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ANE (Cayman) Inc.
安 能 物 流 集 團 有 限 公 司

(A company incorporated in the Cayman Islands with limited liability)

(Stock code: 9956)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Director(s)**") of ANE (Cayman) Inc. (the "**Company**" or "**ANE**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**", "**our**" or "**us**") for the year ended December 31, 2024 (the "**Reporting Period**"), together with comparative figures for the year of 2023. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated October 30, 2021 (the "**Prospectus**").

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2024, the Group recorded the following audited results:

	Year ended December 31, 2024 *RMB'000*	Year ended December 31, 2023 *RMB'000*	Year-to-year change
Revenue	**11,575,954**	9,916,899	16.7%
Gross profit	**1,841,680**	1,268,003	45.2%
Adjusted pre-tax profit	**1,084,274**	654,415	65.7%
Adjusted net profit	**837,293**	509,805	64.2%
Profit for the Reporting Period	**761,988**	407,245	87.1%
Net cash flows from operating activities	**2,131,068**	1,706,182	24.9%

CEO STATEMENT

Dear Shareholders,

In 2024, sticking to the established strategic blueprint, we continued to uphold the strategy of "effective scale growth with equal emphasis on profit and quality", having built up the Five Most goals of "most dense network coverage, most optimal cost, most superior quality, most stable timeliness, and most timely service response". Staying firm on the rate of transformation, we achieved substantial progress in the transformation from rough management to refined management. In 2024, the Company's overall freight volume reached 14.1 million tonnes, representing a year-on-year increase of 17.5%. Gross profit increased by 45.2% year-to-year, and adjusted pre-tax profit increased by 65.7% year-to-year. Our key indicators such as quality, timeliness and service saw overall improvement.

We bolstered up our product capabilities from all dimensions by focusing on our flagship products, continuing to optimize our operations, costs and service capabilities, and improving our competitiveness in all aspects of the entire process to support our freight partners and agents in expanding businesses and winning customers. By further carrying out an in-depth diagnostic and providing empowerment and optimization in the field, we help outlets identify and resolve issues firsthand. Adhering to the principle of going to the forefront of the market and engaging with our freight partners and agents, we provided operational guidance, leveraging digital analysis tools to to empower and support them, and foster win-win growth. The strategic transformation delivered remarkable results. Our network expanded to over 33,000 freight partners and agents, and the increasing influx of outlet resources strengthened our network advantage.

In 2025, we will continue to deepen our channel empowerment and upgrades, leveraging the strength of more outlets to further establish ANE's first-mover competitive edge. On the one hand, the Company will continue to optimize the regional structure, improve the channel layout and store development, and improve the efficiency and quality of terminal services from the perspective of customers; on the other hand, we will continue to help our freight partners and agents to improve efficiency and enhance their profitability.

In terms of operations, we will continue to build best-in-class cost control capabilities, focus on sorting operational efficiency, precise transportation routing and fleet capacity optimization, and continuously optimize the efficiency and steadiness of our shipment. At the same time, we will enhance the capabilities of the "Iron Triangle" system comprising sales, operations, and customer service teams, focusing on providing 24/7 services to our service outlets. This Triangle system is our key to quickly responding to service outlets, further enhancing the quality of terminal services. In terms of operations, we focus on customer value and strive to drive sustainable profitability together with our freight partners and agents. We are committed to building digital service outlets, driving the enhancement of their value, and promoting the forging of core competitiveness and sustainable development of ANE.

In 2025, we will further leverage the power of digitalization to unleash new efficiencies and to accelerate for the future, striving to promote the iterative upgrades of the entire industry. We will also actively fulfill our social responsibilities, continue to invest in the field of ESG sustainable development, and share the outcomes with stakeholders including our freight partners and agents, employees, teams and shareholders.

QIN Xinghua
Executive Director, chief executive officer and co-chairman

March 20, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS OVERVIEW

We operate a leading express freight network in China's less-than-truckload ("**LTL**") market. Express freight network operators, like us, are LTL service providers who have nationwide coverage, and deliver timely and comprehensive freight transportation services. In 2024, we have completed shipment of a total LTL freight volume of 14.1 million tonnes, compared to 12.0 million tonnes in 2023. With the growth of our mini and light freight segments, our total number of shipments increased by 31.1% to 169.0 million, compared with 128.8 million in 2023, while the average freight weight per shipment decreased from 93 kg in the 2023 to 84 kg in the 2024.

We mainly provide transportation services, value-added services and dispatch services to our freight partners, our direct customers. We, together with our freight partners and agents, served over 6.3 million shippers, our end-customers, across China as of December 31, 2024, compared to approximately 5.5 million as of December 31, 2023.

Our Market and Industry

With the accelerated digitalization of commerce and trade in domestic market of China and the rapid rise of cross border e-commerce, the full spectrum of the supply chain, from manufacturers to distributors, merchants and retailers, requires fast and high frequency inventory turnover. This could only be achieved through efficient and comprehensive freight transportation solutions to bring merchandise to warehouses and stores closer to end consumers. This in turn generates significant demand for timely, comprehensive and reliable LTL services with nationwide coverage. We are well-positioned for this opportunity by leveraging our nationwide network with comprehensive and diverse product offerings tailored to different shipper preferences regarding network coverage, timeliness, service quality and price.

Historically, China's LTL market was highly fragmented and inefficient with a large number of regional direct line and freight operators providing local logistics services in their respective areas. Such freight operators struggle to capture the opportunities and meet the challenges brought by B2C (business-to-consumer) e-commerce growth and evolution in supply chains that have ensued. We have created the freight partner platform model to draw such local operators to our platform as freight partners and agents, empowering them and our entire network to serve as the infrastructure for China's new commerce landscape.

Our Freight Partner Platform

Under our freight partner platform model, we directly operate and control all mission-critical sorting and line-haul processes while our freight partners and agents are responsible for investing and operating the outlets at their own costs and providing feeder service, pickup and dispatch services. We enable and empower 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. We deliver unique values to freight partners, agents and shippers. We will continuously invest in sorting centres and line-haul transportation as the freight volume increases to optimise operational efficiency while keep improving our service quality.

