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.

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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
浤博資本有限公司

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 5 to 21 of this circular. A letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 22 to 23 of this circular. A letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, is set out on pages 24 to 48 of this circular.

A notice convening the Extraordinary General Meeting of ANE (Cayman) Inc. to be held at 34th Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on April 30, 2024 at 3:00 p.m. is set out on pages 124 to 126 of this circular. A form of proxy for use at the Extraordinary 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 Extraordinary 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 Extraordinary General Meeting (i.e. not later than 3:00 p.m. on April 28, 2024) 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 Extraordinary General Meeting or any adjournment thereof should you so wish.

April 12, 2024

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

"Acquisition"	the proposed acquisition of 2.7903% equity interest in Shanghai ANE by the Purchaser from Vendor, pursuant to the Share Transfer Agreement
"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
"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
"CAGR"	compound annual growth rate
"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
"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(s)"	has the meaning ascribed thereto in the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto in the Listing Rules
"Detailed Forecast Period"	six months ended December 31, 2023 and the five years ending December 31, 2028
"Director(s)"	the director(s) of the Company

"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at 34th Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on April 30, 2024 at 3:00 p.m. or any adjournment thereof and notice of which is set out on pages 124 to 126 of this circular
"Group"	the Company and its subsidiaries and consolidated affiliated entities
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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
"Latest Practicable Date"	April 12, 2024, 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
"LTL"	less-than-truckload
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"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
"Purchaser" or "ANE Hong Kong"	ANE Fast Logistics (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on November 25, 2014, and an indirect wholly-owned subsidiary of the Company
"Reporting Accountants"	ZHONGHUI ANDA CPA Limited, certified public accountants
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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 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
"Share Transfer Agreement"	the Share Transfer Agreement dated February 23, 2024 entered into between the Purchaser and the Vendor in relation to the Acquisition
"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(s)"	has the meaning ascribed thereto in the Listing Rules
"Valuation Report"	the valuation report of Shanghai ANE prepared by the Valuer in respect of the appraisal of the fair value of the entire equity interest in Shanghai ANE as at June 30, 2023, a summary of which is set out in Appendix I to this circular
"Valuer"	Beijing Chenglian Valuation Company Limited* (北京誠聯評估有限公司), an independent valuation firm with asset valuation qualification in PRC
"Vendor"	Ningbo Qinghong
"%"	per cent

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

* *For identification purposes only*

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-Chairman, chief executive officer)*
Mr. Jin Yun

Non-executive Directors:
Mr. Chen Weihao *(Co-Chairman)*
Mr. Zhang Yinghao
Mr. Wei Bin

Independent non-executive Directors:
Mr. Li Wilson Wei
Mr. Geh George Shalchu
Ms. Sha Sha
Mr. Hung Cheung Fuk

Registered Office:
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

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

Principal Place of Business in Hong Kong:
5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

April 12, 2024

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement of ANE (Cayman) Inc. (the "**Company**") dated February 23, 2024 (the "**Announcement**") in relation to, among other things, the Share Transfer Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, 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, (iv) other information as required under the Listing Rules, and (v) notice of the EGM to the Shareholders on convening the EGM.

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

The Acquisition

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 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.

The Share Transfer Agreement does not provide for any profit guarantee arrangement, or any option or similar right under which the Purchaser and/or the Group would be entitled to sell the equity interest back to the Vendor. There is also no guarantee of net tangible assets or other matters regarding the financial performance of Shanghai ANE provided by the Vendor.

A summary of the Valuation Report in respect of the appraisal of the fair value of entire equity interest in Shanghai ANE is set out in the Appendix I of the circular. The English version of the summary of the Valuation Report is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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.

Any of the above mentioned conditions precedent can be waived by the Purchaser and as at the Latest Practicable Date, (i) the Purchaser has no intentions to waive any of the conditions precedent; (ii) with the exception of condition precedent (1) stated above, all other conditions precedent remain to be fulfilled.

Completion : Completion of the Acquisition shall take place within two weeks after obtaining Shareholders' approval.

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 at the Latest Practicable Date, the Company and/or the Group have no intention to purchase the remaining interest of 1.046% in Shanghai ANE from Beijing Anju. There is no foreseeable disadvantage of the Acquisition for the Company.

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, including the independent non-executive Directors whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular after considering the advice from the Independent Financial Adviser 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 Share Transfer Agreement and the transactions contemplated thereunder, including the Acquisition, have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Profit Forecasts Under the Valuation Report

According to the valuation report dated 28 September 2023 (as amended on April 10, 2024) issued by the Valuer, 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.

The Board has reviewed the Valuation Report for the approach adopted by the Valuer and understood that the Valuer adopted the discounted cash flow method of the income approach of Shanghai ANE. The Board has discussed with the Valuer that under the income approach, the appraisal value of Shanghai ANE represents the present value of future economic benefits expected to be generated from Shanghai ANE.

The Board considers that the income approach provides the prospect of future income-generating of Shanghai ANE, which is the central factor to gauging the value. As such, the Board concurs with the Valuer that the income approach was the most appropriate valuation methodology to conduct a fair and reasonable valuation.

The Board has reviewed all assumptions as set out in this Circular and Appendix I herein, and are given to understand that the application of the discounted cash flow method to discount the free cash flow of Shanghai ANE at a discount rate to calculate the fair market value of Shanghai ANE.

The Board has taken into consideration of key quantitative assumptions applied by the Valuer in the income approach and discussed with the management all parameters adopted in the key quantitative assumptions and relevant calculations. Based on all above, the Board believes that the valuation methodology, key assumptions and parameters adopted in the valuation are fair and reasonable.

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 which are similar to the asset scale and structure, business scope and profitability of the Company in the same industry, and there are few equity transaction cases of comparable companies in China at present; 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.

Quantitative Assumptions

Under the income approach, the appraisal value of Shanghai ANE represents the present worth of future economic benefits expected to be generated from Shanghai ANE. The Valuer applied the discounted cash flow method to discount the free cash flow ("**FCF**") of Shanghai ANE at a discount rate to calculate the fair market value of Shanghai ANE.

The Valuer has applied the following key quantitative assumptions:

1. Forecasted revenue. It is assumed that the forecasted revenue of Shanghai ANE will grow at a CAGR of 6.86% from 2023 to 2028. Shanghai ANE's revenues in the Detailed Forecast Period are expected to mainly derive from provision of LTL services including transportation service, value-added services and dispatch services in China; and the revenues in the Detailed Forecast Period are determined based on (i) the estimated unit price of each type of service; and (ii) total freight volume. The unit price of each type of service is estimated by the average price from 2021 to the first half of 2023, and the total freight volume is estimated to grow at a CAGR of 7.38% from 2023 to 2028.

2. Forecasted gross profit margin. As the Group has adopted the strategy to optimize the freight weight mix structure and enhanced control to reduce costs and improve efficiency, it is assumed that the forecasted cost of Shanghai ANE will grow at a CAGR of 5.56% from 2023 to 2028 which is slower than the growth of revenue. And the growth rate of forecasted cost shows a decreasing trend, ranging from 3.56% to 8.09%. The revenue and cost assumptions result in an increase in Shanghai ANE's forecasted gross profit margin for the Detailed Forecast Period, ranging from 12.78% to 18.51%.

3. Forecasted expenses. It is assumed that the forecasted expenses will grow at a CAGR of 7.11% from 2023 to 2028. The forecasted general and administrative expenses of Shanghai ANE for the Detailed Forecast Period are estimated based on, depreciation, amortization expenses, the historical data, a salary growth rate of 5%, the Group' recruitment plan and an inflation rate of 3%. General and administrative expenses include marketing expenses, administrative expenses and research and development expenses.

4. Forecasted capital expenditure. It is assumed that the forecasted capital expenditure for the Detailed Forecast Period will be approximately RMB394 million, RMB697 million, RMB537 million, RMB791 million, RMB629 million and RMB427 million, respectively. Capital expenditure primarily consist of purchase of (1) property and equipment, and (2) intangible assets, primarily including IT software. Capital expenditure is estimated based on, among others, the nature of assets, the level of utilisation, the refresh cycle of the various assets and the discount rate.

5. Forecasted working capital requirement. The net working capital is determined with reference to the minimum cash balance maintained for operation, the turnover days of trade receivables, prepayments, inventories, other receivables, trade payables and other current liabilities. The minimum cash balance maintained is mainly determined by the forecasted cost for revenues.

6. Discount rate. The Valuer has considered the following factors in determining the discount rate:

   (1) the risk-free rate of 3.8715%, being the yield to maturity of China government bonds with a remaining maturity of more than ten years as at 30 June 2023;

   (2) the equity risk premium of 6.58%, being the difference between the expected market return calculated based on the average closing prices of the constituents of CSI 300 Index from 1 January 1998 to 31 December 2022 and the risk-free rate;

   (3) the beta coefficient of 0.8844, which is determined with reference to the mean of the beta coefficient of three comparable companies which are engaged in the LTL business in the PRC, with adjustment for differences in capital structure and adoption of the average capital structure of the three comparable companies as Shanghai ANE's target capital structure. The selection criteria of comparable companies include issued RMB-denominated A shares and have been listed for more than 3 years as at the valuation base date, and their principal businesses, scales, and stages of operation closely mirror or are approximate to those of Shanghai ANE. The three comparable companies, including S.F. Holding Co., Ltd. (002352.SZ), Deppon Logistics (603056.SH) and YUNDA Holding Co., Ltd. (002120.SZ), are operating express parcel and LTL service and form an exhaustive and representative list of companies. Please refer to Appendix I (Summary of Valuation Report) to this circular for detailed calculations;

   (4) company-specific risk premium of 3%, which is calculated with the formula to reflect non-systematic risks of Shanghai ANE. Please refer to Appendix I (Summary of Valuation Report) to this circular for detailed calculations;

   (5) the cost of equity of 12.69% based on (1), (2), (3) and (4) above. Please refer to Appendix I (Summary of Valuation Report) to this circular for detailed calculations;

   (6) the cost of debt of 3.875%, which is determined with reference to the average of one-year Loan Prime Rate and five-year Loan Prime Rate quoted by the National Interbank Funding Center on 30 June 2023; and

   (7) the enterprise income tax rate of 25%;

7. Detailed Forecast Period and terminal value. The Valuer adopted the Detailed Forecast Period of 5.5 years from 1 July 2023 to 31 December 2028. The terminal value for Shanghai ANE is estimated without a constant growth rate after the Detailed Forecast Period.

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 circular. 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 II to this circular 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 III to this circular for the purpose under Rule 14.60A(3) of the Listing Rules. The Board considers that adopting June 30, 2023 as the base date of the valuation in relation to the determination of the consideration of the Acquisition on February 23, 2024 is appropriate as June 30, 2023 is the date to which the latest published consolidated financial statements of the Company were made up before the Share Purchase Agreement was entered. The Board also confirms that no material changes to Shanghai ANE have occurred since the base date of the Valuation Report up to the Latest Practicable Date.

The Board considers that the Valuer is competent and independent to carry out the valuation for the following reasons: (i) the Valuer is an independent third party to the Company, the Vendor and their respective associates; (ii) the Valuer is an independent professional service firm which is mainly engaged in provision of valuation services; (iii) Ms. Yang Hong, who is responsible for the overall project management of the Valuation Report, has more than 30 years of extensive experience in business and financial valuation service in China; and (iv) the Board considers that the terms of the Valuer's engagement, including their scope of work, is appropriate to the opinion required to be given and there is no limitation on the scope of work which might adversely impact on the degree of assurance given by them in the Valuation Report.

The Board considers that the overdue borrowings, guarantees or pledges and the pending litigations as set out in the summary of valuation report have no material impact on the appraised value of Shanghai ANE for the following reasons: (i) as of the valuation base date, when considering the bank loan totaling RMB1156.297 million, the remaining funds of RMB835.856 million in Shanghai ANE's account, and factoring in the annual cash flow generated, it is evident that Shanghai ANE faces no likely risk of defaulting on its loans; (ii) as of the valuation base date, Shanghai ANE has factored in the anticipated compensation amount for lawsuits with relatively certain outcomes into its estimated liabilities, which has been duly incorporated into the valuation. Additionally, the pending compensation for other lawsuits is minimal, resulting in a negligible impact on the appraised value.

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 Latest Practicable Date, 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 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 Latest Practicable Date, (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

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 ended December 31,		For the six months ended June 30,
	2021	**2022**	**2023**
	(audited)	*(audited)*	*(unaudited)*
	(RMB'000)	*(RMB'000)*	*(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.

3. INDEPENDENT BOARD COMMITTEE

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.

4. INDEPENDENT FINANCIAL ADVISER

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.

5. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from April 26, 2024 to April 30, 2024, both dates inclusive, during which period no transfer of Shares will be registered. In order to eligible to attend and vote at the Extraordinary 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 April 25, 2024.

6. RECOMMENDATION

The Directors, including the independent non-executive Directors whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular after considering the advice from the Independent Financial Adviser 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 Share Transfer Agreement and the transactions contemplated thereunder, including the Acquisition, have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Share Transfer Agreement and the transactions contemplated thereunder.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 22 to 23 of this circular, which contains its recommendation to the Independent Shareholders, (ii) the letter from the Independent Financial Adviser set out on pages 24 to 48 of this circular, which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders and (iii) the additional information set out in the appendices to this circular.

7. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 124 to 126 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 Extraordinary General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Extraordinary 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 Extraordinary General Meeting (i.e. not later than 3:00 p.m. on April 28, 2024) 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 Extraordinary General Meeting if you so wish.

Pursuant to the Rule 2.15 of the Listing Rules, any shareholder with a material interest in the relevant transaction is required to abstain from voting on the resolution approving such transaction. As at the Latest Practicable Date, each of (i) CDF ANE Limited, (ii) Max Choice Ventures Limited, and (iii) Double Brighten Creation Limited is controlled by Mr. Wang who directly wholly owned the general partner of Ningbo Qinghong, which is Shanghai Yuanyue Business Consulting Co., Ltd.* (上海緣躍商務諮詢有限公司) as discussed above. Therefore, each of (i) CDF ANE Limited, (ii) Max Choice Ventures Limited, (iii) Double Brighten Creation Limited and (iv) Mr. Wang is required to abstain from voting at the Extraordinary General Meeting. As at the Latest Practicable Date, (i) CDF ANE Limited directly holds 32,213,523 and indirectly holds 76,466,665 Shares of the Company (representing in aggregate approximately 9.35% of the total issued share capital of the Company), (ii) Max Choice Ventures Limited directly holds 76,466,665 Shares of the Company (representing approximately 6.58% of the total issued share capital of the Company), (iii) Double Brighten directly holds 16,939,795 Shares of the Company (representing approximately 1.46% of the total issued share capital of the Company), and (iv) Mr. Wang directly holds 1,200,000 and indirectly holds 125,619,983 Shares of the Company (representing in aggregate approximately 10.91% of the total issued share capital of the Company). As at the Latest Practicable Date, Mr. Qin and Mr. Jin are interested in Ningbo Qinghong as a limited partner. Therefore, each of Mr. Qin and Mr. Jin is required to abstain from voting at the Extraordinary General Meeting. No other Shareholders are required to abstain from voting on the resolution at the Extraordinary General Meeting.

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 Extraordinary General Meeting.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Summary of Valuation Report); Appendix II (Report from the Reporting Accountants), Appendix III (Letter from the Board in Relation to the Valuation Report) and Appendix IV (General Information) to this circular.

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

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)

April 12, 2024

To the Independent Shareholders

Dear Sir/Madam,

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

We refer to the circular dated April 12, 2024 issued by the Company to the Shareholders (the "**Circular**") of which this letter forms part. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as defined in the Circular.

Under the Listing Rules, the Acquisition constitutes a connected transaction of the Company, and is subject to the approval of the Independent Shareholders at the Extraordinary General Meeting.

We have been appointed as the Independent Board Committee to consider the terms of the Share Transfer Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders as to whether the Acquisition as contemplated under the Share Transfer Agreement and the transactions contemplated thereunder are fair and reasonable insofar as the Independent Shareholders are concerned. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 5 to 21 of the Circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 22 to 23 of the Circular.

Having taken into account, among other things, the advice of the Independent Financial Adviser, we are of the opinion that the Share Transfer Agreement and the transactions contemplated thereunder, including the Acquisition, are (i) not in the ordinary and usual course of business of the Company, (ii) fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Li Wilson Wei *Independent Non-executive Director*	**Mr. Geh George Shalchu** *Independent Non-executive Director*
Ms. Sha Sha *Independent Non-executive Director*	**Mr. Hung Cheung Fuk** *Independent Non-executive Director*

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of incorporation in this circular.

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
泼博資本有限公司

12 April 2024

To the Independent Board Committee and the Independent Shareholders

ANE (Cayman) Inc.
8th Floor, Block B
E Linke World North District
999 Huaxu Road
Xujing Town
Qingpu District
Shanghai, PRC

Dear Sir or Madam,

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

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 12 April 2024 (the "**Circular**"), of which this letter forms a part of. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

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, an aggregate of 2.7903% equity interest in Shanghai ANE, an indirect non wholly-owned subsidiary of the Company, at the consideration of RMB338.7 million (the "**Consideration**").

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 Latest Practicable Date, 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 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.

We, Rainbow Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether (i) the Share Transfer Agreement is entered into in the ordinary and usual course of business of the Group; and (ii) the terms of the Share Transfer Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, the Vendor and Mr. Wang that could reasonably be regarded as relevant to our independence. There was no engagement or connection between the Group, the Vendor or Mr. Wang and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group, the Vendor, or Mr. Wang. Accordingly, we are independent from the Company pursuant to the requirements under Rule 13.84 of the Listing Rules and therefore are qualified to give independent advice in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, the Vendor or their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering the fairness and reasonableness of the Share Transfer Agreement and the transactions contemplated thereunder, we have taken into account the principal factors and reasons set out below:

1. Background information of the Group

The Group operates a leading express freight network in China's less-than-truckload ("**LTL**") market. As an LTL service provider, the Group has nationwide coverage, and delivers timely and comprehensive freight transportation services. The Group 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.

The tables below set forth a summary of the consolidated financial information of the Group for the three years ended 31 December 2023 ("**FY2021**", "**FY2022**" and "**FY2023**", respectively) as extracted from the annual report of the Company for FY2022 (the "**2022 Annual Report**") and the annual results announcement of the Company for FY2023 (the "**2023 Annual Results Announcement**"):

(i) Financial performance

	FY2023	**FY2022**	**FY2021**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
		(Restated)	
Revenue	**9,916,899**	**9,334,931**	**9,645,366**
LTL business	9,848,419	9,292,351	9,645,366
– Transportation	5,461,469	5,339,150	5,612,420
– Dispatch services	2,590,061	2,282,851	2,318,417
– Value-added services	1,796,889	1,670,350	1,714,529
FTL business	68,480	42,580	–
Gross profit	**1,268,003**	**730,362**	**1,066,197**

	FY2023 *RMB'000* *(audited)*	FY2022 *RMB'000* *(audited)* *(Restated)*	FY2021 *RMB'000* *(audited)*
Other (losses)/income and gains, net	125,294	(8,584)	(18,002)
General and administrative expenses	(773,789)	(892,779)	(791,005)
Finance costs	(78,902)	(120,199)	(152,396)
Fair value changes of financial assets and liabilities at fair value through profit or loss ("**FVTPL**")	11,249	10,081	(2,042,724)
Changes in the expected redemption amount associated with the put option liabilities	–	–	(191,533)
Profit/(Loss) before tax	**551,855**	**(281,119)**	**(2,129,463)**
Profit/(Loss) attributable to the Shareholders	**392,379**	**(399,952)**	**(2,014,548)**
Net cash flows generated from operating activities	**1,706,182**	**1,444,778**	**1,084,519**

FY2022 compared to FY2021

The Group's revenue decreased slightly by approximately 3.2% from approximately RMB9,645.4 million for FY2021 to approximately RMB9,334.9 million for FY2022, primarily attributable to the decrease in the Group's LTL transportation revenue by approximately 4.9%. Such decrease was mainly due to (a) the decrease in LTL freight volume from approximately 12.6 million tons for FY2021 to approximately 12.1 million tons for FY2022, which was mainly due to (1) the strict lockdown measures imposed by governments in certain regions in response to COVID-19 pandemic situation which had significant adverse effect on the Group's transportation services; and (2) the slowdown in demand for LTL services caused by general economic downturn; and (b) the decrease in unit price for LTL transportation services from approximately RMB445 per ton for FY2021 to approximately RMB441 per ton for FY2022 as the Group lowered the price in certain regions to maintain freight volume and the Group reduced price and value-added service fees to the Group's freight partners that were under pressure.

As a result of the aforesaid decrease in revenue and LTL freight volume, the Group's gross profit decreased by approximately 31.5% from approximately RMB1,066.2 million for FY2021 to approximately RMB730.4 million for FY2022.

The Group recorded loss attributable to the Shareholders of approximately RMB400.0 million for FY2022, representing a significant decrease of approximately 80.1% from approximately RMB2,014.5 million for FY2021. The reduction in loss was primarily attributable to (a) the decrease in finance costs by approximately RMB32.2 million, mainly because the Group issued convertible redeemable preferred shares in the first half of 2021 and the costs are non-recurring in 2022; (b) the turnaround from fair value losses of financial assets and liabilities at FVTPL of approximately RMB2,042.7 million to fair value gains of financial assets and liabilities at FVTPL of approximately RMB10.1 million, mainly due to that all of the Group's convertible redeemable preferred shares were automatically converted into ordinary shares upon the completion of the Company's global offering in 2021 which was non-recurring in 2022; and (c) the Group recorded changes in the expected redemption amount associated with the put option liabilities of approximately RMB191.5 million in 2021 as the relevant financial liabilities associated with put option were classified into non-controlling interest upon the completion of the company's global offering in 2021, whereas such costs was non-recurring in 2022. Such decrease was partially offset by (a) the decrease in gross profit as stated above; and (b) the increase in general and administrative expenses by approximately RMB101.8 million, mainly due to the expansion of the Group's headcount in 2022.

The Group generated net cash flows from operating activities of approximately RMB1,084.5 million and RMB1,444.8 million for FY2021 and FY2022, respectively.

