghong and 1.0460% by Beijing Anju. Ningbo Qinghong is a limited liability partnership established in the PRC. As at the date of this announcement, Mr. Wang, a substantial shareholder of the Company, controls the general partner of Ningbo Qinghong and is interested in Ningbo Qinghong as to 22.85% as a limited partner. Therefore, Ningbo Qinghong is an associate of Mr. Wang and is a connected person of the Company under Rule 14A.07 of the Listing Rules and the Acquisition involving Ningbo Qinghong constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INFORMATION OF THE PARTIES

The Group operates a leading express freight network in China's less-than-truckload (LTL) market. As a LTL service provider, the Group has nationwide coverage, and delivers timely and comprehensive freight transportation services. It mainly provides transportation services, value-added services and dispatch services to its freight partners as direct customers. The Group has also launched full-truckload (FTL) business in May 2022 to handle the freight demand of shippers with an entire truck for direct point-to-point service.

ANE Hong Kong (the Purchaser), an indirect wholly-owned subsidiary of the Company, is a company incorporated under the laws of Hong Kong and an investment holding company.

Ningbo Qinghong (the Vendor) is a limited liability partnership established in the PRC principally engaged in investment holding, and is a shareholding platform established primarily to hold equity interest on behalf of employees and business partners of the Group. As at the date of this announcement, (i) Mr. Wang, a substantial shareholder of the Company, controls the general partner of Ningbo Qinghong and is interested in Ningbo Qinghong as to 22.85% as a limited partner; (ii) Mr. Qin, the executive Director, is interested in Ningbo Qinghong as to 10.66% as a limited partner; and (iii) Mr. Jin, the executive Director, is interested in Ningbo Qinghong as to 14.19% as a limited partner. To the Directors' best knowledge, certain business partners and/or employees/ex-employees of the Group and/or their friends and/or relatives who are Independent Third Parties also held interest in Ningbo Qinghong.

INFORMATION OF SHANGHAI ANE

As at the date of this announcement, Shanghai ANE is an indirect non wholly-owned subsidiary of the Company and indirectly held as to 96.1637% by the Company, as to 2.7903% by Ningbo Qinghong and as to 1.0460% by Beijing Anju. Shanghai ANE is currently a limited liability company established in the PRC and is principally engaged in logistics and supply chain management services.

Set out below is the consolidated financial information of the Shanghai ANE Group prepared in accordance with International Financial Reporting Standards (IFRS) for the years ended December 31, 2021 and 2022 and the unaudited consolidated financial statements of the Shanghai ANE Group for the six months ended 30 June 2023:

	For the year		For the
	ended December 31,		six months
	2021	2022	ended June 30,
	(audited)	(audited)	2023
	(RMB'000)	(RMB'000)	(unaudited)
			(RMB'000)
Total asset	4,609,278	4,132,967	4,527,676
Net asset	856,939	873,559	1,115,565
Total revenue	9,578,187	9,229,109	4,503,934
Net (loss)/profit before taxation	21,207	(35,453)	240,002
Net profit/(loss) after taxation	127,905	(172,398)	171,565

Upon completion of the Acquisition, Shanghai ANE will remain an indirect non wholly-owned subsidiary of the Company and indirectly held as to 98.9540% by the Company and 1.0460% by Beijing Anju, the financial results of the Shanghai ANE Group will continue to be consolidated into the accounts of the Company.

The original acquisition cost attributable to Ningbo Qinghong's acquisition of 2.7903% equity interest in Shanghai ANE was approximately RMB284.3 million.

GENERAL

An Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Li Wilson Wei, Mr. Geh George Shalchu, Ms. Sha Sha and Mr. Hung Cheung Fuk, has been formed to consider, and to advise the Independent Shareholders on, among other things, whether the Acquisition is in the ordinary and usual course of business of the Company, fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the Share Transfer Agreement and the transactions contemplated thereunder.

The EGM will be convened and held to consider and, if thought fit, pass the ordinary resolution to approve, among other matters, the Share Transfer Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Acquisition, (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 31 March 2024, as additional time is required to prepare and finalise certain information to be included in the circular .

Shareholders and potential investors should note that the Acquisition is subject to the satisfaction of certain conditions and accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing the securities of the Company.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Acquisition”	the proposed acquisition of 2.7903% equity interest in Shanghai ANE by the Purchaser from the Vendor, pursuant to the Share Transfer Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Anju”	Beijing Anju Enterprise Management Centre (Limited Partnership)* (北京安聚企業管理中心(有限合夥)), a limited liability partnership established in the PRC
“Board”	the board of Directors
“Business Day(s)”	a day other than public holiday on which banks are generally open for business in the PRC
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries and consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Li Wilson Wei, Mr. Geh George Shalchu, Ms. Sha Sha and Mr. Hung Cheung Fuk, which has been formed to advise the Independent Shareholders on the Share Transfer Agreement and the transactions contemplated thereunder