We are dedicated to creating more value to our freight partners and agents while benefiting from their growth. As a result, we believe we are best positioned to further increase our market share in this broad yet fragmented market. We continue to enjoy strong relationships with our top freight partners. As of December 31, 2024, we had over 33,000 freight partners and agents, as compared to over 28,000 freight partners and agents as of December 31, 2023, enabling us to better serve shippers while expanding nationwide coverage.

Our Service Quality

We mainly provide transportation services, value-added services and dispatch services to our freight partners and agents, our direct customers. As of December 31, 2024, we, together with our freight partners and agents, served over 6.3 million shippers, our end-customers, across the entire commerce landscape in China.

With the implementation of our quality growth strategy and adhering to the brand proposition of "ANE is the go-to brand for 3-300kg shipments – fast and efficient!" ("3-300KG用安能！快！"), we continuously upgrade our service to better fulfill the demand of our end customers. In the first half of 2024, we launched the "3300-product policy" (3300 產品政策) for freights weighting 3 kg to 300 kg to receive full exemption from special dispatch charges, which further eliminated blind spots and enhanced our product competitiveness. As of timeliness, the average shipment time decreased by 7.1% to approximately 65 hours from the year ended December 31, 2023 to the same period of 2024. The timely fulfillment rate (number of shipments completed within guaranteed duration per total number of completed shipments) increased from 73.2% in the year ended December 31, 2023 to 76.0% in the same period of 2024, indicating the enhancement of steadiness of our service timeliness. Further, we reiterated the importance of our service quality. As a result, our loss rate (number of lost units per hundred thousand units) decreased by 79.7%, from 0.2 unit in the year ended December 31, 2023 to 0.04 unit in the same period of 2024. And our damage rate (number of damaged units per hundred thousand units) decreased by 64.7%, from 32.6 unit in the year ended December 31, 2023 to 11.5 unit in the same period of 2024. Besides, better service also leads to lower complaint rate (number of complaints per hundred thousand shipments), which decreased by 91.0%, from 461 shipment in the year ended December 31, 2023 to 41.6 shipment in the same period of 2024.

Our Network and Infrastructure

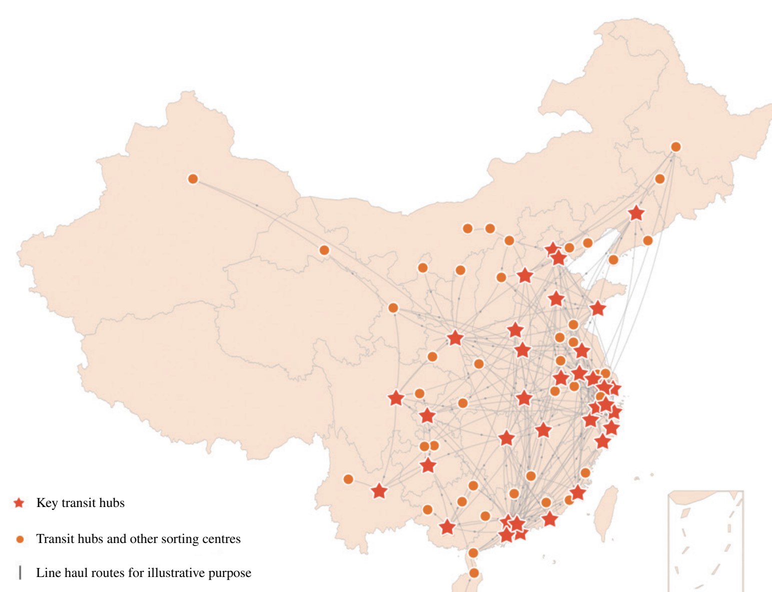
We continuously improve our operational efficiency through managing, optimizing and investing in our critical infrastructure, mainly comprising our sorting centres and line-haul transportation.

Sorting Centres

As of December 31, 2024, we had 82 self-operated sorting centres across China, allowing us, together with our network outlets, to cover approximately 99.3% of the counties and townships in China. We directly operate our sorting centres mostly on leased premises. Our sorting centres are connected by the line-haul transportation network that we operate. The consolidation sorting centres receive and sort the freight and dispatch them to the destination sorting centres, which deconsolidate the freight and assign the freight to dispatching freight partners and agents.

We have further optimized our sorting centre network to optimize our line-haul routing and reduce sorting costs. We have taken measures such as: (1) extending our direct line-haul route while transporting freight from our key sorting centres/hubs to our freight partners (or vice versa); (2) optimizing labour force allocation to improve sorting efficiency and reduce labour cost; and (3) precisely planning sorting areas and upgrading sorting system to enhance infield operational efficiency. Such measures allow us to enhance our operational efficiency while maintaining our national footprint and coverage.

The following map illustrates our nationwide sorting centre network as of December 31, 2024:



Based on the functions, operating freight volume and line-haul connectivity, our sorting centres include key transit hubs, transit hubs and other sorting centres. Out of our 82 sorting centres as of December 31, 2024, we had 37 key transit hubs with full coverage of China and 18 transit hubs, which are primarily responsible for interprovincial transfer of freight. The following table sets forth details of our sorting centres as of December 31, 2024:

	Number	Average Area (m^2)	Average daily handling volume in the year ended December 31, 2024 (tonnes)	Functionality
Key transit hubs	37	36,577	4,593	Nationwide full connectivity
Transit hubs	18	16,188	1,527	Inter-provincial connectivity
Other sorting centres	27	3,431	352	Regional connectivity

Our key transit hubs are located in key commercial centres in China such as Shanghai, Hangzhou, Guangzhou, Shenzhen, Chengdu, Suzhou, etc. Compared to December 31, 2023, we further improved our network layout by leveraging key hubs to reduce transit ratios and improve operational efficiency and service quality of sorting centres. In total, our key transit hubs handled a freight volume of approximately 48.6 million tonnes in 2024.