FY2023 compared to FY2022

The Group's revenue increased by approximately 6.2% from approximately RMB9,334.9 million for FY2022 to approximately RMB9,916.9 million for FY2023, primarily driven by the increase in the unit price for LTL service from RMB767 per ton for FY2022 to RMB818 per ton for FY2023, which offset the decrease in LTL freight volume from 12.1 million tons FY2022 to 12.0 million tons for FY2023. The increase in the unit price for LTL service was mainly due to (i) the growth of mini freight and light freight that has higher unit transportation prices and higher margins; and (ii) the implementation of a new cost-based price scheme which provides the Group with a better tool to adjust and monitor price and margin.

As a result of the aforesaid increase in revenue and unit price for LTL service, the Group's gross profit increased by approximately 73.6% from approximately RMB730.4 million for FY2022 to approximately RMB1,268.0 million for FY2023. The gross profit margin increased from approximately 7.8% for FY2022 to approximately 12.8% for FY2023.

The Group recorded profit attributable to the Shareholders of approximately RMB392.4 million for FY2023 as compared to a loss of approximately RMB400.0 million for FY2022. Such turnaround was primarily attributable to (a) the increase in gross profit as mentioned above; (b) the turnaround from net other losses of approximately RMB8.6 million for FY2022 to net other income of approximately RMB125.3 million for FY2023, mainly due to the increase in gains on weighted deduction of value-added tax of approximately RMB78.5 million and the gain on disposal of long-term assets of approximately RMB31.9 million; (c) the decrease in general and administrative expenses from approximately RMB892.8 million for FY2022 to approximately RMB773.8 million for FY2023, mainly due to the decrease in share-based payment expenses, the decrease in business operation expenses and the decrease in depreciation and amortization; and (d) the decrease in finance costs from approximately RMB120.2 million for FY2022 to approximately RMB78.9 million for FY2023.

The Group generated net cash flows from operating activities of approximately RMB1,444.8 million and RMB1,706.2 million for FY2022 and FY2023, respectively.

(ii) Financial position

	As at 31 December		
	2023	**2022**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
		(Restated)	*(Restated)*
Non-current assets, including:	**2,660,739**	**3,238,395**	**3,787,399**
– Property, plant and equipment	1,351,531	1,734,558	1,857,344
– Right-of-use assets	947,169	982,511	1,225,534
Current assets, including:	**3,116,315**	**2,606,617**	**2,553,159**
– Other receivables and other assets	732,676	602,489	866,064
– Financial assets at FVTPL	808,038	841,673	546,737
– Cash and cash equivalents	1,407,856	1,039,345	954,318
Total assets	**5,777,054**	**5,845,012**	**6,340,558**
Current liabilities, including:	**2,156,462**	**2,571,952**	**2,651,659**
– Other payables and accruals	1,009,191	949,122	968,992
– Interest-bearing borrowings	463,726	789,056	705,713
– Lease liabilities	368,424	522,058	520,886
Non-current liabilities, including:	**646,373**	**758,604**	**1,015,619**
– Interest-bearing borrowings	105,021	248,245	302,390
– Lease liabilities	541,352	510,359	713,229

	As at 31 December		
	2023	**2022**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
		(Restated)	*(Restated)*
Total liabilities	**2,802,835**	**3,330,556**	**3,667,278**
Net current assets/(liabilities)	**959,853**	**34,665**	**(98,500)**
Equity attributable to the Shareholders	**2,475,702**	**2,028,337**	**2,185,947**
Current ratio *(Note 1)*	**1.45**	**1.01**	**0.96**
Gearing ratio *(Note 2)*	**23.0%**	**51.1%**	**46.1%**

Notes:

1. Being current assets divided by current liabilities.

2. Being total borrowings divided by total equity attributable to the Shareholders and multiplied by 100%.

As at 31 December 2023, total assets of the Group were approximately RMB5,777.1 million, which mainly consisted of (a) property, plant and equipment of approximately RMB1,351.5 million, primarily representing the motor vehicles owned by the Group for normal business operation; (b) right-of-use assets of approximately RMB947.2 million; (c) other receivables and other assets of approximately RMB732.7 million; (d) financial assets at FVTPL of approximately RMB808.0 million, primarily representing the short-term deposits and premium money market investments invested by the Group; and (e) cash and cash equivalents of approximately RMB1,407.9 million.

As at 31 December 2023, total liabilities of the Group were approximately RMB2,802.8 million, which mainly consisted of (a) other payables and accruals of approximately RMB1,009.2 million; (b) interest-bearing borrowings of approximately RMB568.7 million which were secured and carried interest at prevailing market rates; and (c) lease liabilities of approximately RMB909.8 million.

As at 31 December 2023, the Group had net current assets of approximately RMB959.9 million with current ratio and gearing ratio of approximately 1.45 times and approximately 23.0%, respectively. The equity attributable to the Shareholders amounted to approximately RMB2,475.7 million as at 31 December 2023.

(iii) Overall comment

As a result of the strict lockdown measures imposed by governments in certain regions in response to the COVID-19 pandemic situation which had significant adverse effect on the Group's transportation services and the slowdown in demand for the Group's LTL services caused by general economic downturn, the Group's revenue decreased slightly by approximately 3.2% in FY2022. Nonetheless, the Group's revenue recovered and increased by approximately 6.2% from approximately RMB9,334.9 million for FY2022 to approximately RMB9,916.9 million for FY2023, primarily driven by the increase in the unit price for LTL service due to the increase in demand for mini freight and light freight services that has higher unit price and higher margins. In line with the increase in gross profit, the Group turnaround and recorded net profit of approximately RMB392.4 million for FY2023 as compared to loss of approximately RMB400.0 million for FY2022.

As stated in the 2022 Annual Report, given that the Group has built a leading LTL network through a scale-driven approach over the past decade, it has decided to shift its strategic focus from a scale-driven approach to one that prioritises on increasing operational efficiency and consistently improving service quality while maintaining its leading position in China's LTL market and driving further consolidation in this market. The Group also adopted the strategy to optimise its freight weight mix structure, as lighter freight has higher unit price and higher margins and requires higher quality and more value-added services. With the Group's focus on profitability and service quality, complemented by its upgraded more precise cost-based pricing scheme, the Group targets to gradually replace low and negative margin segment with better quality and higher margin business and pursue sustainable growth of such business. To complement this strategy, the Group improved its network layout by leveraging key hubs while closing down certain less efficient sorting centres during FY2023, which enables the Group to reduce transit ratios and improve service quality. With the implementation of these business strategies, the Group targets to further improve on its profitability in the future.

2. Information on Shanghai ANE

As at the Latest Practicable Date, 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 FY2021 and FY2022 and the unaudited consolidated financial statements of the Shanghai ANE Group for the six months ended 30 June 2023 ("**1H2023**"):

	FY2021 *(RMB'000)* *(audited)*	**FY2022** *(RMB'000)* *(audited)*	**1H2023** *(RMB'000)* *(unaudited)*
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 (loss)/profit 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 revenue generated from Shanghai ANE represented approximately 99.8% and 99.6% of the revenue of the Group for FY2021 and FY2022, respectively.

3. Industry overview

Shanghai ANE is principally engaged in logistics and supply chain management services which is part of the Group's principal businesses.

According to the "Five-Year Plan on Modern Logistics" (十四五現代物流發展規劃) (http://www.gov.cn/zhengce/content/2022-12/15/content_5732092.htm) issued by the General Office of the State Council of the PRC in December 2022, it highlights the need to promote the digital transformation of the logistics industry, develop the construction of a modern logistics system, enhance the competitiveness of logistics services providers and improve the quality and efficiency of logistics services. It is expected that a modern logistics system featuring supply-demand adaptation with internal and external connectivity will basically be in place by 2025 through accelerating the integration of logistics hub resources, building major international and domestic logistics channels, improving modern logistics service network, extending the value chain of logistics services, strengthening the service guarantee of modern logistics to people's livelihood, and improving the emergency response capacity of modern logistics.

According to an LTL industry report (https://www.iresearch.com.cn/Detail/report?id=4276&isfree=0) issued by iResearch, an independent industry consultant, in December 2023 the market size of LTL industry in the PRC as measured by revenue grew from approximately RMB1,430 billion in 2018 to approximately RMB1,620 billion in 2022, representing a compound annual growth rate ("**CAGR**") of approximately 3.1%, and is expected to reach approximately RMB1,810 billion in 2027, representing a CAGR of approximately 2.1% between 2022 and 2027. The LTL freight can be divided into mini freight (≤70 kg), light freight (70 – 500 kg) and bulk freight (>500 kg) according to the freight weight. The expected growth is mainly attributable to the growth of mini freight and light freight. Driven by the supply chain upgrade and the development of heavy-goods e-commerce, the market size of mini freight has increased at a CAGR of approximately 11.2% from 2018 to 2022 and is expected to grow at a CAGR of approximately 7.3% from 2022 to 2027, and the market size of light freight has increased at a CAGR of approximately 7.1% from 2018 to 2022 and is expected to increase at a CAGR of approximately 5.1% from 2022 to 2027.

Based on an LTL industry report (https://www.mckinsey.com.cn/wp-content/uploads/2023/09/%E4%B8%87%E4%BA%BF%E5%B8%82%E5%9C%BA%E5%89%8D%E6%99%AF%E5%88%86%E5%8C%96%EF%BC%8C%E5%85%A8%E7%BD%91%E5%BF%AB%E8%BF% 90%E6%95%B4%E5%90%88%E5%8F%AF%E6%9C%9F_vFF.pdf) issued by Mckinsey & Company, a multinational strategy and management consulting firm, in September 2023, the LTL market in China has ended its expansion stage and entered a consolidation stage. Over the past years, with continued injection of capital, fierce price competition and neglect of costs in exchange for scale have led to losses in LTL industry. However, with the impact of the Covid-19 and the slowdown in economic growth in recent years, leading players have begun to focus on profit. The acquisition of Deppon Logistics by JD Logistics in 2022 represents a sign of the industry consolidation. Mckinsey & Company expects the industry concentration will increase and profits will improve. The leading LTL players in China are expected to grow faster than the industry average.

Based on the above, we expect the LTL market in China will continue to grow steadily, driven by (i) the promulgation of favourable government policies to support the growth of the logistics industry in China; (ii) the significant demand for comprehensive and timely LTL services from the business-to-business supply chain upgrade; (iii) the deepening penetration of business-to-customer heavy-goods e-commerce brings significant growth opportunities for LTL services, especially freight network with nationwide coverage and door-to-door capabilities; and (iv) the ongoing industry consolidation and the increase in industry concentration where the leading players are expected to grow more significantly.

4. Reasons for and benefits of the Acquisition

As stated in the Letter from the Board, 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. There is no foreseeable disadvantage of the Acquisition for the Company.

Taking into account that (i) the Group's solid financial position and that the Acquisition represents a suitable investment opportunity of the Group's abundant cash on hand; (ii) Shanghai ANE is one of the principal operating subsidiaries of the Company and the Company is able to further consolidate and receive 98.9540% economic interests in distribution of Shanghai ANE; (iii) the prospects of the LTL industry in China as discussed in the section headed "3. Industry overview" above; and (iv) the turnaround of the financial performance of Shanghai ANE in 2023 which was mainly driven by the revenue generated from Shanghai ANE, we concur with the Directors that the Acquisition is in the interest of the Company and its Shareholders as a whole.

5. The Share Transfer Agreement

Set out below is a summary of the principal terms of the Share Transfer Agreement. Independent Shareholders are advised to read further details of the Share Transfer Agreement as disclosed in the Letter from the Board:

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 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.

The Share Transfer Agreement does not provide for any profit guarantee arrangement, or any option or similar right under which the Purchaser and/or the Group would be entitled to sell the equity interest back to the Vendor. There is also no guarantee of net tangible assets or other matters regarding the financial performance of Shanghai ANE provided by the Vendor.

The consolidated financial information of the Shanghai ANE Group as at June 30, 2023 is the latest available information when the Consideration was agreed by the Purchaser and the Vendor. As stated in the Letter from the Board, the Board confirms that no material changes to Shanghai ANE have occurred since the base date of the Valuation Report up to the Latest Practicable Date. Having considered the financial performance and financial position of the Shanghai ANE Group had no material change during the period from June 30, 2023 to December 31, 2023, we concur with the Directors that adopting June 30, 2023 as the base date of the valuation in relation to the determination of the Consideration is appropriate.

Taking into account (i) the reasons for and benefits of the Acquisition as stated above; and (ii) the Consideration is determined by reference to the valuation of 100% equity interest of Shanghai ANE of approximately RMB12,139.9 million as at 30 June 2023 as appraised by the Valuer by way of discounted cash flow method of the income approach, we consider that the terms of the Share Transfer Agreement are on normal commercial terms which are fair and reasonable.

6. Valuation of Shanghai ANE

Basis of valuation

As stated in the Letter from the Board, the Consideration is determined by reference to the valuation of 100% equity interest of Shanghai ANE of approximately RMB12,139.9 million as at 30 June 2023 as appraised by the Valuer by way of discounted cash flow method of the income approach, as set out below:

The Acquisition

The valuation of 100% equity interest of Shanghai ANE (A)	RMB12,139.9 million
2.7903% equity interest of Shanghai ANE held by the Vendor (B)	2.7903%
The valuation of 2.7903% equity interest of Shanghai ANE (the "**Valuation**") (C=A*B)	RMB338.7 million
The Consideration	RMB338.7 million

As stated in the Letter from the Board and as illustrated in the table above, the Consideration amounts to approximately RMB338.7 million and is equal to the Valuation.

Assessment of the Consideration

We have reviewed the Valuation Report prepared by Beijing Chenglian Valuation Company Limited, an independent and qualified valuer and noted that the fair value of Shanghai ANE was approximately RMB12,139.9 million as at 30 June 2023 (the "**Valuation Date**").

In assessing the fairness and reasonableness of the Valuation Report, we have taken into the following factors:

(i) The qualification and scope of work of the Valuer

We have reviewed and discussed with the Valuer on their qualification and experience in conducting valuation. We noted that (1) the Valuer is an independent professional service firm which is mainly engaged in provision of valuation services; (2) Ms. Yang Hong, who is responsible for the overall project management of the Valuation Report, has more than 30 years of extensive experience in business and financial valuation service in China; and (3) the Valuer is an independent third party to the Company, the Vendor and their respective associates.

We have also reviewed the terms of the Valuer's engagement, in particular, their scope of work, and noted that it is appropriate to the opinion required to be given and there is no limitation on the scope of work which might adversely impact on the degree of assurance given by them in the Valuation Report.

Based on the above, we are of the view that the scope of work of the Valuer is appropriate and the Valuer is qualified to perform the valuation. We therefore consider it appropriate to rely on their work and opinion.

(ii) Valuation approach

We have discussed with the Valuer and understand that the Valuer has adopted the discounted cash flow ("**DCF**") methodology of the income approach due to the following consideration:

(a) the selection of the valuation approach in valuing Shanghai ANE is based on, among other criteria, 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) income approach takes the future growth potential and firm-specific issues of Shanghai ANE into consideration;

(c) the DCF 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) market approach is ultimately not considered due to the limited number of comparable companies engaged in the LTL industry in the PRC which are similar to Shanghai ANE in terms of the asset scale and structure, business scope and profitability, and there are few equity transaction cases of comparable companies in the PRC at present; and

(e) asset-based 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.

In order to assess the fairness and reasonableness of adopting the income approach in valuing Shanghai ANE, we have searched on Bloomberg and identified an exhaustive list of companies which are mainly engaged in the LTL industry (i.e. more than 50% of revenues are derived from LTL business) (the "**LTL Companies**"), which includes only companies listed on the United States, namely Old Dominion Freight Line, Inc. (ODFL.US), Saia, Inc. (SAIA.US), ArcBest Corporation (ARCB.US) and Yellow Corporation (YELL.US). Given the differences in valuation between stock exchanges of Hong Kong and the United States and the different regions in which the LTL Companies and Shanghai ANE operate, we consider that the market approach is not appropriate for valuing Shanghai ANE. In addition, the asset-based approach is not an appropriate approach for valuing income-generating business as it does not capture future earning potential of a business.

Based on the factors above, we concur with the Valuer that the income approach was the most appropriate valuation methodology to conduct a fair and reasonable valuation.

(iii) Application of the DCF methodology

Under the income approach, the appraisal value of Shanghai ANE represents the present worth of future economic benefits expected to be generated from Shanghai ANE. The Valuer applied the DCF method to discount the free cash flow ("**FCF**") of Shanghai ANE at a discount rate to calculate the fair market value of Shanghai ANE.

In our assessment in the valuation, we have reviewed the following key quantitative assumptions:

(a) Forecasted revenue

Based on the Valuation Report, the forecasted annual revenues for Shanghai ANE are approximately RMB5,484 million, RMB10,724 million, RMB11,582 million, RMB12,509 million, RMB13,260 million and RMB13,922 million for six months ending 31 December 2023 and the five years ending 31 December 2028 ("**2H2023**", "**FY2024**", "**FY2025**", "**FY2026**", "**FY2027**", and "**FY2028**", collectively the "**Forecast Period**"), respectively. We have discussed with the Valuer and reviewed the detailed working documents, and understand the aforesaid revenues are based on the estimation from the management of the Group (the "**Management**").

In assessing the reasonableness of the projected revenue for the Forecast Period, we have discussed with the Management on the basis and assumption underlying the projections. As advised by the Management, the projected revenue for the Forecast Period is considered to be achievable after taking into account the following key factors:

(1) all of Shanghai ANE's revenues in the Forecast Period are expected to mainly derive from provision of LTL services including transportation service, value-added services and dispatch services in China; and

(2) the revenues in the Forecast Period are determined based on (i) the estimated unit price of each type of service; and (ii) total freight volume.

We have discussed with the Management on each of the above factors and their potential impacts on the projected revenue for the Forecast Period and reviewed the relevant calculations, which is further analysed as follows:

	FY2021	**FY2022**	**1H2023**	**2H2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
Total freight volume (000 tons)	12,213	11,915	5,330	6,852	13,400	14,472	15,630	16,568	17,396
Unit price for transportation services (RMB per ton)	457.5	444.5	475.7	459.1	459.1	459.1	459.1	459.1	459.1
Unit price for value-added services (RMB per ton)	136.1	136.8	147.5	140.3	140.3	140.3	140.3	140.3	140.3
Unit price for dispatch services (RMB per ton)	189.8	191.6	221.4	200.9	200.9	200.9	200.9	200.9	200.9
Revenue generated from: (RMB million) *(Note 1)*									
Transportation services	5,587	5,297	2,533	3,146	6,152	6,644	7,175	7,606	7,986

	FY2021	FY2022	1H2023	2H2023	FY2024	FY2025	FY2026	FY2027	FY2028
Value-added services	1,666	1,631	789	961	1,880	2,030	2,193	2,325	2,441
Dispatch services *(Note 2)*	2,318	2,283	1,180	1,377	2,692	2,908	3,141	3,329	3,495
Other	10	21	5	–	–	–	–	–	–
Total revenue	9,581	9,232	4,507	5,484	10,724	11,582	12,509	13,260	13,922

Notes:

1. The revenue generated from each type of service equals to the total freight volume multiplied by respective unit price.

2. The revenue generated from dispatch services for FY2021, FY2022 and 1H2023 included one-off franchise income of approximately RMB3,702,000, RMB866,000 and RMB144,000, respectively. The unit price for dispatch services for FY2021, FY2022 and 1H2023 are calculated after deducting the franchise income as the Group does not expect to generate franchise income during the Forecast Period.

Based on our review, we noted that (1) the estimated freight volume amounts to approximately 12,182,000 tons for FY2023, representing an increase of approximately 2.2% from that for FY2022; and (2) the estimated freight volume will further increase by 10%, 8%, 8%, 6% and 5% for the five years ending 31 December 2028, respectively, as compared to the previous year. As advised by the Management, the expected growth rate is arrived after considering that the Group optimised its freight management system, the decrease in costs of the Group may accordingly lower the price of the Group's freight services, and therefore drive the increase in freight volume.

Taking into account (1) according to statistics from the Ministry of Transport of the PRC (https://xxgk.mot.gov.cn/2020/jigou/zhghs/202401/t20240102_3979931.html), for the eleven months ended 30 November 2023, China's road cargo transportation volume reached approximately 36,903 million tons, representing a year-on-year increase of approximately 8.9%; (2) the seasonal factor for the freighting services industry as the Double 11 shopping festival in November promoted the demand for freighting services from increased e-commerce transactions; and (3) the Group recorded a year-on-year increase in revenue for FY2023 of approximately 6.2%, we consider the estimated growth in freight volume of approximately 2.2% for FY2023 to be reasonable.

Given (1) as stated in the section headed "3. Industry overview" above, the market size of mini freight and light freight is expected to grow at a CAGR of approximately 7.3% and 5.1%, respectively, from 2022 to 2027, while the LTL industry is expected to enter a period of industry consolidation in the next few years and the leading LTL players in China are expected to grow faster than the industry average; (2) as stated in the interim report of the Company for 1H2023 (the "**2023 Interim Report**"), the Group has adopted the strategy to optimize the Group's freight weight mix structure with its focus on light freight which has higher profitability and requires higher service quality; (3) in the first half of 2023, the Group's freight volume of mini freight and light freight increased by approximately

17.5% and 5.8%, respectively; and (4) the Group carried on the optimization of its freight management system which may drive the increase in demand of the Group's freight services, we consider the estimated growth of 10%, 8%, 8%, 6% and 5% for the five years ending 31 December 2028 to be reasonable.

Taking into account (1) the total freight volume is expected to continue to grow during the Forecast Period at reasonable rates as discussed above; (2) the Company had adopted a prudent approach in estimating the unit price for each of transportation services, dispatch services and value-added services in the Forecast Period based on the mean of the historical unit prices in FY2021, FY2022 and 1H2023; and (3) due to the minimal and unstable amount of the revenue generated from other services in FY2021, FY2022 and 1H2023, the Company has excluded revenue generated from other services in the Forecast Period, we consider the projected revenue for the Forecast Period adopted in the Valuation are fair and reasonable.