“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	Shareholders who have no material interest in, and are not required to abstain from voting at the EGM to approve, the Share Transfer Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Mr. Jin”	Mr. Jin Yun (金雲), an executive Director of the Company
“Mr. Qin”	Mr. Qin Xinghua (秦興華), an executive Director, co-chairman of the Board, chief executive officer and president of the Company
“Mr. Wang”	Mr. Wang Yongjun (王擁軍), who is a substantial shareholder of the Company
“Ningbo Qinghong”	Ningbo Meishan Free Trade Port Zone Qinghong Equity Investment Partnership Enterprise (Limited Partnership)* (寧波梅山保稅港區青虹股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser” or “ANE Hong Kong”	ANE Fast Logistics (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on 25 November 2014, and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer Agreement”	the Share Transfer Agreement dated 23 February, 2024 entered into between the Purchaser and the Vendor in relation to the Acquisition

“Shanghai ANE”	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.* (上海安能聚創供應鏈管理有限公司), a company incorporated in the PRC with limited liability, in which the Company indirectly held 96.1637% equity interest before the Acquisition and 98.9540% equity interest after the Acquisition
“Shanghai ANE Group”	Shanghai ANE and its subsidiaries
“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 reconstruction 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 reconstruction
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	any subsidiary (as the term is defined in the Listing Rules) of the Company
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Vendor”	Ningbo Qinghong
“%”	per cent

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

Hong Kong, 23 February, 2024

As at the date of this announcement, the Board comprises Mr. Qin Xinghua and Mr. Jin Yun as executive Directors; Mr. Chen Weihao, Mr. Zhang Yinghao and Mr. Wei Bin as non-executive Directors; and Mr. Li Wilson Wei, Mr. Geh George Shalchu, Ms. Sha Sha and Mr. Hung Cheung Fuk as independent non-executive Directors.

* *For identification purposes only*

APPENDIX I

The following is the text of the report dated 23 February 2024 from the Reporting Accountants prepared for inclusion in this announcement.

23 February 2024

The Board of Directors ANE (Cayman) Inc.

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

Dear Sirs,

We have examined the calculations of the discounted cash flow forecast (the “**Forecast**”) underlying the valuation (the “**Valuation**”) of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.* (上海安能聚創供應鏈管理有限公司). (the “**Target Subsidiary**”) dated 28 September 2023, performed by Beijing Chenglian Valuation Company Limited* (北京誠聯評估有限公司) in respect of the appraisal of the fair value of entire equity interest in the Target Subsidiary as at the reference date of 30 June 2023. The Valuation is set out in the announcement of ANE (Cayman) Inc. (the “**Company**”) dated 23 February 2024 (the “**Announcement**”) in connection with the acquisition of a minority interest in the Target Subsidiary. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Directors’ Responsibilities

The directors of the Company are solely responsible for the preparation of the Forecast and the reasonableness and validity of the assumptions based on which the Forecast is prepared (the “**Assumptions**”). The Assumptions are set out in the section headed “Main Assumptions” of the Announcement.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the calculations of the Forecast based on our procedures and to report our opinion solely to you, as a body, solely for the purpose in connection with the Valuation and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Company's directors have properly compiled the Forecast in accordance with the Assumptions adopted by the directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The Assumptions include hypothetical assumptions about future events and management actions that may or may not necessarily be expected to occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express opinion whatsoever thereon.

Because the Forecast relates to cash flows, no accounting policies of the Company have been adopted in its preparation.

Opinion

In our opinion, so far as calculations are concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the directors as set out in the Valuation.

Yours faithfully,
ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Hong Kong

APPENDIX II – LETTER FROM THE BOARD

The following is the text of the letter dated 23 February 2024 from the Board prepared for inclusion in this announcement.

To: The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sir/Madam,

Company: ANE (Cayman) Inc. (Stock code: 9956) (the “Company”)

Re: Profit Forecast – Confirmation letter under the requirements of Rule 14.60A(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”)

Reference is made to the announcement of the Company dated 23 February 2024 in relation to the valuation report dated 28 September 2023 (the “**Valuation Report**”) prepared by Beijing Chenglian Valuation Company Limited* (北京誠聯評估有限公司) (the “**Valuer**”). The Valuer adopted income approach in valuation of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.* (上海安能聚創供應鏈管理有限公司).

The board of directors of the Company (the “**Board**”) has reviewed the basis and assumptions of the valuation and discussed the same with the Valuer. The Board has also considered the report issued by ZHONGHUI ANDA CPA Limited on 23 February 2024 in relation to the calculations of the profit forecast in the Valuation Report.

Pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirmed that the profit forecast used in the aforesaid Valuation Report has been made after due and careful enquiry.

* *For identification purposes only*

The Board of Directors
ANE (CAYMAN) INC.

23 February 2024