Line-Haul Network

We directly manage all the line-haul transportation in our network. Our sorting centres are connected with approximately 2,500 well-planned line-haul routes as of December 31, 2024, among which approximately 86.6% are two-way routes.

As of December 31, 2024, our self-operated fleets consisted of over 3,600 high-capacity line-haul trucks and over 6,300 trailers. All of our self-operated fleets are operated by our approximately 5,500 contracted drivers as of December 31, 2024.

Network Outlets

As of December 31, 2024, all of the network outlets are owned and operated by approximately 33,000 freight partners and freight agents across China, covering approximately 99.3% of counties and townships in China.

Our Technology

Technology is at the core of our operations. It is critical to our platform, network and service offerings. We have digitalised every process of our operations through self-developed IT systems to achieve real-time data tracking, smart outlet management, route planning, sorting management and automated customer service to shippers, which in turn contributes to our superior network capabilities. In the meantime, with the accelerated development of e-commerce in both domestic market of China and cross-border markets, we will customise sorting systems based on the type of cargos and gradually pilot them in sorting centres to improve sorting efficiency.

II. FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Our results of operations are affected by the total freight volume. The following table sets forth our total freight volume and unit economics of our key operating and financial metrics for the periods indicated:

	For the year ended December 31,		Year-to-year change
	2024	2023	
Total freight volume[Note] ('000 tonnes)	**14,145**	12,037	17.5%
Total shipments ('000)	**168,962**	128,839	31.1%
Freight weight per shipment (kg)	**84**	93	-10.4%
Unit price for transportation services (RMB/tonne)	**428**	460	-7.0%
Unit price for value-added services (RMB/tonne)	**174**	149	16.8%
Unit price for dispatch services (RMB/tonne)	**216**	215	0.5%
Unit price for total services (RMB/tonne)	**818**	824	-0.7%
Unit line-haul transportation cost (RMB/tonne)	**301**	317	-5.0%
Unit sorting centre cost (RMB/tonne)	**142**	170	-16.5%
Unit cost of value-added services (RMB/tonne)	**39**	31	25.8%
Unit cost of dispatch services (RMB/tonne)	**206**	200	3.0%
Unit cost of revenues (RMB/tonne)	**688**	718	-4.2%
Unit gross profit for value-added services (RMB/tonne)	**135**	118	14.4%
Unit gross profit for dispatch services (RMB/tonne)	**10**	15	-33.3%
Unit gross profit (RMB/tonne)	**130**	106	22.6%
Unit adjusted pre-tax profit (RMB/tonne)	**77**	54	42.6%
Unit adjusted net profit (RMB/tonne)	**59**	42	40.5%

Note: As discussed in subsection "Revenue" of "FINANCIAL REVIEW" of this announcement, revenue generated from both LTL business and FTL business have been consolidated, and related revenue data regarding 2023 has been adjusted for consistency.

In 2024, our total freight volume increased by 17.5% to 14.1 million tonnes, compared to 12.0 million tonnes in 2023, while our total number of shipments increased by 31.1% to 169.0 million, compared with 128.8 million in 2023. In terms of freight weight mix structure, the freight volume of mini freight (≤70 kg)[1], light freight (70 – 300 kg)[2], and bulk freight (>300 kg)[3] increased by 30.0%, 19.2% and 10.2%, respectively. The growth of our mini and light freight segments lead to 31.1% growth of our total number of shipments, while the average freight weight per LTL shipment decreased from 93 kg in 2023 to 84 kg in 2024. The above trend reflects our strategy to optimize our freight weight mix structure, as lighter freight has higher unit price and higher margins and requires higher quality and more value-added services. With our focus on profitability and service quality, complemented by our upgraded more precise cost-based pricing scheme, we were able to provide better service quality and attract high-quality customers, and pursue high margin and the sustainable growth of such business.

Revenue

During the Reporting Period, we derived our revenues from transportation services, value added services and dispatch services. The following table sets forth a breakdown of our revenue for the periods indicated:

	For the year ended December 31,			
	2024		2023	
	RMB	*%*	*RMB*	*%*
	(in thousands, except percentages)			
Transportation	**6,059,365**	**52.3**	5,529,949	55.8
Value-added services	**2,462,753**	**21.3**	1,796,889	18.1
Dispatch services	**3,053,836**	**26.4**	2,590,061	26.1
Total revenues	**11,575,954**	**100.0**	9,916,899	100.0

The price level of our transportation services is determined by various factors, including the volume and weight of the freight, transportation distance, product types, market conditions and competition. We will continue to optimize our dynamic pricing system which supports our periodically evaluation and pricing levels adjustments, allowing us to optimize our capacity management and operational efficiency constantly. We primarily rely on freight partners and agents to fulfill dispatch services, while undertaking dispatch services by ourselves in certain circumstances.

Our total revenue increased by 16.7% from RMB9,916.9 million for the year ended December 31, 2023 to RMB11,576.0 million for the year ended December 31, 2024, primarily driven by the increase in our freight volume from 12.0 million tonnes for the year ended December 31, 2023 to 14.1 million tonnes for the year ended December 31, 2024, while our unit price for total service remained stable over the same period.

1 Freight that weights less than or equal to 70 kg.
2 Freight that weights more than 70 kg and less than or equal to 300 kg.
3 Freight that weights more than 300 kg.

The unit price for total service remained stable, while (i) the unit price for transportation services decreased from RMB460/tonne for the year ended December 31, 2023 to RMB428/tonne for the year ended December 31, 2024 as a result of our proactive cost-oriented pricing strategy, which offset the influence of the increase of the unit price of value-added services from RMB149/tonne for the year ended December 31, 2023 to RMB174/tonne for the year ended December 31, 2024; (ii) the unit price of dispatch services increased from RMB215/tonne for the year ended 31 December, 2023 to RMB216/tonne for the year ended 31 December, 2024.