(b) Forecasted cost of revenues

Cost of revenues primarily consists of costs for (1) transportation services, (2) value-added services, (3) dispatch services, and (4) sorting centre. Based on the Valuation Report, the forecasted costs of revenues are approximately RMB4,681 million, RMB9,354 million, RMB9,928 million, RMB10,517 million, RMB10,892 million and RMB11,345 million for the Forecast Period, respectively, which is further analysed as follows:

	FY2020	**FY2021**	**FY2022**	**1H2023**	**2H2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
Costs for: (RMB million)										
Transportation services	3,071	4,082	3,813	1,717	2,078	4,227	4,448	4,658	4,726	4,900
Value-added services	239	305	325	166	185	362	391	422	447	470
Dispatch services	965	2,060	2,055	1,078	1,240	2,425	2,619	2,829	2,999	3,149
Sorting centre	1,771	2,217	2,217	1,003	1,178	2,341	2,470	2,609	2,720	2,827
Other	18	9	19	9	–	–	–	–	–	–
Total costs of revenues	6,064	8,674	8,429	3,974	4,681	9,354	9,928	10,517	10,892	11,345
Gross profit margin:										
Transportation services	31.1%	26.9%	28.0%	32.2%	34.0%	31.3%	33.0%	35.1%	37.9%	38.6%
Value-added services	82.2%	81.7%	80.1%	79.0%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%
Dispatch services	19.6%	11.1%	10.0%	8.7%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Overall gross profit margin	13.6%	9.5%	8.7%	11.8%	14.6%	12.8%	14.3%	15.9%	17.9%	18.5%
% of total revenue:										
Costs for sorting centre	25.1%	23.2%	24.0%	22.3%	21.5%	21.8%	21.3%	20.9%	20.5%	20.3%

We have discussed with the Management and reviewed the relevant calculations. We noted (1) the gross profit margins for transportation services are expected to be 34.0%, 31.3%, 33.0%, 35.1%, 37.9% and 38.6%, respectively, for the Forecast Period. As stated in the 2023 Interim Report, the Group has adopted the strategy to optimize the freight weight mix structure as lighter freight has higher unit price and higher margins. Driven by the increase in light freight, the gross profit for transportation services has increased from approximately 28.0% for FY2022 to approximately 32.2% for 1H2023. Given (i) the demand for mini freight and light freight is the future growth driver of the LTL market; and (ii) Shanghai ANE continues to optimise transport routes, optimise its investment in transport capacity, improve transport efficiency and strengthen management and control of vehicle utilisation efficiency, we consider that the estimated increase in gross profit margin for transportation is in line with the Group's strategy and the market trend; (2) the Management applied gross profit margins of approximately 80.8% and 9.9% to derive the costs for value-added services and dispatch services, respectively. The gross profit margin of 80.8% for value-added services is the average of the gross profit margins for value-added services for FY2020, FY2021, FY2022 and 1H2023. The gross profit margin of 9.9% for dispatch services is the average of the gross profit margins for dispatch services for FY2021, FY2022 and 1H2023. The dispatch services did not take into account the gross profit margin for dispatch services for FY2020 as Shanghai ANE changed its revenue recognition methods for dispatch services in July 2020; and (3) sorting centre is used for all LTL related services, and therefore the costs for sorting centre, which mainly consist of labour costs and rental costs, cannot be allocated to the costs for each type of service. The labour costs are estimated based on the average salary, a salary growth rate of 5% and the Group' recruitment plan. The ratio of the costs for sorting centre to the total revenue decreased from approximately 25.1% for FY2020 to approximately 22.3% for 1H2023 as the Group has continued to optimise labour force allocation to improve sorting efficiency and reduce labour costs, and is expected to remain relatively stable over the Forecast Period. Shanghai ANE is expected to optimise the use of its sorting centres and terminate the lease of inefficient sorting centres. The estimated costs for sorting centre account for approximately 21.5%, 21.8%, 21.3%, 20.9%, 20.5% and 20.3% of the total revenue for the Forecast Period, respectively. Based on our review above, we consider that the projected cost of revenues for the Forecast Period adopted in the Valuation is fair and reasonable.

(c) Forecasted expenses

General and administrative expenses include marketing expenses, administrative expenses and research and development expenses. Based on the Valuation Report, the forecasted general and administrative expenses of Shanghai ANE for the Forecast Period are approximately RMB296 million, RMB694 million, RMB738 million, RMB766 million, RMB818 million and RMB877 million, respectively, representing approximately 5.39%, 6.47%, 6.37%, 6.12%, 6.17% and 6.31% of the total revenue for the respective year or period. The forecasted general and administrative expenses were further classified into fixed expenses and variable expenses. Fixed expenses mainly consist of depreciation and amortisation, which are allocated in accordance with the accounting policies of Shanghai ANE. Variable expenses mainly consist of labour costs as well as travelling expenses. The proportions of the fixed expenses and variable expenses of Shanghai ANE for the Forecast Period are set out as follows:

	2H2023	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
Proportion of fixed expenses in revenue	3.87%	4.86%	4.91%	4.92%	5.01%	5.15%
Proportion of variable expenses in revenue	1.52%	1.61%	1.46%	1.20%	1.16%	1.16%
Total	5.39%	6.47%	6.37%	6.12%	6.17%	6.31%

The forecasted general and administrative expenses were estimated based on the historical data, the forecasted revenue, the forecasted depreciation and amortization, a salary growth rate of 5%, the Group' recruitment plan and an inflation rate of 3%. The historical general and administrative expenses amounted to approximately RMB467 million, RMB676 million, RMB744 million and RMB326 million for FY2020, FY2021, FY2022 and 1H2023, respectively, representing approximately 6.65%, 7.06%, 8.06% and 7.24% of the total revenue for the respective year or period. The decrease in general and administrative expenses as a proportion of total revenues for 1H2023 as compared to that for FY2022 is mainly due to that the Group had optimized its organizational structure in the fourth quarter of 2022. The Group expects to continue to optimize its organizational structure so as to reduce the labour costs, being the major cost in the general and administrative expenses, and strengthen cost budget management and control during the Forecast Period. As such, we consider that the forecasted general and administrative expenses for the Forecast Period are reasonable.

(d) Forecasted depreciation and amortisation

The historical depreciation and amortisation amounted to approximately RMB556 million, RMB683 million, RMB702 million and RMB342 million for FY2020, FY2021, FY2022 and 1H2023, respectively, the average of which was approximately RMB656 million if annualising the depreciation and amortisation for 1H2023. In reviewing the calculation of the Valuation, we noted that the forecasted depreciation and amortisation is approximately RMB347 million, RMB686 million, RMB676 million, RMB653 million, RMB646 million and RMB648 million for the Forecast Period, respectively, which are close to the historical average. As discussed in the section headed "(e) Forecasted capital expenditure" below, the Group does not anticipate any significant capital expenditure for Shanghai ANE during the Forecast Period. As such, we consider the forecasted depreciation and amortization for the Forecast Period to be reasonable.

(e) Forecasted capital expenditure

Capital expenditure primarily consist of purchase of (1) property and equipment, and (2) intangible assets, primarily including IT software. Capital expenditure is estimated based on, among others, the nature of assets, the level of utilisation, the refresh cycle of the various assets and the discount rate of 10.53% for this Valuation. The capital expenditure of Shanghai ANE amounted to approximately RMB523 million, RMB1,056 million, RMB612 million and RMB472 million for FY2020, FY2021, FY2022 and 1H2023, respectively, the average of which was approximately RMB784 million if annualising the capital expenditure for 1H2023. The forecasted capital expenditure is approximately RMB394 million, RMB697 million, RMB537 million, RMB791 million, RMB629 million and RMB427 million for the Forecast Period, respectively, which is less than or close to the historical average. As discussed in the section headed "3. Industry overview", the LTL market in China has ended its expansion stage and the leading players have begun to focus on profit rather than scale, and hence the Group does not anticipate any significant capital expenditure for Shanghai ANE during the Forecast Period. As such, we consider the forecasted capital expenditure for the Forecast Period to be reasonable.

(f) Forecasted working capital requirement

The net working capital is determined with reference to the minimum cash balance maintained for operation, the forecasted trade receivables, prepayments, inventories, other receivables, trade payables and other current liabilities. Given (1) the minimum cash balance maintained is mainly determined by the forecasted cost of revenues, general and administrative expenses, and depreciation and amortisation which we consider to be fair and reasonable as discussed above; and (2) based on our discussion with the Management, all of the forecasted trade receivables, prepayments, inventories, other receivables, trade payables and other current liabilities for the Forecasted Period are estimated based on the forecasted revenue, the forecasted cost of revenues and the historical average turnover days for FY2021 and FY2022, we consider the forecasted working capital is fair and reasonable.

(g) Discount rate

The Valuer has considered the following in determining the discount rate:

(1) the risk-free rate of 3.8715%, being the yield to maturity of China government bonds with a remaining maturity of more than ten years as at 30 June 2023;

(2) the equity risk premium of 6.58%, being the difference between the average of the geometric mean return of the constituents of CSI 300 Index from 1 January 1998 to 31 December 2022 and the risk-free rate. Given the CSI 300 Index is designed to replicate the performance of the top 300

stocks in terms of market capitalisation and liquidity traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange and is a good gauge of the market risk, we consider it is fair and reasonable to adopt the constituents of CSI 300 Index as the basis to measure the equity risk premium;

(3) the levered beta coefficient of 0.8844 is determined with reference to (i) the average unlevered beta coefficient of 0.7291 of three comparable companies (the "**Comparable Companies**"), including S.F. Holding Co., Ltd. (stock code: 002352.SZ), Deppon Logistics Co., Ltd. (stock code: 603056.SH) and Yunda Holding Co., Ltd. (stock code: 002120.SZ), which are engaged in the LTL business in the PRC; (ii) average debt-to-equity ratio of approximately 28.40% of the Comparable Companies; and (iii) income tax rate of 25%. The levered beta coefficient is calculated in accordance with the following formula: levered beta = unlevered beta * (1+ debt-to-equity ratio * (1- income tax rate)). For details of the selection criteria for the Comparable Companies, please refer to the Valuation Report. As referred to the subsection headed "(ii) Valuation approach" above, we have searched and identified the LTL Companies whose revenues mainly derived from the LTL business. Although the principal business of LTL Companies were more similar to the Group, we consider it is not appropriate to adopt LTL Companies' beta coefficients for the calculation as (i) the LTL Companies are listed on the stock exchange in the United States; (ii) the beta coefficient is a measure of correlation of a security to movements in the overall market; and (iii) the risk-free rate and the equity risk premium are different in the PRC and the United States. On the other hand, although more than 50% of the revenues of the Comparable Companies are derived from the express business, after considering that (i) no other listed company except the Company is mainly engaged in LTL business in the PRC; (ii) the Comparable Companies are also top players in terms of revenue in the PRC LTL industry and have been listed on the Shanghai or Shenzhen stock exchange for more than 5 years; and (iii) the Comparable Companies' principal businesses, scales of operation and stages of operation were selected to be as similar or as close as possible to Shanghai ANE, we consider that the selection criteria for the Comparable Companies are fair and reasonable and that the Comparable Companies are fair representation of companies comparable to Shanghai ANE. Given (i) the difference in the revenue structure has been taken into account in the selection of the Comparable Companies as discussed above; and (ii) it is not able to quantify the extent to which the beta coefficient would need to be adjusted to take account of differences in the revenue structure, we consider it is fair and reasonable that no adjustment was made to account for the difference in the revenue structure of the Comparable Companies;

(4) company-specific risk premium of 3% which is calculated with the following formula to reflect non-systematic risks of Shanghai ANE:

$$Rs = 3.73\% - 0.717\% \times Ln(S) - 0.267\% \times ROA$$

Where: Rs: company-specific risk premium (when Rs≥3%, the Rs of 3% is adopted)

S: book value of total assets (in RMB100 million)

ROA: return on total assets.

As advised by the Valuer and based on our independent research, the above formula is widely used in the valuation industry in the PRC based on the analysis and research of more than 1,000 listed companies in Shanghai and Shenzhen stock exchanges over the years. As such, we consider the calculation of company-specific risk premium is fair and reasonable;

(5) the cost of equity of 12.69% based on (1), (2), (3) and (4) above with the capital asset pricing model ("**CAPM**"): cost of equity = risk-free rate + equity risk premium * levered beta coefficient + company-specific risk premium. As CAPM is a widely used model to calculate the cost of equity based on risk, we consider the CAPM is a fair and reasonable measure of the cost of equity;

(6) the cost of debt of 3.875% is determined with reference to the average of one-year Loan Prime Rate and five-year Loan Prime Rate quoted by the National Interbank Funding Center on 30 June 2023. As advised by the Valuer, it is an industry practice to calculate the cost of debt by combining the fair market long-term and the short-term bank loan interest rates as the estimation of the cost of debt, which we consider to be fair and reasonable;

(7) the corporate tax rate of 25%, which is the PRC enterprise income tax rate;

(8) the average weight of equity and debt of the Comparable Companies of 77.88% and 22.12%, respectively . Given the Comparable Companies are also engaged in the LTL business in the PRC and have listed over 5 years, we consider the average capital structure of the Comparable Companies reflects the capital structure adopted by Shanghai ANE's peers to maximize the enterprise value, and hence is fair and reasonable to adopt the average capital structure of the Comparable Companies as Shanghai ANE's target capital structure; and

(9) the nominal weighted average cost of capital ("**WACC**") of approximately 10.53% based on (5), (6), (7) and (8) above.

As such, 10.53% was adopted as the discount rate.

(h) Forecast period and terminal value

The Valuer adopted the Forecast Period of 5.5 years from 1 July 2023 to 31 December 2028. The Valuer calculated (1) the FCF during the Forecast Period with the assumptions stated above and (2) the present value of the FCF during such forecast period with the discount rate of 10.53%. The terminal value for Shanghai ANE is estimated without a constant growth rate after the Forecast Period. The length of the Forecast Period is determined by reference to the historical operating conditions of Shanghai ANE and the industry development trend. As it is an industry norm to forecast FCF to steady state or perpetuity after a detailed forecast period, which is usually 5 years, we consider the Forecast Period to be fair and reasonable.

(i) Non-operating liabilities

The non-operating liabilities, including other payables and estimated liabilities, was deducted from the present value of the FCF for the calculation of the Valuation. As set out in the section headed "I. Valuation Summary – 8. Notes on special matters – (3) Pending matters, legal disputes and other uncertainties" of the Valuation Report, the Shanghai ANE Group had estimated liabilities of RMB4,996,927.34 based on the progress of pending lawsuits as at the Valuation Date. Given the estimated amount of contingent liabilities under the litigation is limited compared to the total assets of the Shanghai ANE Group, we consider it is acceptable to deduct such liabilities in non-operating liabilities in the Valuation.

As stated in the Valuation Report, the Valuation did not take into account the impact of the potential default of the Shanghai ANE Group's borrowings and the borrowings for which the Shanghai ANE Group provided pledges or guarantees. Given (i) the Shanghai ANE Group only provided pledges or guarantees for other subsidiaries of the Company; (ii) as advised by the Management, the Group (including the Shanghai ANE Group) did not default on any borrowings in the past and there is no indication as at the Latest Practicable Date that the borrowings set out in section "I. Valuation Summary – 8. Notes on special matters – (2) Pledges and guarantees for borrowings of the subject under valuation" of the Valuation Report will default; and (iii) the financial performance and financial position of the Group remained sound as at the Latest Practicable Date, we consider that not considering the impact of the potential default of the borrowings, pledges or guarantees is acceptable.

(iv) Conclusion

After taking into account factors above, we are of the view that (a) the key quantitative assumptions adopted by the Valuer in the Valuation were fair and reasonable; and (b) the calculation of FCF applied by the Valuer is appropriate and the DCF methodology has been reasonably applied in the Valuation.

In addition, having considered that (a) the independence, qualification and experience of the Valuer; and (b) the selection and application of the valuation methodology are reasonably prepared, we are of the view that the Valuation was carried out on a fair and reasonable basis by the Valuer.

In assessing the fairness of the Consideration, we have discussed with the Management and understood that as illustrated in the table below, the Consideration of RMB338.7 million is determined by reference to the Valuation of 100% equity interest of Shanghai ANE.

The valuation of 100% equity interest of Shanghai ANE	RMB12,139.9 million
2.7903% equity interest of Shanghai ANE held by the Vendor	2.7903%
The Valuation	RMB338.7 million
The Consideration	RMB338.7 million

As such, having considered that (a) the Valuation Report has been reasonably prepared; (b) the Consideration is determined by reference to the valuation of 100% equity interest of Shanghai ANE; (c) the reasons for and benefits of the Acquisition; and (d) the Consideration is equal to the Valuation, we are of the view that the Consideration is fair and reasonable.

7. Financial effect on the Group

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 Consideration will be financed by the Group's internal resources. Through the Acquisition, the Group is able to receive 98.9540% of the economic interests in distribution of Shanghai ANE.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Share Transfer Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We further consider that although the entering into of the Share Transfer Agreement is not in the ordinary and usual course of business of the Group, the Acquisition is nevertheless in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

The following is the summary of the Valuation Report prepared for the purpose of incorporation in this circular received from Beijing Chenglian Valuation Company Limited, an independent valuer, in connection with its appraisal of the fair value of the entire equity interest in Shanghai ANE as at June 30, 2023.

Valuation Report

on Market Value of All Shareholders' Interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. Involved in the Proposed Acquisition of Equity Interests by ANE Fast Logistics (Hong Kong) Limited

Cheng Lian Ping Zi Zi [2023] No. 216

1 of 1

Beijing Chenglian Valuation Company Limited

September 28, 2023

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STATEMENTS

For the proposed acquisition of equity interests by ANE Fast Logistics (Hong Kong) Limited, Beijing Chenglian Valuation Company Limited accepted the engagement of ANE (CAYMAN) INC. and estimated the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. under special assumptions on the valuation base date, i.e. June 30, 2023, based on general valuation methods to provide a value reference basis for the above economic activities.

Beijing Chenglian Valuation Company Limited was established on November 13, 2018, and its asset appraisal qualification was filed with Beijing Municipal Finance Bureau on March 11, 2019 (case number: No. 2019-0021). Ms. Yang Hong, our chairman of the board, is a certified public accountant, certified tax agent and asset appraiser with thirty years of experience in valuation industry. There is no special interest relationship between our company and valuers and the relevant parties for the purpose of this valuation.

Based on the judgment on the development trend of the business segment involved by the subject under valuation, the management of the subject under valuation formulated future development plans. It is the responsibility of the subject under valuation and its management to guarantee the legality and compliance of the operation of the company and the truthfulness, accuracy and completeness of business plans.

Our work is to conduct verification and adjustment on the forecast logic and calculation procedures of the relevant material aspects involved in the profit forecast submitted by the subject under valuation and its management, and conduct calculation by using generally-adopted valuation models. In the course of valuation, we primarily implemented such examination procedures as examination, analysis and re-calculation. Meanwhile, for the missing significant parameters and supporting materials and explanations to significant matters in the calculation process, we brought them to the attention of the client.

The analysis, judgment and conclusion in the valuation report issued by us are subject to the valuation assumptions, significant disclosures and restrictive conditions in the valuation report. Users of the valuation report should fully consider the valuation assumptions, significant disclosures and restrictive conditions set out in the valuation report and their impacts on the valuation conclusion.

This report conducts necessary on-site visits to the business places of the subject under valuation and does not express any opinion on the future development prospects of the financial, business or other aspects of the subject under valuation in this report. This report does not constitute the forecast on the actual profitability of the subject under valuation in the future.

The opinions in this report are only based on financial analysis and have not taken into account other factors including commercial, legal, tax and regulatory factors.

For public information involved herein, this report does not constitute any guarantee to their accuracy, completeness or appropriateness.

Unless otherwise provided in laws, administrative regulations or the engagement agreement between the listing regulatory authority of the client/the subject under valuation or us and the client, this report shall neither be provided to any other entities or individuals other than the client or members of its group nor be disclosed to public media in whole or in part. Any entities and individuals not recognized by us and the client shall not become users of this valuation report by obtaining the valuation report.

Other than the users of the report set out herein and without our authorization, any other third parties shall not be entitled to obtain and use this valuation report. Any unauthorized users shall be deemed to accept and agree with the following terms when obtaining and reading this report and using the contents of this report:

- They should know that this report is a valuation analysis report and is not prepared in accordance with the PRC asset appraisal standards.

- They should know that this report is prepared upon the request of the client, who is responsible for confirming relevant terms herein and whether this report has considered all aspects related to its request. This report reflected the particular information request of the client and the valuation conclusion is based on the judgment of the title owner and the management of the subject under valuation on the future development plans and future development trend of the company as well as the profit forecast and relevant information prepared and submitted. It may not consider all aspects of the request of the users of this report. This report shall not be deemed to be applicable to the use by other parties other than the users of the report set out herein and shall not be deemed to be applicable to the use for other purposes other than the purpose of the engagement.

- They should know that any party (including legal and other professional advisers), other than the users of the report set out herein, can only rely on this report after signing formal letters with us. If they fail to sign formal letters with us, we shall:

★ not undertake any responsibilities (either about contracts, civil infringement, laws and regulations or other aspects) on or related to this report or any other parts;

★ not bear the losses, damages or corresponding costs of the users or any other parties arising from the use of this report or any parts of the report.

Valuation Report

on Market Value of All Shareholders' Interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. Involved in the Proposed Acquisition of Equity Interests by ANE Fast Logistics (Hong Kong) Limited

Cheng Lian Ping Zi Zi [2023] No. 216

I. VALUATION SUMMARY

1. Client: ANE (CAYMAN) INC.

2. Purpose of valuation: For the proposed acquisition of equity interests by ANE Fast Logistics (Hong Kong) Limited, it is necessary to estimate the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. involved in the economic activities on the valuation base date, i.e. June 30, 2023, so as to provide a value reference basis for the above economic activities.

3. Subject under valuation and scope of valuation: The subject under valuation is the value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. on the valuation base date. The scope of valuation is all assets and liabilities of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. as at the valuation base date.

4. Type of value: Market value.

5. Valuation base date: June 30, 2023.

6. Valuation method: Income approach.

7. Valuation conclusion:

   As at the valuation base date, the carrying amount of the unaudited total assets, total liabilities and owners' (shareholders') interests on a consolidated basis, declared by Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. for valuation, is RMB4,527,676,000, RMB3,412,111,000 and RMB1,115,565,000, respectively.