The increase in our transportation revenues was mainly driven by the increase in our total freight volume from 12.0 million tonnes for the year ended December 31, 2023 to 14.1 million tonnes for the year ended December 31, 2024, which offset the influence of decrease in our unit price for transportation service from RMB460/tonne for the year ended December 31, 2023 to RMB428/tonne for the year ended December 31, 2024.

The increase in our value-added services revenues was mainly attributable to the increase of unit price of value-added services from RMB149/tonne for the year ended December 31, 2023 to RMB174/tonne for the year ended December 31, 2024, due to the growth of freight volume and number of shipments of the mini freight and light freight that require more value-added service and higher value-added services fee on weight unit basis (i.e. from a per tonne perspective).

The increase in our dispatch services revenues was mainly due to the increase in freight volume of mini freight and light freight and the unit price for dispatch services, the unit revenue of dispatch services increased from RMB215/tonne for the year ended 31 December, 2023 to RMB216/tonne for the year ended 31 December, 2024, due to the increase in freight volume of mini freight and light freight, which has increased our number of shipments thus increase the number of dispatchments.

In the long run, since we will keep strategic focus on LTL business and the FTL business will only remain as a supplement of LTL business to better utilize our fleet, we will disclose the revenue as a whole including both LTL business and FTL business, in the same way as this announcement.

Cost of revenues

Our cost of revenues primarily consists of costs for (i) line-haul transportation, (ii) sorting centre, (iii) value-added services, and (iv) dispatch services. The following table sets forth a breakdown of our cost of revenues and as a percentage of our total cost of revenues for the periods indicated:

	For the year ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	*%*
	(in thousands, except percentages)			
Line-haul transportation	**4,256,909**	**43.7**	3,821,272	44.2
Sorting centre	**2,013,992**	**20.7**	2,049,286	23.7
Value-added services	**546,434**	**5.6**	371,732	4.3
Dispatch services	**2,916,939**	**30.0**	2,406,606	27.8
Total	**9,734,274**	**100.0**	8,648,896	100.0

Our cost of revenues increased by 12.5% from RMB8,648.9 million for the year ended December 31, 2023 to RMB9,734.3 million for the year ended December 31, 2024, which was mainly due to (i) the increase in our line-haul transportation costs from RMB3,821.3 million for the year ended December 31, 2023 to RMB4,256.9 million for the year ended December 31, 2024; (ii) the increase in our value-added services cost from RMB371.7 million for the year ended December 31, 2023 to RMB546.4 million for the year ended December 31, 2024; and (iii) the increase in our dispatch services cost from RMB2,406.6 million for the year ended December 31, 2023 to RMB2,916.9 million for the year ended December 31, 2024, which are in line with the trend of revenue growth of transportation services, value-added services and dispatch services, respectively. Meanwhile, our unit cost of revenues decreased by 4.2% from RMB718/tonne for the year ended December 31, 2023 to RMB688/tonne for the year ended December 31, 2024.

Line-haul transportation cost primarily includes (i) service costs for third-party fleet operators and (ii) operating costs incurred by our self-operated fleets such as truck fuel costs, road tolls, driver compensation and depreciation costs.

Our line-haul transportation costs increased from RMB3,821.3 million for the year ended December 31, 2023 to RMB4,256.9 million for the year ended December 31, 2024, while the unit cost of line-haul transportation decreased from RMB317/tonne for the year ended December 31, 2023 to RMB301/tonne for the year ended December 31, 2024. This reflects the improvement of our fleet efficiency, which is mainly attributed to (i) the decrease of fuel cost driven by the decreasing oil price, and cost optimization brought about by centralized procurement and optimization of line-haul routes; and (ii) the restructuring of sorting network completed by July 2023, which allows more straight line-haul routes and improves operational efficiency.

Sorting centre cost includes (i) labour costs, (ii) depreciation of right-of-use assets in relation to leased sorting centres, (iii) property management fees and utility costs, (iv) equipment rental costs, and (v) operation and maintenance costs.

Our sorting centre costs decreased from RMB2,049.3 million for the year ended December 31, 2023 to RMB2,014.0 million for the year ended December 31, 2024, while the unit cost of sorting centre decreased from RMB170/tonne for the year ended December 31, 2023 to RMB142/tonne for the year ended December 31, 2024, due to (i) the restructuring of sorting network completed by us in July 2023, which allows us to reduce the number of our self-operated sorting centres, (ii) growth in our total freight volume and the continuously improvement of the sorting operational efficiency through refined management, and (iii) the decrease in sorting centre and equipment rental costs.

Costs of value-added services are costs directly incurred in relation to our provision of value-added services, such as the cost of digital devices, shipment waybill and consumables.

The increase in our costs of value-added services from RMB371.7 million for the year ended December 31, 2023 to RMB546.4 million for the year ended December 31, 2024, which was substantially consistent with the trends of changes in our value-added services revenues. The increase in our unit costs of value-added services from RMB31/tonne for the year ended December 31, 2023 to RMB39/tonne for the same period in 2024 was mainly because the increase of freight shipment led to higher unit cost on a weight basis as the cost of value-added services was recorded by the number of shipments instead of weight.

Costs of dispatch services primarily represent (i) fees of dispatch services paid to our freight partners, the price of which is determined based on the cost structure of freight partners and market conditions, and (ii) costs incurred by our self-operated dispatch services.

The increase in our costs of dispatch services from RMB2,406.6 million for the year ended December 31, 2023 to RMB2,916.9 million for the year ended December 31, 2024, which was consistent with the growth of total freight volume. Our unit dispatch costs increased from RMB200/tonne for the year ended December 31, 2023 to RMB206/tonne for the same period in 2024, which was mainly caused by the increase in the freight volume of mini and light freight segment.

Our total cost of revenues was RMB9,734.3 million for the year ended December 31, 2024, compared to RMB8,648.9 million for the year ended December 31, 2023, mainly due to the above reasons.

Gross Profit and Gross Profit Margin

For the year ended December 31, 2024, the gross profit and gross profit margin was RMB1,841.7 million and 15.9%, respectively, as compared to RMB1,268.0 million and 12.8%, respectively, for the year ended December 31, 2023. The increase in gross profit was mainly driven by (i) the increase in total freight volume and revenue in 2024; (ii) the combination of our "3300-product policy" and reinvigorated freight partners ecosystem, which has contributed to a strong growth in our mini and light freight segment, our high margin business, thus leading to an increase of RMB17/tonne in the unit gross profit of value-added services; and (iii) the continuous lean operation leading to the improvement of unit gross profit. The increase in gross profit margin was mainly driven by the above-mentioned reasons. As a result, our unit gross profit increased from RMB106/tonne for the year ended December 31, 2023 to RMB130/tonne for the year ended December 31, 2024.

General and Administrative Expenses

The following table sets forth a breakdown of the major components of our general and administrative expenses both in absolute amount and as a percentage of total general and administrative expenses for the periods indicated:

	For the year ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	*%*
	(in thousands, except percentages)			
Salaries and other benefits	**512,313**	**61.1**	440,268	56.8
Business operation expenses	**104,676**	**12.5**	86,633	11.2
Professional service fees	**107,772**	**12.9**	102,080	13.2
Depreciation and amortization	**37,752**	**4.5**	42,240	5.5
Share-based payment expenses	**75,305**	**9.0**	102,568	13.3
Total	**837,818**	**100.0**	773,789	100.0

Our general and administrative expenses increased from RMB773.8 million for the year ended December 31, 2023 to RMB837.8 million for the year ended December 31, 2024. The main changes include (i) the increase in salaries and other benefits from RMB440.3 million for the year ended December 31, 2023 to RMB512.3 million for the year ended December 31, 2024, mainly due to the accrual of employee bonuses for the year; (ii) the increase in business operation expenses; and (iii) the decrease in share-based payment expenses due to less amortisation from historical grants in 2024.

Other Income and Gains/(Losses), Net

The following table sets forth a breakdown of the components of our other income and gains/(losses), net for the periods indicated:

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Government grants	**61,333**	20,170
Weighted deduction of value-added tax	**-**	135,914
Foreign exchange gain	**4,345**	2,440
Interest income	**11,434**	19,140
Gain on disposal of long-term assets	**7,143**	31,945
Asset impairment	**(24,268)**	(44,249)
Others	**5,934**	(40,066)
Total	**65,921**	125,294

We recorded other income and gains of RMB65.9 million for the year ended December 31, 2024, as compared to other income and gains of RMB125.3 million for the year ended December 31, 2023. The main changes include (i) the increase in government grants, (ii) the expiration in weighted deduction of value-added tax leading to absence of gains on weighted deduction of VAT for the year ended December 31, 2024, and (iii) changes in impairment of assets as there was no impairment of our trucks.

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit of RMB619.5 million for the year ended December 31, 2023 increased to an operating profit of RMB1,069.8 million for the year ended December 31, 2024. Our operating profit margin of 6.2% for the year ended December 31, 2023 increased to an operating profit margin of 9.2% for the year ended December 31, 2024, which was mainly due to the above-mentioned reasons.

Finance Costs

The following table sets forth a breakdown of the components of our finance costs for the periods indicated:

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Interest on lease liabilities	**50,209**	41,281
Interest on bank and other loans	**11,506**	37,621
Total	**61,715**	78,902

Our finance costs decreased by 21.8% from RMB78.9 million for the year ended December 31, 2023 to RMB61.7 million for the year ended December 31, 2024, mainly because we pre-paid part of the loans for the purchase of trucks, using the excess cash accumulated from operations.

Fair Value Change of Financial Assets at Fair Value through Profit or Loss

The fair value change of financial assets at fair value through profit or loss for the year ended December 31, 2024 was profit of RMB0.9 million, as compared to profit of RMB11.2 million for the year ended December 31, 2023.

Income Tax Expense

We recorded income tax expense of RMB247.0 million for the year ended December 31, 2024, as compared to income tax expense of RMB144.6 million for the year ended December 31, 2023, primarily because the increase of current income tax which was in line with our profit growth.

Profit for the Reporting Period

As a result of the foregoing, we recorded a profit of RMB762.0 million with a net profit margin of 6.6% for the year ended December 31, 2024, as compared to a profit of RMB407.2 million with a net profit margin of 4.1% for the same period of 2023, which was, in particular, attributable to the increase of RMB573.7 million in our gross profit due to the increase of overall revenue and the above-mentioned factors.

Non-HKFRS Measures

To supplement our consolidated financial statements that are presented in accordance with HKFRS, we also use adjusted net profit/(loss) for the period (a non-HKFRS measure), adjusted pre-tax profit/(loss) (a non-HKFRS measure) and adjusted EBITDA (a non-HKFRS measure), as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that these non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of these non-HKFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

The following table sets out our non-HKFRS measures, and a reconciliation from loss for the period to adjusted net profit/(loss), adjusted pre-tax profit/(loss) and adjusted EBITDA for the period (three non-HKFRS measures) for the periods indicated.

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Profit for the period	**761,988**	407,245
Add:		
Shares-based payment expenses [(1)]	**75,305**	102,560
Adjusted net profit for the period	**837,293**	509,805
Add:		
Income tax expense	**246,981**	144,610
Adjusted pre-tax profit for the period	**1,084,274**	654,415
Add:		
Depreciation	**858,342**	1,007,355
Amortisation of other intangible assets	**2,977**	8,823
Interest income	**(11,434)**	(19,140)
Finance costs	**61,715**	78,902
Adjusted EBITDA	**1,995,874**	1,730,355

Note:

(1) Share-based payment expenses relates to the share rewards we granted to our employees, non-cash item.