   On the condition that the assumptions under the valuation are satisfied, the valuation result of the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. on the valuation base date is RMB12,139,870,220 (in word: RMB twelve billion one hundred thirty-nine million eight hundred seventy thousand two hundred and twenty only).

8. Notes on special matters

(1) As at the valuation base date, the registered capital of certain companies within the scope of consolidation of the subject under valuation has not been paid up. Details of companies involved are set out as follows:

Company name	Legal representative	Registered capital	Proportion of contribution (%)	Date of establishment	Payment of paid-up capitals
Anneng Juchuang Supply Chain Management (Wuxi) Co., Ltd.	Li Guojiao	RMB1,000,000	100.00	2022-08-05	Not paid up
Shenzhen Fuzhilin Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-08-03	Not paid up
Shenzhen Eluda Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-08-02	Not paid up
Shenzhen Quanshitong Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-07-19	Not paid up
Anneng Juchuang Supply Chain Management (Suining) Co., Ltd.	Zhang Yan	RMB5,000,000	100.00	2023-05-30	Not paid up
Shanghai Anneng Juchuang Xinchuangyi Supply Chain Management Co., Ltd.	Qin Xinghua	RMB1,000,000	100.00	2021-03-30	Not paid up
Shanghai Anneng Juchuang Logistics Technology Co., Ltd.	Qin Xinghua	RMB31,000,000	100.00	2021-01-29	RMB3,000,000 paid up
Jurong Dingchu Storage and Transportation Co., Ltd.	Tang Siying	RMB100,000,000	93.80	2017-05-03	RMB74,600,000 paid up

The valuation conclusion is based on the paid-up capital on the valuation base date without taking into account the impacts of the availability of the above capitals on the valuation base date. Users of the report are advised to pay attention to the possible impacts of relevant matters on the valuation conclusion.

(2) Pledges and guarantees for borrowings of the subject under valuation

As at the valuation base date, the guarantees for the borrowings of the subject under valuation are as follows:

Loan borrower	Balance of borrowings	Interest rate of borrowings	Commencement date	Termination date	Guarantee/ pledge	Amount of guarantee	Loan contract No.	Pledge/mortgage contract No.
Hangzhou United Rural Commercial Bank	73,395,479.68	5.480%	2022.7.20	2037.06.09	House mortgage	/	Enterprise House Purchase Credit 2021-001	Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033750, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033667, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033730, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033769, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033758, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033761, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033766, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033767
Zheshang Bank	20,000,000.00	3.300%	2022.7.5	2023.7.6	Changshan Giant Truck Supply Chain Management Co., Ltd.	110,000,000.00	(20000000) Zhe Shang Shang Cheng Bao Zi (2022) No. 12085	(20000000) Zhe Shang Yin Gao Bao Zi (2022) No. 02076
China Merchants Bank	50,000,000.00	3.000%	2022.9.7	2023.9.7	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097
China Merchants Bank	50,000,000.00	3.000%	2022.10.13	2023.10.13	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097

Loan borrower	Balance of borrowings	Interest rate of borrowings	Commencement date	Termination date	Guarantee/ pledge	Amount of guarantee	Loan contract No.	Pledge/mortgage contract No.
China Merchants Bank	50,000,000.00	2.850%	2022.12.9	2023.12.6	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097
Nanyang Commercial Bank	50,000,000.00	2.400%	2023.1.9	2024.01.04	Changshan Giant Truck Supply Chain Management Co., Ltd., ANE (CAYMAN) INC.	100,000,000.00	BC2022122000000005	GC2022111000000044/GC2022111000000043
Bank of China	50,000,000.00	2.850%	2023.3.23	2024.3.22	Changshan Giant Truck Supply Chain Management Co., Ltd.	100,000,000.00	2023 Hu Pu Zhong Jie Zi No. ANJC01	2023 Hu Pu Zhong Bao Zi No. ANJC01
Nanyang Commercial Bank	50,000,000.00	2.650%	2023.06.05	2024.05.31	Changshan Giant Truck Supply Chain Management Co., Ltd., ANE (CAYMAN) INC.	100,000,000.00	BC2022122000000005	GC2022111000000044/GC2022111000000043
China CITIC Bank	50,000,000.00	2.260%	2023.06.27	2024.03.25	Changshan Giant Truck Supply Chain Management Co., Ltd., Changshan Zhongyu Transportation Supply Chain Management Co., Ltd.	100,000,000.00	[2023 Hu Yin Guo Nei Zheng Zi No. 731431230006]	[2023 Hu Yin Zui Bao No. 731431230006]/[2023 Hu Yin Zui Bao No. 731431230007]

Guarantees of the subject under valuation provided to related parties on the valuation base date:

Guarantor	Contract No.	Lessor (creditor)	Lessee (debtor)	Mode of guarantee	Limit of guarantee (balance)	Maturity of borrowings	Term of guarantee
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Su Yin (2022) Bao Zheng Zi No. 0512-2	Suyin Financial Leasing Co., Ltd.	Changshan Zhongrun Supply Chain Management Co., Ltd.	Joint liability guarantee	158,777,437.00	August 2025	May 27, 2022 to August 27, 2025
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	331266 Zhe Shang Yin Gao Bao Zi (2020) No. 00529	China Zheshang Bank Co., Ltd. Hangzhou Branch	Changshan Zhongyu Transportation Supply Chain Management Co., Ltd.	Joint liability guarantee	100,000,000.00	March 2024	Two years from the expiry of the performance period of the debt
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	No.: LA02003117G2	CIMC Capital Ltd.	Changshan Giant Truck Supply Chain Management Co., Ltd.	Joint liability guarantee	12,597,458.00	August 2023	Three years from the expiry of the performance period of the debt

The valuation conclusion does not consider the impacts of overdue borrowings, guarantees or pledges on the valuation. Users of the report are advised to pay attention to the possible impacts of relevant matters on the valuation conclusion.

(3) Pending matters, legal disputes and other uncertainties

As the subject under valuation has various pending lawsuits as at the valuation base date, the company provided estimated liabilities of RMB4,996,927.34 based on the progress of lawsuits and the actual conditions, which has been considered in the valuation. The company provided an estimated compensation of RMB563,082.96 for pending lawsuits that have not been verdicted. As the company has not recognized estimated liabilities and the cases have not been ruled and are subject to uncertainties, it has not been considered in the valuation. Users of the report are advised to pay attention to the impacts of such pending cases on the company's economic activities (for details of the pending lawsuits, please refer to X. Notes on Special Matters in this report).

(4) We and our valuers shall not be responsible for any defects that may affect the valuation of the company which are not specified in the engagement and are generally unknown to the valuers based on their professional experience.

II. OVERVIEW OF THE CLIENT AND THE SUBJECT UNDER VALUATION

(I) Overview of the client

The client of the valuation is ANE (CAYMAN) INC. and its basic information is as follows:

Company name: ANE (CAYMAN) INC.

Address: PO Box 309, Ugland House, Grand Cayman KY1-1104 Cayman Islands

(II) Overview of the subject under valuation

The subject under valuation is Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. (hereinafter referred to as "Shanghai ANE") and its basic information is as follows:

1. Major registration particulars

Unified social credit code: 913100003222947428

Name: Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.

Type: Company with limited liability (Taiwan, Hong Kong or Macau and domestic joint venture)

Legal representative: Qin Xinghua

Registered capital: RMB3,669,914,940

Date of establishment: June 1, 2015

Duration of operation: Since June 1, 2015, without a fixed term

Address: Building 8, No. 130 Songshan Village, Huaxin Town, Qingpu District, Shanghai

Scope of business: General items: supply chain management services; technology services, technology development, technology consultation, technology exchange, technology transfer and technology promotion; domestic freight agency; general goods warehousing services (excluding hazardous chemicals and other items subject to approval); information consultation services (excluding licensing information consultation services); corporate management consultation; advertisement preparation; advertisement publication; advertisement design and agency. (Other than those which are subject to approval in accordance with the law, operating activities can be commenced with business license). Licensed items: road freight transportation (excluding hazardous goods). (For items which are subject to approval in accordance with the law, operating activities can be commenced after being approved by the relevant authorities, and specific items are subject to approval documents or permits issued by relevant authorities)

2. *Shareholders and shareholding proportions*

(1) Establishment of the company

On May 18, 2015 and pursuant to the document Hu Shang Wai Zi Pi [2015] No. 1796, Shanghai Municipal Commission of Commerce (SMCC) approved the establishment of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. The total investment and registered capital of the company is US$18 million and US$10 million, respectively. ANE Fast Logistics (Hong Kong) Limited contributed US$10 million with cash remittance in foreign currency, accounting for 100% of the registered capital of the company. Investors shall pay up the registered capital within 10 years from the issuance date of the business license of the company.

The shareholding structure of the company upon its establishment is as follows:

Unit: US$'0,000

Shareholder	Capital Contribution	Shareholding Proportion	Form of Contribution
ANE Fast Logistics (Hong Kong) Limited	1,000.00	100%	Cash
Total	**1,000.00**	**100%**	

(2) The first capital increase by shareholders

On September 6, 2015, SMCC issued the approval Hu Shang Wai Zi Pi [2015] No. 3157 on the capital increase of Shanghai ANE, approving to increase the total investment and registered capital of Shanghai ANE from US$18 million to RMB3,120 million and from US$10 million to RMB1,040 million, respectively. The above capital increase is contributed by investors of the company with offshore RMB and shall be paid up by May 31, 2025.

The shareholding structure after the capital increase is as follows:

Unit: RMB'0,000

Shareholder	Capital Contribution	Shareholding Proportion	Form of Contribution
ANE Fast Logistics (Hong Kong) Limited	104,000.00	100%	Cash
Total	**104,000.00**	**100%**	

(3) The second capital increase by shareholders

Pursuant to the notification on approval of changes of (filing) registration issued by Shanghai Administration for Industry and Commerce on November 25, 2016 and with the approval No. 00000002201611180041, it approved the changes of the registration of Shanghai ANE and the increase of the registered capital of the company from RMB1,040 million to RMB2,070 million. The total investment of the company remains unchanged.

The shareholding structure after the capital increase is as follows:

Unit: RMB'0,000

Shareholder	**Capital Contribution**	**Shareholding Proportion**	**Form of Contribution**
ANE Fast Logistics (Hong Kong) Limited	207,000.00	100%	Cash
Total	**207,000.00**	**100%**	

(4) The third capital increase by shareholders

Pursuant to the notification on approval of changes of (filing) registration issued by Shanghai Administration for Industry and Commerce on August 13, 2018 and with the approval No. 00000002201808100002, it approved the changes of the registration of Shanghai ANE and the increase of the total investment and registered capital of the company from RMB3,120 million to RMB5,700 million and from RMB2,070 million to RMB3,500 million, respectively.

The shareholding structure after the capital increase is as follows:

Unit: RMB'0,000

Shareholder	**Capital Contribution**	**Shareholding Proportion**	**Form of Contribution**
ANE Fast Logistics (Hong Kong) Limited	350,000.00	100%	Cash
Total	**350,000.00**	**100%**	

(5) The fourth capital increase by shareholders

On August 18, 2018, Shanghai ANE convened a general meeting. It resolved that:

1) It approved to increase the registered capital of the company by RMB140,788,631 and the registered capital of the company is RMB3,640,788,631 after the changes;

2) It approved to increase the total investment of the company to RMB10,922,365,893;

3) It approved Ningbo Meishan Bonded Area Qinghong Equity Investment Partnership (Limited Partnership), a new Chinese investor, to subscribe the capital increase of RMB102,400,853 in the company with RMB284,257,240.93, RMB102,400,853 of which will be included in the registered capital of the company, accounting for 2.8126% of its registered capital; and the remaining contribution of RMB181,856,387.93 will be included in the capital reserve of the company. It also approved Beijing Anju Enterprise Management Centre (Limited Partnership), a new Chinese investor, to subscribe the capital increase of RMB38,387,778 in the company with RMB106,561,650, RMB38,387,778 of which will be included in the registered capital of the company, accounting for 1.0544% of its registered capital; and the remaining contribution of RMB68,173,872 will be included in the capital reserve of the company.

Pursuant to the notification on approval of changes of (filing) registration issued by Shanghai Administration for Industry and Commerce on September 30, 2018 and with the approval No. 00000002201809260021, it approved the changes of the registration of Shanghai ANE and the increase of the total investment and the registered capital of the company from RMB5,700 million to RMB10,922,365,893 and from RMB3,500 million to RMB3,640,788,631, respectively.

The shareholding structure after the capital increase is as follows:

Unit: RMB'0,000

Shareholder	Capital Contribution	Shareholding Proportion	Form of Contribution
ANE Fast Logistics (Hong Kong) Limited	350,000.0000	96.133%	Cash
Ningbo Meishan Bonded Area Qinghong Equity Investment Partnership (Limited Partnership)	10,240.0853	2.8126%	Cash
Beijing Anju Enterprise Management Centre (Limited Partnership)	3,838.7778	1.0544%	Cash
Total	**364,078.8631**	**100%**	

(6) The fifth capital increase by shareholders

In February 2019, Shanghai ANE convened a board meeting. It resolved to approve the increase of the total investment of the company from RMB10,922,365,893 to RMB11,009,744,820 and the increase of the registered capital of the company from RMB3,640,788,631 to RMB3,669,914,940. It approved Ningbo CDH Qi Lin Investment Partnership Enterprise (Limited Partnership) to make cash contribution with RMB68 million and hold 0.7937% equity interest of the company, RMB29,126,309 of which will be included in the registered capital of the company and the remaining will be included in the capital reserve of the company.

Pursuant to the notification on approval of changes of (filing) registration issued by Shanghai Administration for Market Regulation on April 23, 2019 and with the approval No. 0000000220190430011, it approved the changes of the registration of Shanghai ANE and the increase of the registered capital of the company from RMB3,640,788,631 to RMB3,669,914,940.

The shareholding structure after the capital increase is as follows:

Unit: RMB'0,000

Shareholder	Capital Contribution	Shareholding Proportion	Form of Contribution
ANE Fast Logistics (Hong Kong) Limited	350,000.00	95.3701%	Cash
Ningbo Meishan Bonded Area Qinghong Equity Investment Partnership (Limited Partnership)	10,240.0853	2.7903%	Cash
Beijing Anju Enterprise Management Centre (Limited Partnership)	3,838.7778	1.0460%	Cash
Ningbo CDH Qi Lin Investment Partnership Enterprise (Limited Partnership)	2,912.6309	0.7937%	Cash
Total	**366,991.4940**	**100%**	

(7) The first equity transfer

Pursuant to the notification on approval of change issued by Shanghai Administration for Market Regulation on April 24, 2020 and with the approval No. 2900000220200424001, it approved the changes of the registration of Shanghai ANE and the details of the changes are as follows:

In April 2020, Shanghai ANE convened a board meeting. It resolved that ANE Fast Logistics (Hong Kong) Limited will accept the 0.7937% equity interest held by Ningbo CDH Qi Lin Investment Partnership Enterprise (Limited Partnership).

The shareholding structure of Shanghai ANE after the change is as follows:

Unit: RMB'0,000

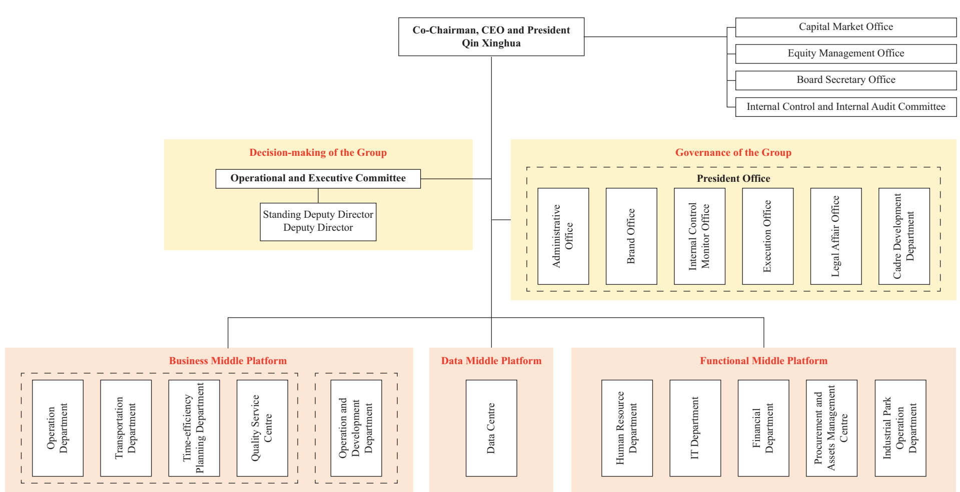
Shareholder	Capital Contribution	Shareholding Proportion	Form of Contribution
ANE Fast Logistics (Hong Kong) Limited	352,912.6309	96.1637%	Cash
Ningbo Meishan Bonded Area Qinghong Equity Investment Partnership (Limited Partnership)	10,240.0853	2.7903%	Cash
Beijing Anju Enterprise Management Centre (Limited Partnership)	3,838.7778	1.0460%	Cash
Total	**366,991.4940**	**100%**	

As at the valuation base date, the paid-up capital of Shanghai ANE is RMB3,664,854,343.83.

3. *Operation and management structure and ownership structure*

(1) Operation and management structure

The operation and management structure of the company is shown as follows:



(2) Particulars of the subsidiaries of the company

As at the valuation base date, the subject under valuation has 12 wholly-owned subsidiaries and 1 controlled subsidiary, the basic information of which is as follows:

Name of invested entities	Date of investment	Agreed investment period	Shareholding proportion (%)	Investment cost	Book value
Anneng Juchuang Supply Chain Management (Suining) Co., Ltd.	2023/5/30	Long-term	100.00	0.00	–
Anneng Juchuang Supply Chain Management (Wuxi) Co., Ltd.	2022/8/5	Long-term	100.00	0.00	–
Shanghai Anneng Juchuang Xinchuangyi Supply Chain Management Co., Ltd.	2021/3/30	Long-term	100.00	0.00	–
Shanghai Anneng Juchuang Logistics Technology Co., Ltd.	2021/1/29	Long-term	100.00	3,000,000.00	3,000,000.00
Shenzhen Fuzhilin Freight Consulting Co., Ltd.	2018/8/3	Long-term	100.00	0.00	–
Shenzhen Eluda Freight Consulting Co., Ltd.	2018/8/2	Long-term	100.00	0.00	–
Shenzhen Quanshitong Freight Consulting Co., Ltd.	2018/7/19	Long-term	100.00	0.00	–
Shanghai Anrui Supply Chain Management Co., Ltd.	2018/6/20	Long-term	100.00	0.00	–
Jurong Dingchu Storage and Transportation Co., Ltd.	2017/5/3	Long-term	93.80	116,990,000.00	116,990,000.00

Name of invested entities	Date of investment	Agreed investment period	Shareholding proportion (%)	Investment cost	Book value
Anneng Juchuang Supply Chain Management (Shenzhen) Co., Ltd.	2015/7/10	Long-term	100.00	150,000,000.00	150,000,000.00
Anneng Juchuang Supply Chain Management (Chengdu) Co., Ltd.	2015/6/30	Long-term	100.00	50,000,000.00	50,000,000.00
Anneng Juchuang Logistics (Shanghai) Co., Ltd.	2015/6/30	Long-term	100.00	300,000,000.00	300,000,000.00
Anneng Juchuang Supply Chain Management (Wuhan) Co., Ltd.	2015/6/11	Long-term	100.00	150,000,000.00	150,000,000.00
Total				**769,990,000.00**	**769,990,000.00**

4. Introduction on the subject under valuation

(1) Company profile

The subject under valuation operates a leading express freight network in China's less-than-truckload (LTL) market. Express freight network operators are LTL service providers who have nationwide coverage, and deliver timely and comprehensive freight transportation services. It mainly provides transportation services, value-added services and dispatch services to its freight partners, namely its direct customers.

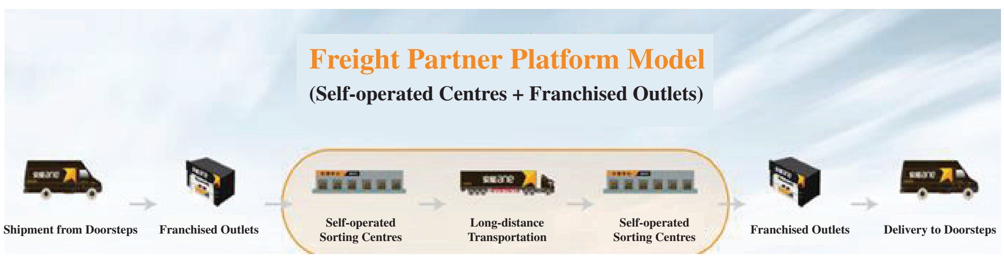
The subject under valuation has created the freight partner platform model to draw such local operators to its platform as freight partners and agents, empowering them and its entire network to serve as the infrastructure for China's new commerce landscape.

Under its freight partner platform model, it directly operates and controls all mission-critical sorting and line-haul transportation operations while its freight partners and agents are responsible for investing and operating the outlets at their own costs and providing feeder service, pickup and dispatch services. It enables and empowers tens of thousands of local freight operators to connect with more shippers and to provide digitalised, nationwide, reliable, timely, efficient and comprehensive LTL services to shippers. The subject under valuation delivers unique values to freight partners, agents and shippers. The subject under valuation will increasingly invest in sorting centres and line-haul transportation as the freight volume increases to optimise operational efficiency while continuously improving service quality.

With a county and township coverage ratio of over 96%, it has established 130 sorting centres with the services covering 3,000 cities and counties (districts) across China so far. It has over 30,000 express freight outlets and over 2,900 line-haul routes.

(2) Business model

It rapidly integrated existing local resources through empowering franchise network with brands and achieved rapid expansion. Its partners and agents can diversify their products and enhance the reputation of their brands through franchising with Shanghai ANE and make profits quickly.