	For the year ended December 31,	
	2024	2023
	(%)	
Net profit margin	**6.6**	4.1
Adjusted net profit margin	**7.2**	5.1
Adjusted pre-tax profit margin	**9.4**	6.6
Adjusted EBITDA margin	**17.2**	17.4

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

Depreciation

The following table sets forth a breakdown of the components of our depreciation for the periods indicated:

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Depreciation of right-of-use assets	**459,436**	570,825
Depreciation of motor vehicles	**356,754**	384,976
Others	**42,152**	51,554
Total	**858,342**	1,007,355

Liquidity and Financial Resources

The Group's cash and cash equivalent remained relatively stable, and increased from RMB1,407.9 million as at December 31, 2023 to RMB2,046.2 million as at December 31, 2024.

The Group's liquidity remains strong. During the Reporting Period, the Group's primary source of funds was from its ordinary course of business, including payments received from its customers.

Borrowings and Gearing Ratio

As at December 31, 2024, the Group had outstanding secured borrowings of approximately RMB50.6 million, and had no outstanding unsecured borrowings. The Group's borrowings carried interest at prevailing market rates.

As at December 31, 2024, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company, was approximately 1.5% (December 31, 2023: 19.1%).

The borrowings of the Group are all held in Renminbi. And the cash and cash equivalents of the Group are held in Renminbi, U.S. dollars and Hong Kong dollars. During the Reporting Period, the Group has not used any derivatives and other instruments for hedging purposes.

Significant Investment Held

During the Reporting Period, the Group did not have any significant investments.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Pursuant to a share transfer agreement (the "**Share Transfer Agreement**") entered into by ANE Fast Logistics (Hong Kong) Limited ("**ANE Hong Kong**"), an indirect wholly-owned subsidiary of the Company, 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**") on February 23, 2024, Ningbo Qinghong transferred its entire 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**"), an indirect non-wholly owned subsidiary of the Company, to ANE Hong Kong, at the consideration of RMB338.7 million. Upon the completion of such equity transfer in April 2024, Shanghai ANE remained an indirect non-wholly owned subsidiary of the Company and became indirectly held as to 98.9540% by the Company and directly wholly owned as to 1.0460% by Beijing Anju Enterprise Management Centre (Limited Partnership)* (北京安聚企業管理中心(有限合夥)). For further information relating to the Share Transfer Agreement and the transactions thereunder, please refer to the announcement and the circular of the Company dated February 23, 2024 and April 12, 2024, respectively.

Save as disclosed above, during the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

As of December 31, 2024, the Group did not have plans for material investments and capital assets.

Charge on Assets

As at December 31, 2024, certain of our bank loans and other borrowings were secured by mortgages over certain of our motor vehicles with a net carrying amount of RMB81.5 million.

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Capital Commitment

As of December 31, 2024, the capital commitment of the Group amounted to RMB19.1 million.

Foreign Exchange Exposure

We have transactional currency exposures. We conduct our businesses mainly in Renminbi, with certain transactions denominated in other currencies, such as U.S. dollars. Certain of our cash and bank balances, other financial assets and other payables are denominated in foreign currency which are exposed to foreign currency risk. During the Reporting Period, we did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

Share Pledge

During the Reporting Period, there is no pledge by our controlling shareholders of their interests in the shares of the Company (the "**Share(s)**") to secure the Company's debts or to secure guarantees or other support of its obligation before and the Company had no controlling shareholder as of December 31, 2024.

III. OUTLOOK AND PROSPECTS

Future Strategy

As we implement the effective scaled growth strategy with equal emphasis on profitability and quality to enhance our brand strength in 2024, we will continue to deepen channel empowerment and upgrades in 2025, and leverage the power of digitalization to achieve the the Five Most goals of "most dense network coverage, most optimal cost, most superior quality, most stable timeliness, and most timely service response". We are rigorously implementing the following measures to continue to ensure high quality and sustainable growth.

(i) Improve operational efficiency and quality of our service

- Enhance the operational efficiency of sorting networks and transportation networks through further lean management to drive down costs and maintain product competitiveness

- Focus on achieving the Five Most goals with the "outlets" as the smallest units, and optimize performance standards at all stages and continuously enhance timeliness capability and customer service experience *(ii)* ***Focus on customer value continually and strengthen network ecosystem***

- Foster long-term growth and sustainable profitability by upgrading digital systems and empowering our freight partners and agents

- Use pricing tools to deliver precise subsidies to provide more room for growth while maintain sustainable growth

- Further optimize the key account business and improve the quality of customized and standardized services

(iii) ***Accelerate investment in digitalization***

- Further investment in digital infrastructure, integrate digitalization into business operations and management, and deepen the granularity of digitalization operations

- Improve digital intelligence capabilities, deeply integrate with all aspects of the whole process, synergize with the middle and back offices to enhance front-line execution effects, and further unlock efficiency and quality improvement potentials

(iv) ***Focus on sustainable growth***

- Integrate "green transportation" into the guidelines of daily operations to consistently reduce carbon emission

- Improve public disclosure of ESG-relevant information

- Promote and protect the interests of shareholders and other stakeholders

We believe that above strategies are crucial to the next stage of ANE's brand development allowing us to strengthen our competitive edges and grow together with our outlets, while promoting the development of the LTL industry.

IV. RISK MANAGEMENT

We are exposed to various risks during our operations. We have scientifically established and continued to optimize risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. Adhering to the philosophy of continuous improvement, we are dedicated to continually improving these systems by benchmarking against advanced standards and best practices in the industry. We have adopted and implemented scientific and systematic risk management policies in various aspects of our business operations such as information technology, financial reporting, investment management, internal control and climate risk, etc., and achieved continuous improvement of risk management effectiveness through dynamic optimization mechanism, so as to provide a strong guarantee for the sustainable development of the Company.

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2024 with comparative figures for the year ended December 31, 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
Revenue	*4*	**11,575,954**	9,916,899
Cost of revenue		**(9,734,274)**	(8,648,896)
Gross profit		**1,841,680**	1,268,003
Other income and gains/(losses), net	*5*	**65,921**	125,294
General and administrative expenses		**(837,818)**	(773,789)
Operating profit		**1,069,783**	619,508
Finance costs	*6*	**(61,715)**	(78,902)
Fair value changes of financial assets at fair value through profit or loss	*7*	**901**	11,249
PROFIT BEFORE TAX	*8*	**1,008,969**	551,855
Income tax expense	*9*	**(246,981)**	(144,610)
PROFIT FOR THE YEAR		**761,988**	407,245
Attributable to:			
Owners of the parent		**749,740**	392,379
Non-controlling interests		**12,248**	14,866
		761,988	407,245
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*11*		
Basic (RMB)		**0.65**	0.34
Diluted (RMB)		**0.65**	0.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**761,988**	407,245
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(159,664)**	(55,649)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of the Company	**162,649**	68,295
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**2,985**	12,646
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**764,973**	419,891
Attributable to:		
Owners of the parent	**752,725**	405,025
Non-controlling interests	**12,248**	14,866
	764,973	419,891

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,009,818**	1,351,531
Prepayments for property, plant and equipment		**3,480**	2,552
Right-of-use assets		**1,126,210**	947,169
Goodwill		**113,910**	131,527
Other intangible assets		**2,098**	4,999
Deferred tax assets		**61,900**	135,980
Restricted cash		**4,196**	889
Other non-current assets		**60,381**	86,092
Total non-current assets		**2,381,993**	2,660,739
CURRENT ASSETS			
Inventories		**8,320**	7,691
Trade receivables	*12*	**90,433**	91,060
Prepayments		**66,531**	59,622
Other receivables and other assets		**779,377**	732,676
Financial assets at fair value through profit or loss		**843,280**	808,038
Restricted cash		**13,373**	4,237
Cash and cash equivalents		**2,046,179**	1,407,856
Assets classified as held for sale		**–**	5,135
Total current assets		**3,847,493**	3,116,315

continued/...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
CURRENT LIABILITIES			
Trade payables	13	**355,427**	314,607
Other payables and accruals		**1,139,511**	1,009,191
Interest-bearing borrowings		**50,623**	463,726
Tax payable		**158,797**	514
Lease liabilities		**411,770**	368,424
Total current liabilities		**2,116,128**	2,156,462
NET CURRENT ASSETS		**1,731,365**	959,853
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,113,358**	3,620,592
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		**–**	105,021
Lease liabilities		**697,816**	541,352
Deferred tax liabilities		**6,370**	–
Total non-current liabilities		**704,186**	646,373
Net assets		**3,409,172**	2,974,219
EQUITY			
Equity attributable to owners of the parent			
Share capital		**149**	149
Treasury shares		**(62,956)**	–
Reserves		**3,357,946**	2,475,553
		3,295,139	2,475,702
Non-controlling interests		**114,033**	498,517
Total equity		**3,409,172**	2,974,219

1. CORPORATE AND GROUP INFORMATION

ANE (Cayman) Inc. ("the **Company**") is an exempted company incorporated in the Cayman Islands. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in the less-than-truckload services ("**LTL Services**") in the People's Republic of China (hereafter, the "**PRC**").

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during the reporting period, and the Group's total assets as at the end of the reporting period were derived from one single operating segment, i.e., provision of transportation and related services.

Geographical information

As the Group generated all of its revenues and all the non-current assets were allocated in the PRC during the reporting period, no geographical segments are presented.

Information about major customers

The Group has a large number of customers and no revenue from a single customer accounted for more than 10% of the Group's total revenue for the reporting period.

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers:		
Transportation	**6,059,365**	5,529,949
Dispatch	**3,053,836**	2,590,061
Value-added services	**2,462,753**	1,796,889
Total	**11,575,954**	9,916,899

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time:		
Transportation	**6,059,365**	5,529,949
Dispatch services	**3,053,836**	2,590,061
Value-added services	**146,355**	98,278
Subtotal	**9,259,556**	8,218,288
At a point in time:		
Value-added services	**2,316,398**	1,698,611
Total revenue from contracts with customers	**11,575,954**	9,916,899

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Transportation and dispatch services

The Group provides sorting and line-haul transportation services between its sorting centres and then dispatches the goods for its customers. The performance obligations for transportation and dispatch services are satisfied over time when the goods are transported from one location to another. Performance obligations are generally short-term in nature with transit days being less than a week for each shipment. Payment in advance is normally required.

Value-added services

The performance obligations for value-added services are satisfied upon delivery of the related consumables or upon completion of the services. Payment in advance is normally required.

The following table shows the amounts of revenue recognised during the reporting period that were included in the contract liabilities at the beginning of the respective periods:

	2024	2023
	RMB'000	*RMB'000*
Transportation and dispatch services	**81,353**	106,038
Value-added services	**8,866**	13,772
Total	**90,219**	119,810

5. OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of other income and gains/(losses), net is as follows:

	2024	2023
	RMB'000	*RMB'000*
Provision for impairment of		
– Trade receivables and other receivables	**(6,651)**	(19,604)
– Property, plant and equipment	**–**	(11,182)
– Assets classified as held for sale	**–**	(13,463)
– Goodwill	**(17,617)**	–
Government grants*	**61,333**	20,170
Foreign exchange differences, net	**4,345**	2,440
Gain on disposal of financial assets at fair value through profit or loss	**40,951**	12,137
Gain on disposal of long-term assets**	**7,143**	31,945
Gains on weighted deduction of value-added tax***	**–**	135,914
Interest income	**11,434**	19,140
Others	**(35,017)**	(52,203)
Total	**65,921**	125,294

* Government grants mainly represent various supports awarded by the local governments to support the Group's operation.

** Gain on disposal of long-term assets includes gain on sale of properties of RMB3,074,000 (2023: Nil).

*** Weighted deduction of value-added tax ("**VAT**") mainly represents the utilized weighted deduction of VAT during the current reporting period.