(3) Financial conditions of the company

Unit: RMB'000

Items	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
Basis of statements	Consolidated	Consolidated	Consolidated	Consolidated
Total assets	3,085,436.00	4,609,278.00	4,132,967.00	4,527,676.00
Total liabilities	3,679,746.00	3,752,339.00	3,259,408.00	3,412,111.00
Net assets/ liabilities	-594,310.00	856,939.00	873,559.00	1,115,565.00

Items	2020	2021	2022	January to June 2023
Basis of statements	Consolidated	Consolidated	Consolidated	Consolidated
Operating income (deducting taxes and surcharges)	7,012,390.00	9,578,187.00	9,229,109.00	4,503,934.00
Net profit/loss	592,807.00	127,905.00	-172,398.00	171,565.00
Type of audit report		Audit report		Review report

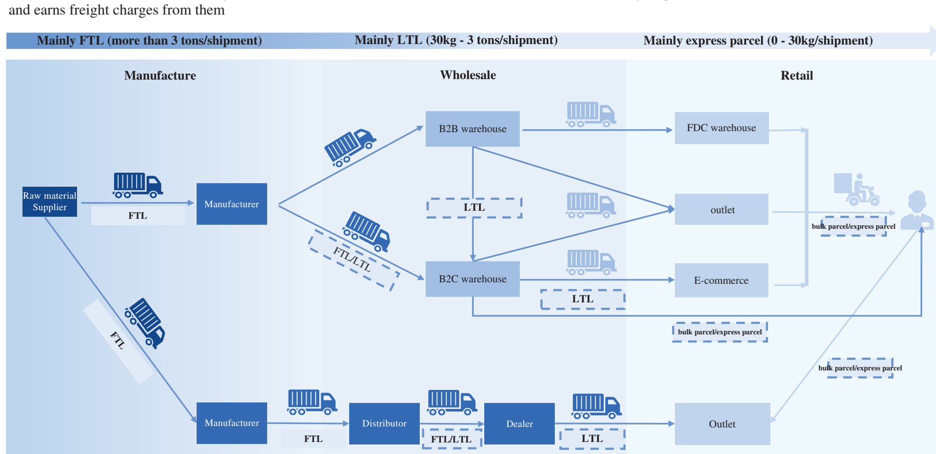
5. *Current conditions and development prospects of the industry where the subject under valuation operates*

A research report (https://pdf.dfcfw.com/pdf/H3_AP202306191591062099_1.pdf?1687196286000.pdf) released by Sealand Securities in June 2023 summarised the current conditions and development prospects of the express freight industry.

(1) Industry: The express freight industry grows rapidly with the evolving structure of supply chains

① Business model of LTL freight: It mainly serves the demand for the transportation of heavy goods for business customers to earn freight charges

Chart 1: LTL business occurs mainly from wholesalers, distributors, dealers and retailers, which is mainly targeted at business customers and earns freight charges from them



Source: Yunlian Think Tank (運聯智庫), Sealand Securities Institute

② LTL freight embraces development under the trend of LTL for full-truckload ("FTL")

- The trend of FTL being replaced by LTL: With the development of e-commerce, its penetration rate improves rapidly, changing the structures and links of traditional supply chains. In traditional retail chains, goods finally arrive at offline shops for sales after centralized transportation through manufacturers, sub-distributors and distributors and the major mode of transportation in the intermediate links is FTL transportation. Nevertheless, under the patterns of e-commerce and new retails, supply chains become flexible and the movements of goods are more fragmented and frequent. LTL transportation is gradually replacing FTL transportation under the new patterns and the LTL industry embraces development.

- According to iResearch, the CAGR of the LTL market size from 2015 to 2021 is 6.2%, far higher than the growth of 1.0% of the FTL market. The proportion of the LTL market size in the LTL + FTL market size continuously expands.

Chart 2: The revolution of retail leads to the reconstruction of the supply chain and the trend of FTL being replaced by LTL

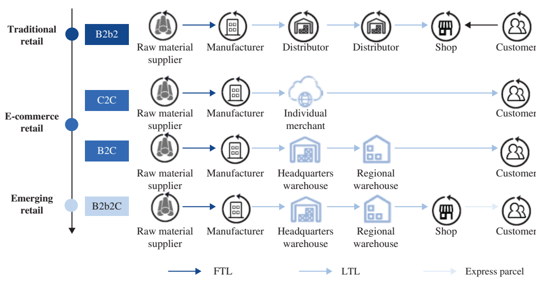
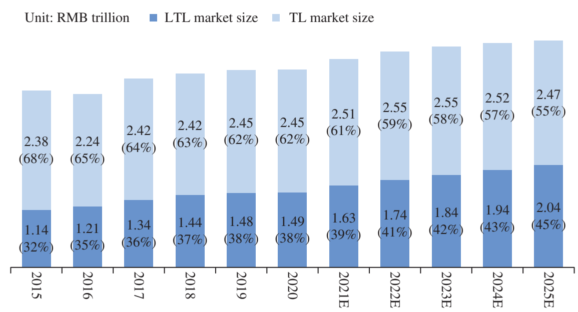


Chart 3: Increasing size and portion of LTL market



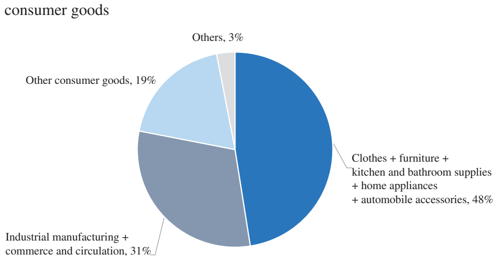
Source: National Bureau of Statistics, State Post Bureau, iResearch, Sealand Securities Institute

③ Structure of demand for LTL freight: Linked with growth of industries and consumer goods

- The downstream of the LTL market mainly focuses on wholesales of consumer goods, industrial production and trade flows. Calculated based on the statistics in the 2022 annual report of Deppon Logistics, a leader in LTL freight, approximately 48% of the businesses are related to clothing, furniture, kitchen and bath products, home appliances, automobile components and other consumption sectors and 31% are related to industrial production and trade flows.

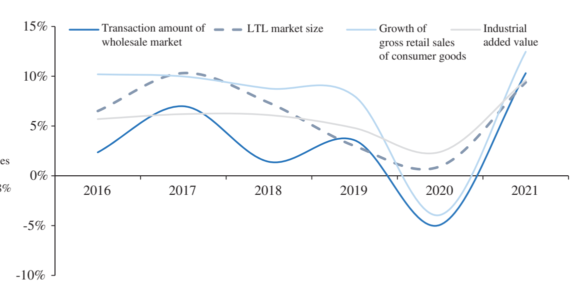
- The growth of the LTL market is correlated to wholesales and retails and the industrial added value with the growth between that of the two. After excluding the impacts of the pandemic in 2020, the growth of the LTL market size is 5% to 10%.

Chart 4: LTL downstream industry primarily consists of industrial manufacturing, commerce and circulation as well as wholesale of consumer goods



Note: The data is derived from the 2022 annual report of Deppon Logistics Co., Ltd. which is a leading company in LTL transportation industry

Chart 5: The growth of LTL market size is between the growth of transaction amount of wholesale market and industrial added value



Source: 36Kr, announcements of Deppon Logistics Co., Ltd., Wind, iResearch, Sealand Securities Institute

④ Structure of demand for LTL freight: Production areas follow industrial clusters and consumption centers

- The layout of demand in the LTL industry follows industrial clusters and consumption centers in China in the downstream with customers across the country. Production areas are mainly in coastal regions and along the Yangtze River.

Chart 6: Industrial centre of each province in China

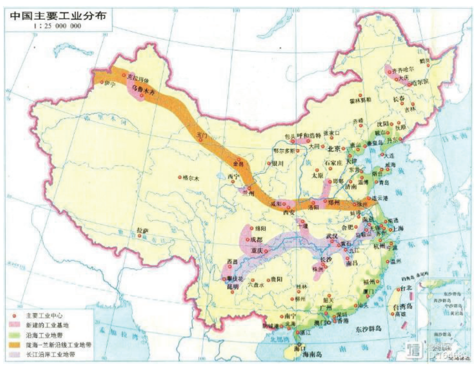
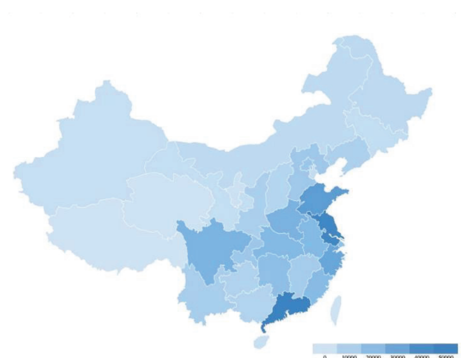


Chart 7: Consumption amount of each province in China



Note: Consumption amount is measured at the gross retail sales of consumer goods (in RMB100 million) of each province and region in China for 2021

Source: www.onegreen.net, National Bureau of Statistics, Sealand Securities Institute

⑤ The express freight industry emerged under the trend of express delivery of LTL services

- The express freight industry is a form of transportation that provides express delivery services to LTL customers. With the evolving structure of supply chains, the two terminals of LTL are more close to the end and customers are more concerned about end services, raising new requirements on the pickup and dispatch links of LTL companies. Previously, for the delivery of certain products, customers may choose either "express delivery" or "LTL" services. The freight charges of express delivery services are high and heavy products may be rejected while LTL services lack timeliness and cannot provide "door-to-door" services.

- From the point-to-point "self-delivery and self-pickup" to the new demand for "door-to-door" services across the nationwide network, LTL companies gradually launched express delivery services for products (new supply). As the heavy-goods delivery market continues to expand, express freight companies with nationwide coverage, providing timely and comprehensive freight transportation services, have emerged and embraced development opportunities.

Chart 8: Trend toward express parcel of LTL services is driven by emerging demands

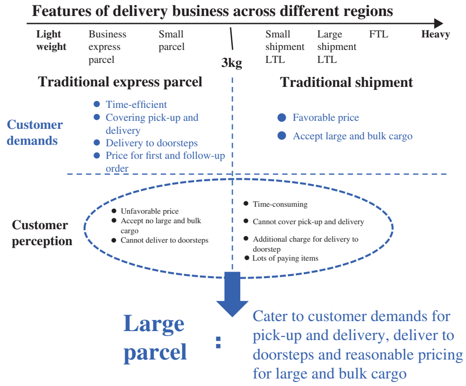
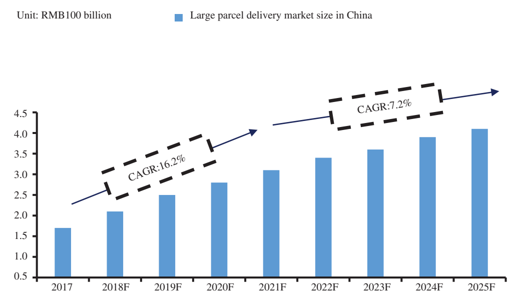


Chart 9: Continuous growth of large parcel delivery market size in China



Source: Analysys, Sealand Securities Institute

⑥ With increasing demand for the express delivery of LTL services, express freight companies with a nationwide network maintained high growth

- With the continuous enhancement of e-commerce sales channels, the online penetration rate of LTL service offerings was gradually improved in recent years. Based on the forecast of the China Center of Information Industry Development and Qianzhan Industry Institute (前瞻產業研究院), the online penetration rate of Business-to-Customer home appliances and furniture reached 53.6% and 15.0%, respectively, in 2021. According to the forecast of Logistics Picture Plus (物流一圖Plus), the online penetration rate of Business-to-Business Maintenance Repairs and Operations ("**MRO**") industrial products reached 9.5% in 2022. With the increasing improvement of the online penetration rate of LTL service offerings, the demand for the "door-to-door" express delivery of LTL services also keeps increasing.

- Under the trend of the express delivery of LTL services, the CAGR of the revenue of express freight companies with a nationwide network reached 28.38% from 2015 to 2021, higher than the growth of 6.2% of the LTL industry in the corresponding period.

- Under the trend of the continuous improvement of the penetration rate of e-commerce and the continuous upgrading of the structure of supply chains, express freight companies with a nationwide network will continue to maintain high growth. In combination with the revenue of express freight companies in 2021 and the estimation of iResearch on the size of the LTL market and the penetration rate of express freight in 2025, we estimate that the CAGR of the revenue of the express freight industry is 25.75% from 2021 to 2025 and it will maintain high growth.

Chart 10: Increasing online penetration rate of bulk home appliances and bulk furniture

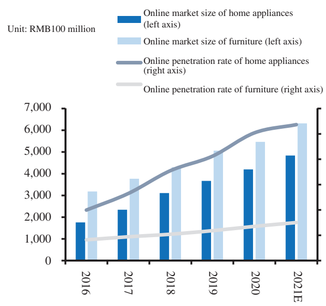


Chart 11: Increasing e-commerce penetration rate of MRO industrial products

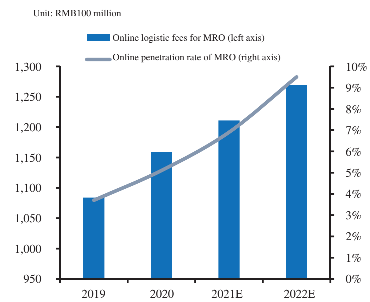
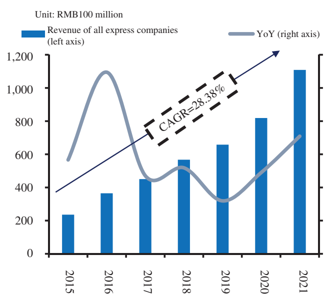


Chart 12: The average revenue growth rate of all express companies reaches 28%



Source: National Bureau of Statistics, Qianzhan Industry Institute (前瞻產業研究院), China Center of Information Industry Development, Yunlian Think Tank (運聯智庫), Logistics Picture Plus (物流一圖Plus), Sealand Securities Institute

III. PURPOSE OF VALUATION

For the proposed acquisition of equity interests by ANE Fast Logistics (Hong Kong) Limited, it is necessary to estimate the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. involved in the economic activities on the valuation base date, i.e. June 30, 2023, so as to provide a value reference basis for the above economic activities.

IV. SUBJECT UNDER VALUATION AND SCOPE OF VALUATION

The subject under valuation is the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. on the valuation base date.

The scope of valuation is all assets and liabilities of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. During the process of the valuers' work, the client and relevant parties gave full cooperation including provision of documents and reply to queries. We have assumed that the information provided by the client are accurate, upon which we relied to a considerable extent in arriving at the opinions in this report. Based on the above and subject to the "Statements" section of this report, we are in the opinion that the scope of work for the valuation report is not limited.

The carrying amount of the unaudited total assets, total liabilities and owners' interests reflected in the financial statements, declared by Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. for valuation on the valuation base date, is RMB4,527,676,000, RMB3,412,111,000 and RMB1,115,565,000 (of which the carrying amount of unaudited interests attributable to the owners of the parent is RMB1,113,752,820), respectively. For details, please refer to attachment 2 of the report – Financial Statements of the subject under valuation as at the valuation base date (copy) reviewed by Ernst & Young Hua Ming LLP Shanghai Branch.

The abovementioned financial data were prepared in accordance with International Financial Reporting Standards, and have been reviewed by Ernst & Young Hua Ming LLP Shanghai Branch in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

V. TYPE OF VALUE

(I) Type of value and its selection

The types of value in valuation include the market value and other types which generally include investment value, in-use value, liquidation value, residual value, etc.

As the purpose of valuation is to acquire equity interests, which has no particular restrictions and requirements on market conditions and the use of the subject under valuation, the purpose of valuation is to provide a value reference basis for normal transactions. After sufficient communications with the client and on the condition of reaching consensus on the selection of the type of value for the valuation conclusion, the professional valuers selected the market value as the type of value for the valuation conclusion.

(II) Definition of market value

The market value in this valuation report refers to the estimated value of the subject under valuation between a willing buyer and a willing seller acting reasonably, neither being under any compulsion to buy or sell in a normal and fair transaction as at the valuation base date.

VI. VALUATION BASE DATE

The valuation base date is June 30, 2023.

VII. BASIS OF VALUATION

(I) Basis of laws and regulations

1. The Civil Code of the People's Republic of China (Order No. 45 of the President of the People's Republic of China and implemented on January 1, 2021);

2. The Company Law of the People's Republic of China (amended for the fourth time by Order No. 15 of the President of the People's Republic of China and promulgated and implemented on October 26, 2018);

3. The Law of the People's Republic of China on Enterprise Income Tax (amended for the second time by Order No. 23 of the President of the People's Republic of China and implemented on December 29, 2018);

4. The Implementation Rules of the Law of the People's Republic of China on Enterprise Income Tax (Order No. 512 of the State Council and implemented on January 1, 2008);

5. The Interim Value-Added Tax Regulations of the People's Republic of China (Order No. 691 of the State Council and promulgated and implemented on November 19, 2017);

6. The Implementation Rules of the Interim Value-Added Tax Regulations of the People's Republic of China (Order No. 50 of the Ministry of Finance and the State Taxation Administration and amended by Order No. 65 of the Ministry of Finance and the State Taxation Administration);

7. The Circular on Comprehensively Promoting the Pilot Programme of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36 of the Ministry of Finance and the State Taxation Administration);

8. The Announcement on Policies for Deepening the Value-added Tax Reform (Announcement No. 39 of 2019 of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and implemented on April 1, 2019);

9. The Announcement on Matters Relating to Deepening the Value-added Tax Reform (Announcement No. 14 of 2019 of the State Taxation Administration and implemented on April 1, 2019).

(II) Basis of asset ownership

1. The articles of association, certificate of capital contribution and business license (photocopies) of the subject under valuation;

2. Motor vehicle licenses (photocopies) of the subject under valuation;

3. Patent certificates (certificates of invention patents, certificates of utility model patents, certificates of design patents), trademark registration certificates and relevant ownership certificate of copyright (royalty) (photocopies) of the subject under valuation;

4. Purchase invoices, contracts and relevant materials (photocopies) of key assets of the subject under valuation;

5. Other relevant basis of ownership.

(III) Basis of valuation pricing

1. Financial statements and audit report of the subject under valuation on the valuation base date;

2. Materials on the historical and current asset prices provided by the client and the subject under valuation;

3. Relevant materials on the industry where the subject under valuation operates;

4. Interest rate and maturity yield of treasury bonds, tax base and tax rate and the loan prime rate (LPR) published by the National Interbank Funding Center authorized by the People's Bank of China on the valuation base date;

5. Future investment and development plans of the subject under valuation;

6. Information on the statistics of historical revenue and the forecast on future revenue provided by the subject under valuation;

7. Hithink RoyalFlush information platform, an online real-time financial information terminal that covers eight major business categories including stocks, bonds, foreign exchange, futures (including options), funds, REITs, wealth management, and indices; it contains essential data and functions such as company database, economic database, and information research report;

8. Other information related to the asset valuation.

VIII. VALUATION METHOD

(I) Introduction to basic valuation methods

Income approach, market approach and asset-based approach are the three major basic approaches in the valuation of an enterprise's value.

1. Income approach

In the valuation of an enterprise's value, the income approach refers to a valuation method where the expected income is capitalized or discounted to determine the value of the subject under valuation. The specific approaches commonly used under the income approach include dividend discount approach and cash flow discount approach. The dividend discount approach is a specific approach where expected dividends are discounted to determine the value of the subject under valuation, which is usually applicable to the valuation of the partial equity interest of the shareholders who lack control rights. The cash flow discount approach is a specific approach where expected net cash flow is discounted to determine the value of the subject under valuation, which includes the discounted enterprise free cash flow model and the discounted equity free cash flow model.

2. Market approach

In the valuation of an enterprise's value, the market approach refers to a valuation method where the subject under valuation is compared against comparable listed companies or comparable transaction cases to determine the value of the subject under valuation. Two specific methods commonly used under the market approach are the listed company comparison method and transaction case comparison method.

3. Asset-based approach

In the valuation of an enterprise's value, the asset-based approach refers to a valuation method where the value of assets and liabilities in the statement and identifiable off-balance sheet of an enterprise is individually appraised on the basis of the balance sheet of the subject under valuation on the valuation base date for the purposes of determining the value of the subject under valuation.

(II) Selection of valuation methods

1. Applicability analysis of valuation methods

In carrying out the valuation of an enterprise's value, the professional valuers shall prudently analyze the applicability of three basic asset valuation methods, i.e. income approach, market approach and asset-based approach based on the purpose of valuation, the subject under valuation, the type of value, the nature of the enterprise, the asset size, the sufficiency of valuation materials obtained and other relevant factors, before properly selecting one or more basic asset valuation methods for valuation.

This valuation business is an overall value valuation of a company. In regard to such valuation, there are few equity transaction cases of similar companies in China at present. In the meantime, it is also difficult to find comparable company information in the capital market which is similar to the asset scale and structure, business scope and profitability of the subject under valuation. The market approach is not applicable to this valuation.

The subject under valuation is a company with sustainable growth of future economic benefits. The expected income can be quantified, the expected income years can be predicted, and the risk of expected return closely related to discount can be predicted, therefore, the income method is applicable to this valuation.

The purpose of the valuation is to acquire equity interests. The asset-based approach is based on the re-acquisition way of a single asset and reflects the market value of company reconstruction. It fails to reflect the operation team, market and customer resources, marketing network, brand and other core value of a company. As a result, it is inappropriate to adopt the asset-based approach in the valuation.

2. Selection of valuation approach for this valuation

The target of the valuation is the value of all shareholders' interests of the subject under valuation on the valuation base date. Based on the purpose of valuation, the subject under valuation, the type of value, the relevant information provided by the client and the subject under valuation, information collected through on-site investigation and other channels, and details of the subject under valuation and other relevant conditions, coupled with comprehensive judgment such as the applicability analysis of the aforementioned valuation approaches, the valuation was conducted using the income approach.

(III) Determination of technical ideas and key valuation parameters for the income approach

1. Specific model and estimation formula of the income approach

The valuation adopted the enterprise free cash flow discount model. It applied the two-stage earnings discount model in the specific operation of valuation. It conducted estimation on the future earnings of the subject under valuation on a going-concern basis in two stages, namely the Detailed Forecast Period and the relatively stable period.

Firstly, it reasonably determined the term of the Detailed Forecast Period in the first stage. The Detailed Forecast Period, also known as the specific forecast period, is reasonably determined based on the comprehensive analysis on the development stage and trend, the operation model, the remaining economic life of principal products or services and the R&D of alternate products or services, the revenue structure, the cost structure, the capital structure, capital expenditure, operating capitals, investment income and the level of risks of the subject under valuation in combination with macro policies, the cycle of the industry as well as other factors affecting the enterprise's entry to the stable period. Based on the analysis on the abovementioned factors, it determined the Detailed Forecast Period to be 5.5 years from July 1, 2023 to December 31, 2028, namely 5.5 years in total. The stage is the period for the rapid growth of the subject under valuation. It will enter the relatively stable period from January 1, 2029, namely the second stage (also known as the perpetual period).

Secondly, it estimated the future income of the subject under valuation in the Detailed Forecast Period. Based on the macroeconomic environment, the development conditions and prospects of the industry where the subject under valuation operates, the analysis and adjustment of the historical financial and operating data of the enterprise, the future business plan of the enterprise and other basic information for estimation, it reasonably estimated the operating revenue, costs, fees and other breakdowns of revenue and expenses, depreciation and amortization, capital expenditure, operating capitals and their increases and decreases as well as other items of the enterprise in each year of the Detailed Forecast Period by adopting appropriate methods, thus estimating the net free cash flows of the enterprise in each year of the Detailed Forecast Period. Meanwhile, based on the analysis on the remaining economic life of principal products or services of the subject under valuation, the factors affecting its entry to the stable period, the trend of revenue after the Detailed Forecast Period and the disposal after the termination of operation, it adopted a stable model to estimate the value after the Detailed Forecast Period. In estimating the value after the Detailed Forecast Period (the value in the perpetual period), it is generally based on the free cash flow of the enterprise in the last period of the estimation period and conducts standardized adjustments after taking into account the impacts of inadvertent factors to arrive the income in the stable period.

Thirdly, it reasonably estimated the discount rate. Based on the principle that the discount rate shall match the income indicators selected, it selected the weighted average cost of capital (WACC) as the discount rate of the free cash flow of the enterprise. It reasonably determined the discount rate after comprehensively considering the interest rate, the rate of investment returns in the market and other relevant information on the capital market as well as the specific risks of the industry and the subject under valuation and other relevant factors on the valuation base date.

Fourthly, it identified and estimated surplus assets and non-operating assets and liabilities.

On the basis that the asset allocation, the historical financial and operating data and operating assets and liabilities of the subject under valuation match the basis for the estimation on future revenue, it identified the non-operating assets, non-operating liabilities and surplus assets of the subject under valuation on the valuation base date and adopted an appropriate method to conduct estimation separately.

Finally, the overall value of the subject under valuation was arrived at the estimated value of operating assets and liabilities of the subject under valuation adding the value of non-operating assets, non-operating liabilities and surplus assets estimated separately. On such basis, the value of all shareholders' interests was arrived by reducing the value of interest-bearing liabilities. The basic formula for calculation is as follows:

Value of operating assets and liabilities = Present value of income in the Detailed Forecast Period + Value in the perpetual period

$$C = \sum_{t=1}^{n} \frac{FCFF_t}{(1 + WACC)^t} + \frac{FCFF_{n+1}}{(WACC - g) \text{ x } (1 + WACC)^t}$$

Where,

C–Value of operating assets and liabilities;

$FCFF_t$–Free cash flow of the enterprise in the t*th* year;

FCFF = Net profit after tax + Depreciation and amortization + Interest × (1 – Income tax rate) – Capital expenditure – Additional net operating capitals;

WACC–Weighted average cost of capital;

g–Growth rate in the perpetual period;

n–Detailed Forecast Period with the value of 5.50 years after the valuation base date in the valuation;

t–Discount period of income (year); Based on the actual conditions of the project, it adopted the mid-period discount, namely, the discount period for July 1 to December 31, 2023, 2024, 2025, 2026, 2027 and 2028 is 0.25, 1.00, 2.00, 3.00, 4.00 and 5.00 years, respectively.

Overall value of the enterprise = Value of operating assets and liabilities + Value of non-operating assets, non-operating liabilities and surplus assets estimated separately

$$OV = C + B$$

Where,

OV–Overall value of the enterprise;

B–Value of non-operating assets, non-operating liabilities and surplus assets estimated separately.

Value of all shareholders' interests = Overall value of the enterprise – Interest-bearing debts

$$EV = OV - D$$

Where,

EV–Value of all shareholders' interests;

D–Interest-bearing debts.

Please refer to "(IV) Valuation procedures of key parameters" to this valuation report for detailed calculation of parameters.

2. Determination of key valuation parameters under the income approach

① *Income period*

As required by national laws and the articles of association of the subject under valuation, an entity may apply for an extension upon expiration of the operating period, in which case it is assumed that the operating period of the subject under valuation may be extended by law prior to each expiration, and there extends as long as possible on a deductive basis. From the perspective of the valuation of the enterprise value, the subject under valuation maintains normal operations in the industry where the subject under valuation operates without inevitable discontinuance. It is assumed in this valuation that the future income period of the subject under valuation is perpetual.

② *Selection of income indicators*

Under the income approach, net profit or cash flow (free cash flow and free equity cash flow) is usually adopted as income indicators for the subject under valuation in practice. As net profit is susceptible to accounting policies including depreciation, and cash flow offers a much more objective representation, cash flow is selected for this valuation, in which case, free cash flow serves as an income indicator for appraisal using the income approach, the calculation formula for which is as follows:

Net free cash flow = net profit + depreciation and amortization + interest × (1 – income tax rate) – capital expenditure – increase in operating capital

③ *Selection and estimation of discount rate*

In accordance with the principle where the discount rate shall match the selected income indicator, all weighted average costs of capital (WACC) selected in this valuation serve as the discount rate of free cash flow of the subject under valuation in future periods, the estimation formula for which is as follows:

$$\mathrm{WACC} = \frac{E}{D+E} \times \mathrm{R_e} + \frac{D}{D+E} \times \mathrm{R_d} \times (1 - T)$$

Where:

WACC: weighted average cost of capital;

D: Market value of interest-bearing debts;

E: Market value of all shareholders' interests;

R_e: Cost of equity capital;

R_d: Cost of debt capital;

T: Enterprise income tax rate.

The estimation formula for cost of equity capital under the capital and asset pricing model (CAPM) is as follows:

CAPM or R_e

$= R_f + \beta\ (R_m - R_f) + R_s$

$= R_f + \beta \times ERP + R_s$

Where:

R_e: Cost of equity capital;

R_f: Risk-free yield;

β: Beta coefficient;

R_m: Average capital market yield;

ERP: Market risk premium ($R_m - R_f$);

R_s: Specific risk yield (business scale rate of excess return).

(IV) Valuation procedures

1. Forecast on future revenue

(1) Forecast on sales revenue

The primary business revenue of Shanghai ANE mainly consists of transportation revenue, delivery revenue and value-added service revenue, which is mainly affected by the weight of goods received by the enterprise and the unit price of different products in the year.

Through the interviews with the management of the enterprise conducted by the valuers, the enterprise has optimized its sorting centers to reduce the frequency of transit and expanded sources of goods through the establishment of cooperation channels with secondary freight partners and agents and larger platforms, such as Pinduoduo, based on business needs. The transportation volume of the expanded business achieved steady growth. It is expected that the volume of cargoes to be received in the detailed forecast period will gradually increase and stabilize in general, and the volume of cargoes received in the second half of 2023 is determined based on the financial budget of Shanghai ANE for 2023. The unit price of products will fluctuate slightly in the future but the fluctuation will be insignificant. The unit price of products in the future will be determined based on the average level from

2021 to the first half of 2023. The CAGR of the cargoes to be received and the sales revenue from 2023 to 2028 will be 7.38% and 6.86%, respectively. The trend of changes in the volume of cargoes to be received and the revenue from 2024 to 2028 is set out as follows:

Time	**2024**	**2025**	**2026**	**2027**	**2028**
Growth rate of cargoes to be received	10.00%	8.00%	8.00%	6.00%	5.00%
Growth rate of revenue	7.35%	8.00%	8.00%	6.00%	5.00%

(2) Forecast on operation costs

Shanghai ANE's primary business costs mainly consist of delivery business costs, value-added business costs, transportation costs and sorting costs, of which the gross profit margin of the delivery business and the value-added business were relatively stable in the historical years. The cost for the detailed forecast period is predicted based on the historical average gross profit margin. For the transportation business, the enterprise will optimize the sorting centres, reduce the frequency of vehicle transit, mainly adopt self-operated vehicles of related parties in transportation and increase the load to reduce transportation costs in the future. As sorting centres are common venues used by the express freight business, it is impossible to accurately allocate the cost of sorting centres to different businesses. As a result, the costs of sorting centres were not considered in the analysis on gross profit. Sorting costs mainly consist of labor costs and building rental costs. Labor costs are determined based on an increase of 5% in the per capita cost and the staff recruitment plan of Shanghai ANE, while building rental costs are allocated based on the corresponding accounting policy for right-of-use assets. The proportions of all primary business costs in the revenue of Shanghai ANE in the detailed forecast period are set out as follows:

Time	**July to December 2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Transportation costs	37.89%	39.41%	38.40%	37.23%	35.64%	35.20%
Value-added business costs	3.37%	3.37%	3.37%	3.37%	3.37%	3.37%
Delivery costs	22.62%	22.62%	22.62%	22.62%	22.62%	22.62%
Costs of sorting centres	21.48%	21.83%	21.32%	20.86%	20.52%	20.30%

Based on the forecast with the above approach, the CAGR of operating costs is 5.56% from 2023 to 2028, while the detailed trend of changes in operating costs from 2024 to 2028 is set out as follows:

Time	**2024**	**2025**	**2026**	**2027**	**2028**
Growth rate of operating costs	8.09%	6.13%	5.94%	3.56%	4.16%

The comprehensive gross profit margin for the detailed forecast period is as follows:

Time	**July to December 2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Comprehensive gross profit margin	14.64%	12.78%	14.28%	15.92%	17.85%	18.51%

(3) Forecast on expenses

Shanghai ANE's fees include sales expenses, administrative expenses and R&D expenses. They are further classified into fixed expenses and variable expenses. Fixed expenses mainly consist of depreciation and amortization, which are allocated in accordance with accounting policies. Variable expenses mainly consist of staff salaries, bonuses, five social insurances and one housing fund as well as travelling expenses. Labor costs are determined based on an increase of 5% in the per capita cost and the staff recruitment plan of Shanghai ANE. Business entertainment expenses, travelling expenses and other expenses related to revenue are forecasted based on the proportions in previous years. The expenses in the second half of 2023 are determined based on the financial budget of Shanghai ANE for 2023. The proportions of the fixed expenses and variable expenses of Shanghai ANE from 2024 to 2028 are set out as follows:

Time	**July to December 2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Proportion of fixed expenses in revenue	3.87%	4.86%	4.91%	4.92%	5.01%	5.15%
Proportion of variable expenses in revenue	1.52%	1.61%	1.46%	1.20%	1.16%	1.16%

The CAGR of expenses from 2023 to 2028 is 7.11%, while the detailed trend of changes in expenses from 2024 to 2028 is set out as follows:

Time	2024	2025	2026	2027	2028
Growth rate of expenses	11.55%	6.27%	3.76%	6.83%	7.29%

(4) Income tax expenses

The forecast is made by Shanghai ANE based on an income tax rate of 25.00% on the valuation base date.

(5) Forecast on capital expenses

Based on the assumptions in the valuation, capital expenses are expenses on fixed assets, intangible assets, long-term amortized expenses and the renewal of right-of-use assets as well as expenses on addition of new equipment, which are required to safeguarding the production and operation capacity of the enterprise. After the analysis on the composition and type, the time of use, the status of use and the cycle of renewal of fixed assets of the subject under valuation and based on the discount rate in the valuation, the expenses on the annual renewal of fixed assets are forecasted after annuitized treatment. Capital expenses of the subject under valuation in the following years are forecasted as follows:

Unit: RMB'000

Item	July to December 2023	2024	2025	2026	2027	2028	Perpetual period
	Amount	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*
Capital expenses	394,282.36	697,134.19	536,910.52	791,084.56	628,861.52	426,535.31	698,100.94
Total	394,282.36	697,134.19	536,910.52	791,084.56	628,861.52	426,535.31	698,100.94

(6) Depreciation and amortization

Factors considered in the forecast on the depreciation of fixed assets are as follows: Firstly, the investment plans on fixed assets and right-of-use assets in the following forecast years (new fixed assets resulting from capital expenses in the following forecast years); Secondly, annual depreciation of fixed assets and right-of-use assets resulting from the renewal of existing fixed assets and right-of-use assets to be assumed and depreciation to be provided on fixed assets and right-of-use assets resulting from future investments. It is expected that depreciation of new fixed assets and right-of-use assets added in the corresponding year be provided from the following year. Amortization expenses mainly consist of the amortization of intangible assets and long-term amortized expenses. Factors considered in the forecast are: firstly, the renewal of intangible assets and long-term amortized expenses; and secondly, the amortization policy of intangible assets and long-term amortized expenses. The forecast is set out as follows:

Unit: RMB'000

Item	**July to December 2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Perpetual period**
	Amount	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*
Depreciation and amortization	347,008.84	685,951.12	676,441.73	653,410.02	646,082.44	647,633.26	671,807.10
Total	347,008.84	685,951.12	676,441.73	653,410.02	646,082.44	647,633.26	671,807.10

(7) Forecast on additional amount of working capital

For the forecast on working capital (net increase in working capital), it estimates the reasonable working capital based on the characteristics of the operation of the project, the annual cost paid in cash and the turnover of capitals. The forecast is set out as follows:

Unit: RMB'000

Item	**July to December 2023**	**2024**	**2025**	**2026**	**2027**	**2028**
	Amount	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*
Additional amount of working capital	23,424.83	-62,127.94	-41,200.24	-41,224.38	-21,663.57	-32,471.21
Total	23,424.83	-62,127.94	-41,200.24	-41,224.38	-21,663.57	-32,471.21

2. Determination of the discount rate

The discount rate, also known as the expected rate of return on investment, is an important parameter used in the valuation adopting the income approach. The estimation on the discount rate adopted in the valuation is to comprehensively estimate the cost of equity capitals by using the Capital Asset Pricing Model or the CAPM on the basis of considering the interest rate, the return rate of market investments, the specific risk return rate (including the business scale rate of excess return) of the company and other risk factors of the subject under valuation on the valuation base date, comprehensively estimate the equity return rate of the subject under valuation with reference to the capital structure and other factors of comparable companies and comprehensively estimate the Weighted Average Cost of Capital or the WACC, which is used as the discount rate of the net free cash flow of all capitals of the subject under valuation. The calculation procedures and formula are as follows:

The calculation formula of the cost of equity capital under the pricing model of capital assets is as follows:

CAPM or $R_e = R_f + \beta\ (R_m - R_f) + R_c$
$= R_f + \beta \times ERP + R_c$

Where, R_e: Cost of equity capital;

R_f: Risk-free yield;

β: Beta coefficient;

R_m: Average capital market yield;

ERP: Market risk premium $(R_m - R_f)$;

R_c: Specific risk yield.

The calculation formula of the weighted average cost of capital (WACC) is as follows:

$WACC = E/(D + E) \times R_e + D/(D + E)\times(1 - t) \times R_d$
$= 1/(D/E + 1) \times R_e + D/E/(D/E + 1)\times(1 - t) \times R_d$

Where, WACC: weighted average cost of capital;

D: Market value of debts;

E: Market capitalization of equity;

R_e: Cost of equity capital;

R_d: Cost of debt capital;

D/E: Capital structure;

t: Enterprise income tax.

I. Estimation of risk-free yield

It is generally recognized that the return on treasury bonds is risk-free because the risk of non-redemption of treasury bonds upon maturity is insignificant that it can be ignored. Therefore, it is a common practice in the valuation industry to regard the holding return rate of treasury bonds as the risk-free yield. Considering that equity investment is generally not a short-term investment, we have selected treasury bonds with a remaining maturity of more than 10 years from the valuation base date to the "maturity date of treasury bonds" in the PRC bond market as the sample for estimating the yield of treasury bonds upon maturity. It is calculated that the yield of treasury bonds with a remaining maturity of more than 10 years from 30 June 2023 is 3.8715%, which is used as the risk-free yield in the valuation.

II. Estimation of the average capital market yield and market risk premium ERP

Investment return in the equity market is a typical representation of return in the capital market. Risk-return in the equity market is the excess of risk-free return that an investor expects from investing in the equity market and can also be considered a typical representation of market risk premium. The correct estimation of risk-return in the equity market has been the subject of research by many stock analysts. For example, a study by Ibbotson Associates (https://precisionecon.com/wp-content/uploads/2020/08/Business-Valuation-Review-Using-Average-Historical-Data-for-Risk-Premium-Estimates-Arithmetic-Mean-Geometric-Mean-or-Something-Else.pdf) in the U.S. found that from 1926 to 1997, the average annual compound rate of return on equity investments in large corporations was 11.0%, exceeding the long-term treasury bond yields (approximately 5.8%); the geometric mean of this difference is considered by the industry as the risk-return ERP for equity investments in mature markets.

With reference to the idea of ERP estimation by the relevant U.S. institution, we estimate the investment return and risk-return ERP (hereinafter referred to as ERP) of the equity market in China as follows:

① Index selected to measure the ERP of the equity market: In order to estimate the investment return in the equity market, firstly, it is necessary to determine the index that measures the volatility and change in equity market. Currently, there are many indices in Shanghai market and in Shenzhen market, but the index we selected should be the one that can best reflect the changes of mainstream stocks in the market. With reference to the idea and experience of the S&P 500 Index selected by the relevant U.S. institution to estimate the ERP of the U.S. equity market, we selected CSI 300 as the index to measure the ERP of the equity market in China.

② Index period selected: As we all know, equity market in China started in the early 1990s. It developed rapidly in the first few years but was not regulated enough until 1996 when it gradually became formalized. Considering the above, to measure the ERP of the equity market in China, we calculated the period starting from 1998, which means, the period selected for the index is between 1 January 1998 and 31 December 2022.

③ Access to index components and the information: The constituent stocks of CSI 300 index change every year, so we use the constituent stocks of CSI 300 index as at the end of each year in our estimation. For the years 1999 to 2003 before the launch of CSI 300 Index, we use the extrapolation method to extrapolate its relevant information, which means that, we use the constituent stocks of CSI 300 Index as at the end of 2004 to extrapolate the data in years 1999 to 2003, which also means that, we assume that the constituent stocks from 1997 to 2003 are the same as those at the end of 2004. With respect to the collection of relevant data, in order to simplify the measurement process in the ERP measurement for this valuation, we use the information system of Hithink RoyalFlush to select the year-end closing prices of the constituent stocks as at the end of each year as the fundamental data for the measurement. Since the earnings of the constituent stocks should include earnings generated from annual dividends, dividend payout and bonus shares, the year-end closing prices of the constituent stocks we selected is the compounded year-end closing price that includes earnings generated from annual dividends, dividend payout and bonus shares, to fully reflect the earnings profile of each constituent stock for each year.

④ The market average rate of return is calculated using the long-term geometric average rate of return

Assuming that the geometric average rate of return from year 1 to year i be C_i, then:

$$C_i = \sqrt[(i)]{\frac{P_i}{P_0}} - 1 \quad (i=1,2,3,\ldots\ldots)$$

Where: P_i is the closing price as at the end of year i (compounded)

P_0 is the closing price as at the end of the base period 1997 (compounded)

Based on the principle of investment risk diversification, the calculated investment return of the geometric average of all constituent stocks of CSI 300 for each year is simply averaged to obtain the reference value of the capital market investment return for the year of calculation.

⑤ Estimation of risk-free yield R_{fi} as at the end of each year of the calculation period: In order to estimate the ERP for each year, it is necessary to estimate the risk-free yield R_{fi} as at the end of each year of the calculation period. In this valuation, we use the yield to maturity rate (Yield to Maturate Rate) of treasury bonds as the risk-free yield; the selection criteria for the sample are the treasury bonds with remaining maturity of more than 10 years as at the end of each year, and finally the average of the yield to maturity of all selected treasury bonds is used as the risk-free yield R_{fi} at the end of each year.

⑥ Estimation conclusion:

Based on the calculation and analysis with the above estimation model and concept and after comprehensively considering the forecasted return period and other factors of the project, the expected market risk premium (ERP) of the project is determined to be 6.58%.

III. Estimation of Beta coefficient

As the subject under valuation is not a listed company, it is impossible to calculate its beta coefficient directly. As a result, the method we adopted is to identify listed companies that are comparable or similar to the subject under valuation in terms of the scope of their principal businesses, operating results and asset sizes and estimate the Beta coefficient of the subject under valuation through the estimation and comparison of the Beta coefficient of comparable companies. The estimation steps are as follows:

① Selection of comparable companies: Calculation of the Beta coefficients of comparable companies with financial leverage effect and their average values

The principles for the selection of reference enterprises are as follows:

Reference enterprises only issued RMB-denominated A shares;

The principal businesses of reference enterprises are similar or approximate to the principal business of the subject under valuation;

The stocks of reference enterprises have been listed for more than 3 years as at the valuation base date;

The scales of operation of reference enterprise are as close as possible to that of the subject under valuation;

The stages of operation of reference enterprise are similar or approximate to that of the subject under valuation as much as possible.

We have selected the following three listed companies which form an exhaustive and representative list of companies as reference enterprises based on the above criteria:

Valuation base date		**30 June 2023**	
Date of the latest financial report	**30 June 2023**	**30 June 2023**	**30 June 2023**
Sector	CSI 300	CSI 300	CSI 300
Stock code	002352.SZ	603056.SH	002120.SZ
Stock name	S.F. Holding	Deppon	Yunda Holding
Industry	Transportation, warehousing and postal industry–Postal industry	Transportation, warehousing and postal industry–Postal industry	Transportation, warehousing and postal industry–Postal industry
Date of establishment	2003-05-22	2009-08-06	1996-04-05
Listing date	2010-02-05	2018-01-16	2007-03-06

② Estimation of the BETA value

Currently, there is no institution specially engaged in the research and regular publication of the BETA value in China. The data system of the iFinD financial data terminal provides a calculator for the BETA value of listed companies. With the CSI 300 index as the measurement standard, one week as the calculation cycle, 105 weeks before the valuation base date as the time range for calculation and the ordinary return rate as the calculation of the return rate, we calculated the BETA value of all comparable companies without the coefficient of financial leverage after excluding the effects of the financial leverage through the calculator. We also conducted the T value verification on the BETA value of the above three companies and passed the verification. The calculation results showed that the average BETA coefficient of the above three comparable companies after the factor of the capital structure is 0.7291.

③ Estimation of the target capital structure of the subject under valuation

A. Capital structure of reference enterprises

As the time range for the calculation of the BETA coefficient is 153 weeks before the valuation base date, we calculated the financial leverage coefficient (D_i/E_i) of reference companies based on the data in the latest consolidated financial statements as at the valuation base date and calculate their average values.

The calculation results showed the D_i/E_i of S.F. Holding, Deppon and Yunda Holding is 25.8207%, 15.9897% and 43.3893%, respectively. The average of the D/E value of three reference enterprises was 28.3999%.

B. Capital structure of the subject under valuation

The capital structure of reference listed companies in the same industry is adopted as the "target capital structure" of the subject under valuation.

Namely, D/E = 28.3999%.

Then, the BETA of the subject under valuation with financial leverage = Average BETA value of comparable companies after deducting the capital structure factor × (1 + D/E × (1 – Income tax rate)) = 0.7291 × (1 + 28.3999% × (1 – 25%)) = 0.8844

C. Estimation of the specific risk yield (business scale rate of excess return) R_c of the subject under valuation

Specific risk yield includes the scale rate of excess return and the yield rate of other specific risks. Currently, the influence of the scale factor is more often considered internationally. The smaller size of assets means the relatively higher investment risks and vice versa, the bigger size of assets means the relatively lower investment risks. The relationship between corporate asset size and investment risk is widely accepted by investors. In addition, specific risks are also related to other factors that are particular to the asset holder, such as a relatively single channel of distribution, the reliance on specific suppliers or a small range of product offerings.

In estimating the specific risk yield of the property holder in the valuation, it estimated the scale rate of excess return and the yield rate of other specific risks. The model of the specific risk yield (risk on scale of excess return) is based on the relationship between the scale and return rate of total assets and the scale rate of excess return. For the scale rate of excess return, the domestic valuation industry, with reference to the concept of international studies, conducted analysis and research on the data of over 1,000 listed companies on the Shanghai and Shenzhen Stock Exchanges for years and adopted the linear-regression analysis to arrive the regression equation between the business scale rate of excess return and the scale and return rate of total assets as follows:

$$Rs=3.73\% - 0.717\% \times Ln(S) - 0.267\% \times ROA$$

Where, Rs: rate of excess return on specific risks of the company; (when $Rs \geq 3\%$, the Rs of 3% is adopted)

S: Carrying value of total assets of the company (calculated in RMB100 million);

ROA: Return rate of total assets;

Ln: Natural logarithm.

According to the conclusion above, the carrying value of total assets of the subject under valuation of RMB4.33 billion and the return rate of total assets of the subject under valuation calculated based on the total assets of 4.17% are substituted to the above regression equation to calculate the excess return on scale of the subject under valuation to be 1.02%.

For the return rate of other special risks, there is no quantitative estimation model in China. It generally adopts qualitative analysis in estimation and factors considered include: 1) specific risk on excessively high concentration of customers; 2) specific risk on single products; 3) specific risk on excessively high concentration of market; 4) specific risk on managers; and 5) other risks.

In summary, the adjustment coefficient of specific risks of the enterprise is determined to be 3%.

IV. Estimation of cost of equity capital of the subject under valuation (equity yield rate)

Equity yield rate = Risk-free yield + Excess risk yield ($R_m - R_f$) × BETA of the subject under valuation with financial leverage + Specific excess risk yield of specific risks of the company (R_c)

= 3.8715% + 6.5800% × 0.8844 + 3.00%
= 12.69%

V. Estimation of return on debentures

The estimation of the return on debentures currently adopts the interest rate of bank loans. The average of the one-year and five-year loan prime rates (LPR) announced by National Interbank Funding Center on the valuation base date is 3.875%.

VI. Estimation of the weighted average cost of capital (WACC)

According to the Practice Standards on Asset Valuation–Corporate Value,

Weighted average cost of capital (WACC) = Equity return rate × Equity proportion + Debenture return rate × Debenture proportion × (1-Income tax rate)

= 12.69% × 77.88% + 3.875% × 22.12% × (1 – 25%)

= 10.53%

(Relevant data and information of the above comparable companies are sourced from the website of Hithink RoyalFlush)

3. *Estimation of the present value of corporate free cash flows*

Unit:RMB'000

Item/Year	July to December 2023	2024	2025	2026	2027	2028	Perpetual period
Corporate free cash flows	**317,832.35**	**575,203.16**	**886,982.29**	**843,509.89**	**1,222,833.07**	**1,551,488.76**	**1,271,625.75**
Discount rate	10.53%	10.53%	10.53%	10.53%	10.53%	10.53%	10.53%
Year	0.25	1.00	2.00	3.00	4.00	5.00	
Discount factor	0.98	0.90	0.82	0.74	0.67	0.61	5.79
Discount value	311,475.70	517,682.85	727,325.48	624,197.32	819,298.16	946,408.15	7,362,713.12
Accumulative cash flow present value				**11,309,100.77**			

4. *Estimation of the values of non-operating assets, liabilities and surplus assets*

(1) Analysis on non-operating assets and surplus assets

① Non-operating assets

With other current assets, deferred income tax assets and other receivables included, total non-operating assets amounted to RMB2,622,864.64 thousand.

② Surplus assets

After deducting the funds required for the normal operation of enterprise, the surplus currency funds amounted to approximately RMB467,755.36 thousand.

(2) Analysis on non-operating liabilities and surplus liabilities

① Non-operating liabilities

This includes other payable of RMB46,066.96 thousand and expected liabilities of RMB4,996.93 thousand.

② Surplus liabilities

According to the inspection analysis, the subject under valuation had no surplus liabilities on the valuation base date.

Based on the above analysis, it is determined through the valuation that its non-operating liabilities and surplus liabilities totaled RMB51,063.89 thousand.

(3) Analysis on the interest-bearing debts

With short-term borrowings, long-term borrowings and lease liabilities included, total interest-bearing debts amounted to RMB2,189,040.99 thousand.

5. Estimation of the value of all shareholders' interests

Value of all shareholders' interests = present value of free cash flows + values of non-operating assets and surplus assets – non-operating liabilities – value of interest-bearing debts – minority interests

= (RMB11,309,100.77 thousand + RMB2,622,864.64 thousand + RMB467,755.36 thousand – RMB51,063.89 thousand – RMB2,189,040.99 thousand) × (1 – RMB1,811.53 thousand/RMB1,115,564.36 thousand)

= RMB12,139,870.22 thousand

As of the valuation base date of June 30, 2023, the amount of minority equity (the value of minority interests in a non-wholly owned subsidiary of Shanghai Anneng Juchuang Supply Chain Management co, Ltd.) in the unaudited consolidated balance sheet of Shanghai Anneng Juchuang Supply Chain Management co, Ltd. is RMB1,811.53 thousand, and the total equity is RMB1,115,564.36 thousand.

The estimated market value of all shareholders' interests in Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. as at the valuation base date using the income approach was RMB12,139,870.22 thousand.

IX. IMPLEMENTATION PROCESS OF THE VALUATION PROCEDURES AND THE STATUS

After accepting the engagement, we arranged professional valuers to learn about the basic information on the valuation, prepared work plans on the valuation, deployed and assisted in the asset inspection by the subject under valuation. Subsequently, the valuation team entered the subject under valuation, carried out on-site inspections on the subject under valuation and its assets and liabilities, collected and analyzed all materials required for valuation, selected the valuation method and determined the valuation model, thereby estimating the value of the subject under valuation. The valuation is carried in the following five stages from accepting the engagement on the valuation to issuing the valuation report:

(I) Stage of negotiations on valuation and acceptance of engagement

After performing preliminary work procedures such as negotiations and risk evaluation on valuation and deciding to accept the engagement, we conducted sufficient communications with the client, understood basic information about the valuation, including the purpose of the valuation, the subject under valuation and the scope of valuation and the valuation base date, formulated the work plan on valuation and the valuation plan, and entered into the Engagement Contract on Valuation with the client.

(II) Stage of on-site inspections and collection of materials

Major work in this stage includes: submitting the List of Materials to Be Provided for the Valuation; providing guidance on asset inspection and preparation of valuation materials by the subject under valuation; collecting and verifying valuation materials; due diligence interviews, on-site asset inspection and verification of valuation materials, market surveys and the collection of market information and relevant materials.

1. Submitting the List of Materials to Be Provided for the Valuation

Based on the characteristics of the assets under valuation, we submitted the targeted List of Materials to Be Provided for the Valuation and the Valuation Declaration Breakdowns and required the client and the subject under valuation to actively carry out the preparation of materials for the valuation.

2. Providing guidance on asset inspection and preparation of valuation materials by the subject under valuation

Through liaison with relevant staff of the client and the subject under valuation, we arranged and guided them to fill in the Valuation Declaration Breakdowns and prepare relevant materials required for the valuation based on the requirements of the valuation.

3. Collecting and verifying materials provided by the client and the subject under valuation

We verified and checked the materials provided by the client and the subject under valuation and assisted them in solving the problems identified.

4. On-site surveys and key inspections

We conducted comprehensive (or sample) verification on the assets involved, carried out detailed surveys on important assets and prepared the Working Papers of On-site Surveys.

5. Due diligence interviews

Based on the specific conditions of the subject under valuation and the materials provided by the client and the subject under valuation, we reached consensus on the understanding of matters related to the subject under valuation as well as the history and future development trends of the subject under valuation and the industry where it operates through discussions, symposiums and telephone interviews with the governance, management and technology staff of the subject under valuation.

6. Market surveys and collection of market information and relevant materials

On the basis of the collection of materials provided by the client and the subject under valuation according to the List of Materials to Be Provided for the Valuation, we further collected market, industry, macro and regional information to meet the demand for appraisal and valuation.

(III) Stage of appraisal and estimation

Major working contents in this stage are:

1. Selecting the valuation method and model

Based on the actual conditions and specific characteristics of the subject under valuation and the collection of materials, we determined the valuation method and the specific valuation model selected.

2. Appraisal and valuation

Based on the valuation method and the specific model selected, we reasonably determined the valuation parameters required under the valuation model, calculated the preliminary valuation result of the subject under valuation and formed the working papers of valuation.

(IV) Stage of summarizing valuation result and preparing preliminary valuation report

We analyzed and summarized the preliminary valuation result, conducted necessary adjustment, correction and improvement of the valuation result and determined the preliminary summarized valuation result. We also drafted the preliminary valuation report and submitted it with the working papers of valuation to the company for internal review.

(V) Issuing the valuation report

For the valuation report after the internal review of the company and on the condition of not affecting the independent judgment on the valuation conclusion, it conducted communications with the client or other relevant parties approved by the client on relevant contents of the valuation report, carried out independent analysis on the communications and decided on whether to make adjustments to the valuation report according to our quality control systems and procedures. After modifying and improving the valuation report on contents to be adjusted, we submitted the formal valuation report to the client according to our systems and procedures on issuing business reports.

VII. VALUATION ASSUMPTIONS

(I) 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 noncompulsory 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 the subsisting status of the subject under valuation, but also sets the market conditions or market environment faced by the subject under valuation.

(II) General condition assumptions

1. It is assumed that the current relevant laws and regulations, industry policies, sector 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.

(III) Special condition 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.

(IV) Impacts of the aforementioned valuation assumptions on the valuation result

The aforementioned assumptions determine the conditions for using the assets of the subject under valuation and market conditions, and have a relatively material impact on the valuation. However, the above valuation assumptions are difficult to quantify into specific parameters and it is not possible to quantitatively estimate the impact of changes in the above valuation assumptions on the valuation, and therefore sensitivity analyses cannot be performed. Assumptions are adopted to determine the impacts that are difficult to quantify of certain uncertainties on the income, costs, expenses and operation of the subject under valuation. According to the requirements on valuation, the professional valuers have assumed that these assumptions are valid and reasonable on the valuation base date. We and our professional valuers will not assume the liabilities for different valuation results to be inferred due to the change in the aforesaid assumptions in the event that there is material change in the future economic environment. The valuation conclusion will become invalid in the event that there is material change in the future economic environment or the aforesaid valuation assumptions are no longer fully sustained.

IX. VALUATION RESULT

After estimation and on the condition that the assumptions under the valuation are satisfied, the valuation result of the market value of all shareholders' interests of Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. on the valuation base date is RMB12,139,870,220 (in word: RMB twelve billion one hundred thirty-nine million eight hundred seventy thousand two hundred and twenty only).

X. NOTES ON SPECIAL MATTERS

1. The valuation conclusion only reflects the [market value] of the asset under valuation on the valuation base date.

2. The "estimated value" in this report refers to the market value of the asset under valuation determined in the open market principle on the conditions that the current use of the asset under valuation remains unchanged and it will continue to be used and under the external economic environment on the valuation base date. It does not consider the impacts of existing or potential mortgage and guarantee matters, as well as the special transaction method with possible additional price on the estimated value. Meanwhile, this report did not consider the impacts of major changes in national macroeconomic policies as well as natural force and force majeure on the asset value.

3. For the scope of this valuation and the data, statements and relevant materials (which are provided by the subject under valuation) used in this valuation, the client and other relevant parties are responsible for the truthfulness, completeness and legality of the materials provided by them. The relevant documentary proof of ownership and related information involved in the valuation report shall be provided by the subject under valuation, and the subject under valuation shall assume legal responsibility for their truthfulness, legality and completeness. We and our professional valuers have paid necessary attention to the legal ownership of the subject under valuation and inspected and verified the information used in the valuation in accordance with the law. However, we only express our opinion on the value of the subject under valuation and we are not entitled to provide assurance of any form for their legal ownership. This report shall not be used as title certificate of any form.

4. The profit forecast, which is prepared by the subject under valuation (/the client and other relevant parties) and obtained by the valuers, is the basis of the income approach used in this valuation report. The valuers conducted necessary surveys, analysis and judgments on the profit forecast provide by it and carried out discussions and communications with the management of the subject under valuation. After being adjusted and improved by the subject under valuation, we accepted relevant data and major assumptions in the profit forecast on the subject under valuation. The profit forecast itself is the estimation and judgment on the most possible future operating results based on the market environment and the elements for the operation of the enterprise on the base date. The valuers' prudent use of the profit forecast of the subject under valuation is not a guarantee for the future profitability of the subject under valuation. In case of any changes to the market environment and the operation of the enterprise, it may result in differences between the actual operation and the profit forecast, thereby affecting the conclusion in the valuation report. Users of the report are advised to pay attention in the use of the valuation report.

5. The purpose of the valuation is for transaction of the equity interests. Unless stated otherwise, we did not consider any restrictions that may affect their value, including the expenses and taxation to be assumed by relevant parties, in the transaction of equity interests under valuation when estimating the value of shareholders' interests. Taxation matters (such as corporate or individual income tax) related to the transaction of equity interests shall be handled by state taxation authorities in accordance with the law. Based on customary practices, the transaction of equity interests is an economic activity between shareholders and no adjustment of accounts of the subject under valuation is involved generally. As a result, we did not make any tax provisions for the increase or decrease in the corporate value arising from the revaluation in the valuation conclusion of this report.

6. As at the valuation base date, the registered capital of certain companies within the scope of consolidation of the subject under valuation has not been paid up. Details of companies involved are set out as follows:

Company name	Legal representative	Registered capital	Proportion of contribution (%)	Date of establishment	Payment of paid-up capitals
Anneng Juchuang Supply Chain Management (Wuxi) Co., Ltd.	Li Guojiao	RMB1,000,000	100.00	2022-08-05	Not paid up
Shenzhen Fuzhilin Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-08-03	Not paid up
Shenzhen Eluda Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-08-02	Not paid up
Shenzhen Quanshitong Freight Consulting Co., Ltd.	Jin Yun	RMB500,000	100.00	2018-07-19	Not paid up
Anneng Juchuang Supply Chain Management (Suining) Co., Ltd.	Zhang Yan	RMB5,000,000	100.00	2023-05-30	Not paid up
Shanghai Anneng Juchuang Xinchuangyi Supply Chain Management Co., Ltd.	Qin Xinghua	RMB1,000,000	100.00	2021-03-30	Not paid up
Shanghai Anneng Juchuang Logistics Technology Co., Ltd.	Qin Xinghua	RMB31,000,000	100.00	2021-01-29	RMB3,000,000 paid up
Jurong Dingchu Storage and Transportation Co., Ltd.	Tang Siying	RMB100,000,000	93.80	2017-05-03	RMB74,600,000 paid up

The valuation conclusion is based on the paid-up capital on the valuation base date without taking into account the impacts of the availability of the above capitals on the valuation base date. Users of the report are advised to pay attention to the possible impacts of relevant matters on the valuation conclusion.

7. Pledges and guarantees for borrowings of the subject under valuation

As at the valuation base date, the guarantees for the borrowings of the subject under valuation are as follows:

Loan borrower	Balance of borrowings	Interest rate of borrowings	Commencement date	Termination date	Guarantee/pledge	Amount of guarantee	Loan contract No.	Pledge/mortgage contract No.
Hangzhou United Rural Commercial Bank	73,395,479.68	5.480%	2022.7.20	2037.06.09	House mortgage	/	Enterprise House Purchase Credit 2021-001	Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033750, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033667, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033730, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033769, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033758, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033761, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033766, Hang Lian Yin (Xiaoshan) Qi Fang Dan Jie Zi No. 8011120220033767
Zheshang Bank	20,000,000.00	3.300%	2022.7.5	2023.7.6	Changshan Giant Truck Supply Chain Management Co., Ltd.	110,000,000.00	(20000000) Zhe Shang Shang Cheng Bao Zi (2022) No. 12085	(20000000) Zhe Shang Yin Gao Bao Zi (2022) No. 02076
China Merchants Bank	50,000,000.00	3.000%	2022.9.7	2023.9.7	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097

Loan borrower	Balance of borrowings	Interest rate of borrowings	Commencement date	Termination date	Guarantee/pledge	Amount of guarantee	Loan contract No.	Pledge/mortgage contract No.
China Merchants Bank	50,000,000.00	3.000%	2022.10.13	2023.10.13	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097
China Merchants Bank	50,000,000.00	2.850%	2022.12.9	2023.12.6	Changshan Giant Truck Supply Chain Management Co., Ltd.	300,000,000.00	121XY2022018097	121XY2022018097
Nanyang Commercial Bank	50,000,000.00	2.400%	2023.1.9	2024.01.04	Changshan Giant Truck Supply Chain Management Co., Ltd., ANE (CAYMAN) INC.	100,000,000.00	BC2022122000000005	GC2022111000000044/ GC2022111000000043
Bank of China	50,000,000.00	2.850%	2023.3.23	2024.3.22	Changshan Giant Truck Supply Chain Management Co., Ltd.	100,000,000.00	2023 Hu Pu Zhong Jie Zi No. ANJC01	2023 Hu Pu Zhong Bao Zi No. ANJC01
Nanyang Commercial Bank	50,000,000.00	2.650%	2023.06.05	2024.05.31	Changshan Giant Truck Supply Chain Management Co., Ltd., ANE (CAYMAN) INC.	100,000,000.00	BC2022122000000005	GC2022111000000044/ GC2022111000000043
China CITIC Bank	50,000,000.00	2.260%	2023.06.27	2024.03.25	Changshan Giant Truck Supply Chain Management Co., Ltd., Changshan Zhongyu Transportation Supply Chain Management Co., Ltd.	100,000,000.00	[2023 Hu Yin Guo Nei Zheng Zi No. 731431230006]	[2023 Hu Yin Zui Bao No. 731431230006]/[2023 Hu Yin Zui Bao No. 731431230007]

Guarantees of the subject under valuation provided to related parties on the valuation base date:

Guarantor	Contract No.	Lessor (creditor)	Lessee (debtor)	Mode of guarantee	Limit of guarantee (balance)	Maturity of borrowings	Term of guarantee
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Su Yin (2022) Bao Zheng Zi No. 0512-2	Suyin Financial Leasing Co., Ltd.	Changshan Zhongrun Supply Chain Management Co., Ltd.	Joint liability guarantee	158,777,437.00	August 2025	May 27, 2022 to August 27, 2025
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	331266 Zhe Shang Yin Gao Bao Zi (2020) No. 00529	China Zheshang Bank Co., Ltd. Hangzhou Branch	Changshan Zhongyu Transportation Supply Chain Management Co., Ltd.	Joint liability guarantee	100,000,000.00	March 2024	Two years from the expiry of the performance period of the debt
Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	No.: LA02003117G2	CIMC Capital Ltd.	Changshan Giant Truck Supply Chain Management Co., Ltd.	Joint liability guarantee	12,597,458.00	August 2023	Three years from the expiry of the performance period of the debt

The valuation conclusion does not consider the impacts of overdue borrowings, guarantees or pledges on the valuation. Users of the report are advised to pay attention to the possible impacts of relevant matters on the valuation conclusion.

8. Pending matters, legal disputes and other uncertainties

The pending lawsuits of the subject under valuation as at the valuation base date are as follows. The company has made provision for estimated liabilities of RMB4,996,927.34 based on the progress of lawsuits and the actual conditions, which has been considered in the valuation. It provided an estimated compensation of RMB563,082.96 for pending lawsuits that have not been verdicted, details of which are set out in items 44 to 55 of the following table. As the company has not recognized estimated liabilities and the cases have not been ruled and are subject to uncertainties, it has not been considered in the valuation. Users of the report are advised to pay attention to the impacts on their economic activities.

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
1	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Shenzhen Link Gold Tec & Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Dongguan Shunxinda Express Co., Ltd.	Dongguan Third Primary People's Court, Dongguan Intermediate People's Court	(2022) Yue 1973 Min Chu No. 178 (2023) Yue 19 Min Zhong No. 2683	February 28, 2022	127,141.60	The first instance judgment given on October 18, 2022 was as follows: the defendant compensated the plaintiff for loss of goods of RMB81,225, for freight loss of RMB1,466.27, and for travel expense loss of RMB2,629.21, totaling RMB85,387.28. Pending the ruling of second instance	127,142.60
2	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Property damage and compensation dispute	Chongqing Boze Trading Co., Ltd.	Chongqing Yulu Tianxia Logistics Co., Ltd. Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., China United Property Insurance Company Limited Shijiazhuang Central Branch, Jiang Weili, Kai Dawei, Yutai Huatong Transportation Co., Ltd., Qiao Fei, Qiao Pengfei, Shijiazhuang Huirui Vehicles Transportation Co., Ltd.	People's Court of Jiulongpo District, Chongqing	(2022) Yu 0107 Min Chu No. 10709	June 28, 2022	400,000.00	The judgment given on February 23, 2023 was as follows: the defendant, China United Property Insurance Company Limited Shijiazhuang Central Branch, compensated the plaintiff for property losses of RMB280,000, and the defendants, Kai Dawei and Yutai Huatong Transportation Co., Ltd., jointly compensated the plaintiff for property losses of RMB120,000	400,000.00
3	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Property damage and compensation dispute	Yang Xiaobing	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Binhai New Area	(2022) Jin 0116 Min Chu No. 31582	September 29, 2022	25,812.00	Pending the ruling of first instance	25,812.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
4	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Suzhou Basion Photovoltaic Technology Co., Ltd.	Jiangsu Anneng Logistics Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Kunshan Primary People's Court, Jiangsu	(2022) Su 0585 Min Chu No. 15274	September 19, 2022	72,000.00	The first instance judgment given on March 13, 2023 was as follows: the defendant compensated the plaintiff for loss of goods of RMB53,600	53,600.00
5	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Shenzhen Bosscharm Environment Protection Equipment Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shenzhen Quancheng Anneng Logistics Co., Ltd., Li Yao	People's Court of Guangming District, Shenzhen, Guangdong	(2023) Yue 0311 Min Chu No. 807	March 7, 2023	624,903.00	Pending to hold another court session	624,903.00
6	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Tianjin Guoda Measurement and Control Technology Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2022) Jin 8601 Min Chu No. 2979 (2023) Hu 0118 Min Chu No. 16907	November 1, 2022	491,411.00	Pending to hold another court session	491,411.00
7	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Property damage and compensation dispute	Sichuan Aichance Technology Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Mianyang Hi-tech Zone, Sichuan	One of (2022) Chuan 0792 Min Chu No. 2504	August 12, 2022	486,920.00	The plaintiff's litigation was rejected	486,920.00
8	Liaoning Anrui Supply Chain Management Co., Ltd. (deregistered) (The present defendant is Shanghai Anrui Supply Chain Management Co., Ltd.)	Traffic accident liability dispute	Zhang Jie	Lv Yanlong, Liaoning Anrui Supply Chain Management Co., Ltd., Yongfeng Xiangbo Uploading and Unloading Services Co., Ltd.	People's Court of Tiexi District	(2022) Liao 0106 Min Chu No. 14740	September 24, 2021	27,452.39	Pending the ruling of first instance	27,452.39
9	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Goods transportation contract dispute	Wan Ruijie	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Tongzhou District, Beijing	(2023) Jing 0112 Min Chu No. 2439	December 13, 2022	10,000.00	On June 21, 2023, the judgment was as follows: the defendant compensated the plaintiff for property losses of RMB1,300	10,000.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
10	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Road goods transportation contract dispute	Wuhan Yishida Logistics Co., Ltd.	Hubei Zhongsheng Logistics Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Wuhan Railway Transportation Court	(2023) E 7101 Min Chu No. 11	November 17, 2022	175,207.66	Pending to hold another court session	175,207.66
11	Anneng Juchuang Supply Chain Management (Shenzhen) Co., Ltd.	Contract dispute	Dongguan Meigang Supply Chain Management Co., Ltd.	Anneng Juchuang Supply Chain Management (Shenzhen) Co., Ltd., Fan Bing	Yantian People's Court of Shenzhen, Guangdong	(2023) Yue 0308 Min Chu No. 208	October 16, 2022	43,064.80	Pending the ruling of first instance	43,064.80
12	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Ninghai Mingwen Metal Products Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Fenghua District, Ningbo	(2023) Zhe 0213 Min Chu No. 284	January 9, 2023	115,320.00	Pending the ruling of first instance	115,320.00
13	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Yao Wanjun,Gu Ming	Li Aijun, Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Lianchi District	(2023) Ji 0606 Min Chu No. 1478	September 20, 2022	5,210.00	Pending the ruling of first instance	5,210.00
14	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Goods transportation contract dispute	Zhu Fuhua	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Kunming Branch	Kunming Railway Transportation Court, Kunming Railway Intermediate Transportation Court	(2023) Yun 7101 Min Chu No. 85 (2023) Yun 71 Min Zhong No. 134	February 8, 2023	85,365.00	On April 26, 2023, the first instance judgment was as follows: the defendant compensated the plaintiff for losses of RMB85,365.00. Pending the ruling of second instance	85,365.00
15	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Health right dispute	Wang Jinmin	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Changzhou Branch, Changzhou Hospital of Traditional Chinese Medicine (a third party)	People's Court of Xinbei District, Changzhou, Jiangsu	(2023) Su 0411 Min Chu No. 2807	December 17, 2022	10,000 (to be confirmed)	Pending to hold a court session	10,000.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
16	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Guiyang Shengfu Construction Material Operation Department	Guizhou Zhenkai Logistics Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Guizhou Branch, Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Nanming District, Guiyang, Guizhou	(2022) Qian 0102 Min Chu No. 13851	March 10, 2023	90,000.00	Pending the ruling of first instance	90,000.00
17	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Yu Xueyan	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Yinzhou District, Ningbo	(2023) Zhe 0212 Min Chu No. 3925	January 3, 2023	2,000.00	Pending the ruling of first instance	2,000.00
18	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Goods transportation contract dispute	Dongtai Jiuyan Pigments and Chemical Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taizhou Branch	People's Court of Hailing District, Taizhou	(2023) Su 1202 Min Chu No. 1323	March 23, 2023	169,777.00	No judgment was given	147,807.00
19	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Franchising contract dispute	Zhejiang Zhezhong Logistics Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) Hu 0118 Min Chu No. 16525	March 20, 2023	23,351.17	Pending to hold a court session for first instance	23,351.17
20	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Zhuhai Invago Electronic Technology Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Xiangzhou District, Zhuhai, Guangdong	(2023) Yue 0402 Min Chu No. 4334	February 21, 2023	20,000.00	The judgment given on June 2, 2023 was as follows: the defendant paid the plaintiff for losses of goods of RMB20,000.00	20,000.00
21	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Anhui Yibo Water Pumps and Technology Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Yijiang District, Wuhu, Anhui	(2023) Wan 0203 Min Chu No. 2641	April 7, 2023	26,726.00	On July 7, 2023, the first instance judgment was as follows: the defendant compensated the plaintiff for losses of goods of RMB26,726.00	26,727.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
22	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Goods transportation contract dispute	Hubei Youxinghao Tea Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Huarong District, Ezhou	(2023) E 7101 Min Chu No. 199	April 25, 2023	37,282.00	Pending the ruling of first instance	37,283.00
23	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Shen Bimei	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Zhangzhou Intermediate People's Court	(2023) Min 0602 Min Chu No. 3547	April 13, 2023	4,375.00	The first instance judgment given on May 26, 2023 was as follows: the defendant compensated the plaintiff for losses of goods of RMB4,000.00, and refunded freight charges of RMB375.00	4,375.00
24	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Contract dispute on contracted management of the company	Chengdu Junengchuang Anneng Logistics, Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District	(2023) Hu 0118 Min Chu No. 14462	January 30, 2023	14,002.00	Pending the ruling of first instance	14,002.00
25	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Yao Yunfei	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Pilot Free Trade Zone, Tianjin	(2023) Jin 0319 Min Chu No. 13217	May 9, 2023	5,000.00	Pending to hold a court session for first instance	5,000.00
26	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Chen Min	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Rui'an, Zhejiang	(2023) Zhe 0381 Min Chu No. 3732	April 20, 2023	16,200.00	The first instance judgment given on June 12, 2023 was as follows: the defendant compensated the plaintiff, Chen Min, for loss of goods of RMB1,600.00. Pending to hold a court session for second instance	16,200.00
27	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Shi Yunfei	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Tianjin Branch, Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Jinghai District	(2023) Jin 0118 Min Chu No. 2319	March 31, 2023	3,000.00	Pending the ruling of first instance	3,000.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
28	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Wang Yaxian	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) 0118 Min Chu No. 18827	March 16, 2023	3,000.00	Pending to hold a court session	57,331.60
29	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Xu Yang	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) Hu 0118 Min Chu No. 19161	March 9, 2023	57,331.60	Pending to hold a court session	57,332.60
30	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Huang Wenjie	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) 0118 Min Chu No. 18847	March 9, 2023	64,939.60	Pending to hold a court session	64,940.60
31	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Liu Bo	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) Hu 0118 Min Chu No. 18840	March 9, 2023	60,996.39	Pending to hold a court session	60,997.39
32	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Lou Shuai	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) 0118 Min Chu No. 18841	March 9, 2023	80,934.53	Pending to hold a court session for first instance	80,935.53
33	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Contract dispute	Tianjin Jincheng Risheng Construction Materials Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Tianjin Branch	People's Court of Xiqing District, Tianjin	(2023) Jin 0111 Min Chu No. 5489	April 11, 2023	22,732.00	On June 29, 2023, the first instance judgment was as follows: the defendant compensated the plaintiff for losses of goods of RMB22,732.00	22,732.00
34	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Sun Lei	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Xincheng District, Xi'an, Shaanxi	(2023) Shaan 0102 Min Chu No. 6702	March 1, 2023	50,094.00	Pending a judgment	50,094.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
35	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Property damage and compensation dispute	Wuhan Xinkangxin Trading Co., Ltd.	Changsha Xiangpu Technology Development Co., Ltd., Hunan Rongda Pharmaceutical Logistics Co., Ltd., Changsha Guiqian Logistics Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shenzhe Yishi Huolala Technology Co., Ltd.	People's Court of Xiangyang District	(2023) Min Chu No. 1779	May 18, 2023	410,000.00	Pending to hold another court session	410,000.00
36	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Xiamen Qiaocheng Photovoltaic Technology Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Huli District, Xiamen, Fujian	(2023) Min 0206 Min Chu No. 5217	May 12, 2023	600,000.00	Pending the ruling of first instance	600,000.00
37	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Express service contract dispute	Wei Yi	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Li Ming, Yahongqiao Anneng Logistics	People's Court of Dengzhou, Henan	(2023) Yu 1381 Min Chu No. 4813	June 9, 2023	5,000.00	Pending to hold a court session for first instance	5,000.00
38	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Goods transportation contract dispute	Shanghai Yupan Industrial Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Wuhan Railway Transportation Court	(2023) E 7102 Min Chu No. 262	June 6, 2023	6,242.00	Pending to hold a court session for first instance	5,000.00
39	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Liu Tao	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) Hu 0118 Min Chu No. 16104	May 8, 2023	2,710.00	Pending to hold a court session for first instance	2,710.00
40	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Henan Sanqiang Medical Devices Co., Ltd.	Hua County Anneng Juchuang Logistics Co., Ltd., Xinxiang Anneng Jucheng Logistics Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Qingpu District, Shanghai	(2023) Yu 0526 Min Chu No. 5400	June 5, 2023	116,000.00	Pending the ruling of first instance	116,000.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
41	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Unjustified enrichment	Niu Zhenrong	Wang Meng, Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Yongcheng People's Court	(2022) Yu 1481 Min Chu No. 5463 (2023) Yu 1481 Min Zai No. 25	April 28, 2023	48,419.00	Pending to hold a court session for first instance	48,419.00
42	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Li Heng	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Chang'an District, Xi'an	(2023) Shaan 0116 Min Chu No. 10629	January 17, 2023	263,792.00	Pending to hold a court session for first instance	263,792.00
43	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Transportation contract dispute	Foshan Jinpai Electric Appliance Co., Ltd.	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	People's Court of Nanhai District, Foshan, Guangdong	(2023) Yue 0605 Min Chu No. 15370	June 15, 2023	80,489.00	Pending to hold a court session for first instance	80,489.00
44	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Zhu Wenguang	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Hangzhou Branch	Labor and Personnel Dispute Arbitration Committee of Xiaoshan District, Hangzhou	Zhe Hang Xiao Shan Lao Ren Zhong An (2023) No. 2002	February 7, 2023	25,000.00	Pending a verdict	4,183.00
45	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Li Zaiming	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor and Personnel Dispute Arbitration Court of Changsha County	Chang Xian Ren Lao Ren Zhong An Zi (2023) No. 888	May 4, 2023	20,046.76	Pending a verdict	15,000.00
46	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Bai Jinkang	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 273	May 6, 2023	48,265.19	Pending a verdict	48,265.19
47	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Bai Wei	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 275	May 6, 2023	49,283.73	Pending a verdict	49,283.73
48	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Wang Changqing	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 277	May 6, 2023	17,219.95	Pending a verdict	17,219.95

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
49	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Cheng Jianhong	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 279	May 6, 2023	41,710.90	Pending a verdict	41,710.90
50	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Li Shengping	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 281	May 6, 2023	59,184.14	Pending a verdict	59,184.14
51	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Pei Baolin	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 267	May 6, 2023	60,054.65	Pending a verdict	60,054.65
52	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Pei Gaohong	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 269	May 6, 2023	48,625.32	Pending a verdict	48,625.32
53	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Wang Tao	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Taiyuan Branch	Taiyuan Labor and Personnel Dispute Arbitration Committee	Bing Lao Ren Zhong An Zi (2023) No. 271	May 6, 2023	66,241.91	Pending a verdict	66,241.91
54	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Wang Chuansi	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor and Personnel Dispute Arbitration Committee of Pingyang County	Zhe Ping Yang Lao Ren Zhong An (2023) No. 124	March 8, 2023	90,870.60	Pending a verdict	20,473.00
55	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Chen Yongfei	Anneng Juchuang Supply Chain Management (Shenzhen) Co., Ltd.	Shenzhen Labor and Personnel Dispute Arbitration Committee	Shen Lao Ren Zhong An (2023) No. 3209	January 3, 2023	168,474.76	Pending a verdict	132,841.17
56	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Han Xinxin	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Shanghai Anneng Juchuang Supply Chain Management Co., Ltd., Changzhou Branch	Labor and Personnel Dispute Arbitration Committee of Xinbei District, Changzhou	Xin Lao Ren Zhong An Zi (2023) No. 23	January 13, 2023	21,693.15	Pending a verdict	0.00

No.	Subject entity	Cause of action	Plaintiff	Defendant	Court	Case No.	Time of case acceptance (pleading submission time)	Amount of the subject matter	Case status as of June 30, 2023	Estimated compensation amount (RMB)
57	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Xie Caipeng	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor and Personnel Dispute Arbitration Committee of Nanming District, Guiyang	Nan Lao Ren Zhong Zi (2023) No. 515	October 25, 2022	116,235.80	Pending a verdict	0.00
58	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Labor dispute	Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.	Lin Shijun	Labor and Personnel Dispute Arbitration Committee of Tianfu New Area, Sichuan	(2023) Chuan 0192 Min Chu No. 2881	April 15, 2022	81,427.95	Pending to hold a court session	0.00

9. Shanghai Anneng Juchuang Supply Chain Management Co., Ltd. proposed to deregister its subsidiary, Anneng Juchuang Supply Chain Management (Suining) Co., Ltd. (unified social credit code: 91320324MACKXXGB9T), and settled all tax affairs with tax bureaus on July 26, 2023. Its net assets also fell to zero, and other industrial and commercial deregistration process is still in process.

10. We and our valuers shall not be responsible for any defects that may affect the valuation of the company which are not specified in the engagement and are generally unknown to the valuers based on their professional experience.

XI. VALUATION REPORT DATE

The valuation report date of this valuation report is September 28, 2023.

Valuation agency: Beijing Chenglian Valuation Company Limited

September 28, 2023

Attachments to the Valuation Report

1. Corporate business licenses of the client and the subject under valuation (copies);

2. Financial Statements of the subject under valuation as at the valuation base date (copy) reviewed by Ernst & Young Hua Ming LLP Shanghai Branch;

3. Commitment letter from the client;

4. Commitment letter from the subject under valuation;

5. Copies of supporting documents or filing documents of the qualifications of the valuation agency;

6. Duplicate copy of business license of the valuation agency (copy);

7. Summary sheet of the valuation result.

The following is the text of the report dated 12 April 2024 from the Reporting Accountants prepared for inclusion in this circular.

中汇 ZHONGHUI

12 April 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 (as amended on 10 April 2024), 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 circular of ANE (Cayman) Inc. (the "**Company**") dated 12 April 2024 (the "**Circular**") 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 "Letter From The Board – Profit Forecasts Under the Valuation Report – Main Assumptions" of the Circular.

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

The following is the text of the letter dated 12 April 2024 from the Board prepared for inclusion in this circular.

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 circular of the Company dated 12 April 2024 in relation to the valuation report dated 28 September 2023 (as amended on 10 April 2024) (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 12 April 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.

12 April 2024

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, were as follows:

Shares and Underlying Shares of the Company

Name of Directors and chief executive	Title	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%
		Beneficial interest	4,200,000 (L)	0.36%
Mr. Jin[(3)]	Executive Director	Beneficial interest	2,498,775 (L)	0.21%

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.

As at the Latest Practicable Date, Mr. Qin was interested in the total number of 1,200,000 Shares underlying the Awards granted to him under the Equity Incentive Plans and total number of 3,000,000 Shares underlying the Awards granted to him under the 2022 Share Award Scheme.

(3) As at the Latest Practicable Date, Mr. Jin was interested in the total number of 998,775 Shares underlying the Awards granted to him under the Equity Incentive Plans and total number of 1,500,000 Shares underlying the Awards granted to him under the 2022 Share Award Scheme.

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)]
Mr. Wang[(2)]	Interest in controlled corporation	125,619,983 (L)	10.81%
	Beneficial interest	1,200,000 (L)	0.10%
Centurium Capital Partners 2018, L.P.[(3)]	Interest in controlled corporations	285,989,754 (L)	24.60%

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, (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, and (iii) Double Brighten Creation Limited ("**Double Brighten**") beneficially held 16,939,795 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)* (上海安匀投資合夥企業(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) (寧波梅山保税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.

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

As at the Latest Practicable Date, Mr. Wang was interested in the total number of 1,200,000 Shares underlying the Awards granted to him under the Equity Incentive Plans.

(3) 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.

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, save as disclosed above, 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 Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS

(1) Interests in contract or arrangement

As at the Latest Practicable Date, save as disclosed above, 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, save for the Share Transfer Agreement and the transactions contemplated thereunder as disclosed in this circular, none of the Directors had any direct or indirect interests in any assets which had been, since December 31, 2023 (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, 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

(7) EXPERT AND CONSENT

The following are the qualifications of the experts who have provided their opinion or advice, which is contained in this circular.

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

Each of the experts mentioned above has given and none of the experts has withdrawn its written consent to the issue of this circular 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 Latest Practicable Date, 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 Latest Practicable Date, 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 December 31, 2023 (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.

The letter from the Independent Financial Adviser is given by Rainbow Capital (HK) Limited as at the date of this circular for incorporation herein.

8. DOCUMENTS ON DISPLAY

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 not less than 14 days from the date of this circular:

(i) the Share Transfer Agreement;

(ii) the letter from the Board, the full text of which is set out in the section headed "Letter from the Board" in this circular;

(iii) the letter from the Independent Board Committee to the Independent Shareholders, the full text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;

(iv) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the full text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular;

(v) the written consents referred to in the section headed "Expert and Consent" in this appendix;

(vi) the Valuation Report, a summary of which is set out in Appendix I of this circular;

(vii) the report from the Reporting Accountants relating to the profit forecast, the full text of which is set out in Appendix II of this circular;

(viii) the letter from the Board in relation to the profit forecast, the full text of which is set out in Appendix III to this circular; and

(ix) this circular.

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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**Meeting**") of ANE (Cayman) Inc. (the "**Company**") will be held at 34th Floor, Elephant International Center, Xiaoshan District, Hangzhou, China on April 30, 2024 at 3:00 p.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

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

"**THAT**:

(a) the share transfer agreement (the "**Share Transfer Agreement**") dated February 23, 2024, entered into between ANE Fast Logistics (Hong Kong) Limited (being an indirect wholly-owned subsidiary of the Company) (the "**Purchaser**") and 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)) ("**Ningbo Qinghong**") (the "**Vendor**"), relating to sale and purchase of an aggregate of 2.7903% equity interest in Shanghai Anneng Juchuang Supply Chain Management Co., Ltd.* (上海安能聚創供應鏈管理有限公司) ("**Shanghai ANE**"), representing the entire interest held by the Vendor in Shanghai ANE, for a total consideration of RMB338.7 million, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified in all respects; and

(b) the Board or a committee thereof, or any one of the Directors be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deed on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Acquisition and to agree to such variation, amendments or waiver or matters relating thereto (excluding any variation, amendments or waiver of such documents or any terms thereof, which are fundamentally and materially different from those as provided for in the Share

Transfer Agreement and which shall be subject to approval of the shareholders of the Company) as are, in the opinion of the Board or a committee thereof, in the interest of the Company and its shareholders as a whole."

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

Hong Kong, April 12, 2024

REGISTERED OFFICE:	*PRINCIPAL PLACE OF BUSINESS IN HONG KONG:*
PO Box 309	5/F, Manulife Place
Ugland House	348 Kwun Tong Road
Grand Cayman KY1-1104	Kowloon
Cayman Islands	Hong Kong

* *For identification purposes only*

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 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 (the "**Shares**") 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 extraordinary general meeting of the Company (i.e. not later than 3:00 p.m. on Sunday, April 28, 2024) 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 Friday, April 26, 2024 to Tuesday, April 30, 2024, 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 Thursday, April 25, 2024.

6. In the event that the extraordinary general meeting of the Company is adjourned to a date later than Tuesday, April 30, 2024 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 notice, 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.