Under the *Announcement on Deepening the Reforms of Value-added Tax Policy* issued by the MOF, STA and the GACC on 20 March 2019, taxpayers in productive service industries are allowed to deduct the VAT payable by 10% of the deductible input tax from 1 April 2019 to 31 December 2022.

Under the *Announcement on Clarifying the Value-added Tax Reduction and Exemption Policy for Small-scale VAT Taxpayers and Other Policies* issued by the MOF and the STA on 9 January 2023, taxpayers in productive service industries are allowed to deduct the VAT payable by 5% of the deductible input tax from 1 January 2023 to 31 December 2023.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**11,506**	37,621
Interest on lease liabilities	**50,209**	41,281
Total	**61,715**	78,902

7. FAIR VALUE CHANGES OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Fair value changes of financial products	**901**	11,249

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Cost of revenue*		**8,681,352**	7,430,277
Depreciation of property, plant and equipment		**398,906**	436,530
Depreciation of right-of-use assets		**459,436**	570,825
Amortisation of other intangible assets		**2,977**	8,823
Fair value changes of financial products	*7*	**(901)**	(11,249)
Government grants	*5*	**(61,333)**	(20,170)
Auditors' remuneration		**5,280**	5,080
Employee benefit expenses (including directors' remuneration):			
Wages, salaries and allowances		**722,798**	595,527
Pension scheme contributions and other welfare		**63,477**	40,345
Share-based payment expenses		**75,305**	102,560
Total		**861,580**	738,432
Impairment losses on trade receivables and other receivables		**6,651**	19,604
Impairment of property, plant and equipment		**–**	11,182
Impairment of assets classified as held for sale		**–**	13,463
Impairment of goodwill		**17,617**	–
Lease expenses**		**73,097**	64,165
Utility fee		**40,542**	41,764
Interest income	*5*	**(11,434)**	(19,140)
Gain on disposal of long-term assets	*5*	**(7,143)**	(31,945)
Gains on weighted deduction of value-added tax		**–**	(135,914)

* The amount of cost of revenue excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, employee benefit expenses, lease expenses and utility fee.

** The Group applies the available practical expedients of HKFRS 16 wherein it applies the short-term lease exemption to leases with a lease term that ends within 12 months from the lease commencement date.

9. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current income tax	**165,333**	2,873
Adjustments in respect of prior years	**1,198**	(5,643)
Deferred income tax	**80,450**	147,380
Tax charge for the year	**246,981**	144,610

A reconciliation of the tax charge applicable to profit before tax at the statutory rate applicable in Mainland China to the tax expense at the effective tax rates is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**1,008,969**	551,855
Tax at the statutory tax rate of 25%	**252,242**	137,964
Lower tax rates enacted by local authorities	**504**	33,971
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	**7,700**	–
Adjustments in respect of current tax and deferred tax of previous periods	**10,613**	(26,540)
Expenses not deductible for tax	**2,501**	130
Tax losses utilised from previous periods	**(8,459)**	(4,668)
Tax losses not recognised/(recognition of tax losses not recognised in prior years), net	**(18,120)**	3,753
Tax charge for the year at the Group's effective rate	**246,981**	144,610

10. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,158,148,715 (2023: 1,156,499,102) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of basic earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Earnings attributable to ordinary equity holders of the parent	**749,740**	392,379
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**1,158,148,715**	1,156,499,102
Earnings per share (RMB)	**0.65**	0.34

The weighted average number of shares was after taking into account the effect of treasury shares held.

12. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**146,412**	144,375
Impairment	**(55,979)**	(53,315)
Net carrying amount	**90,433**	91,060

The Group generally requires payment in advance from its customers and seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. The credit terms granted by the Group are generally within 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, based on the transaction date and net of loss allowance, as at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**89,840**	90,276
1 to 2 years	**593**	784
Total	**90,433**	91,060

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**53,315**	48,834
Impairment losses	**4,723**	6,191
Amount written off as uncollectible	**(2,059)**	(1,710)
At end of year	**55,979**	53,315

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity.

13. TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**355,427**	314,607
Total	**355,427**	314,607

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**348,293**	309,711
3 to 6 months	**47**	2,133
6 to 12 months	**110**	2,763
Over 1 year	**6,977**	–
Total	**355,427**	314,607

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Change of Directors and Composition of Board Committees and Change of Directors' Information

During the Reporting Period and up to the date of this announcement, there are no changes of Directors and the composition of Board Committees of the Company.

Mr. Hung Cheung Fuk was appointed as a non-executive independent director of GP Industries Limited, a company listed on the Singapore Exchange Securities Trading Limited, with effect from June 20, 2024. Mr. Wei Bin has resigned as an independent non-executive director of Honghua Group Limited (宏華集團有限公司), a company listed on the Stock Exchange (stock code: 196), with effect from June 28, 2024.

Mr. Li Wilson Wei was appointed as an independent non-executive director of Dmall Inc. (多點數智有限公司), a company listed on the Stock Exchange (stock code: 2586), with effect from December 6, 2024. Save as disclosed in this announcement, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Re-election of Directors

At the annual general meeting of the Company held on June 19, 2024, the Shareholders passed ordinary resolutions in relation to re-election of Mr. Chen Weihao, Mr. Zhang Yinghao, Mr. Li Wilson Wei, Ms. Sha Sha and Mr. Hung Cheung Fuk as Directors. For further details, please refer to the Company's circular dated May 24, 2024.

Compliance with the Corporate Governance Code

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules. Save as disclosed below, during the Reporting Period, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qin Xinghua ("**Mr. Qin**") serves as both the co-chairman of the Board and the chief executive officer. The Board believes that vesting the roles of both co-chairman and chief executive officer in Mr. Qin has the benefit of ensuring consistent and continuous planning and execution of the Company's strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the Board, with not less than one third of them being independent non-executive directors. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

In order to maintain high standards of corporate governance, the Board will continuously review and monitor its corporate governance practices.

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the Reporting Period.

Employees and Remuneration

The Group had 3,073 employees as at December 31, 2024, representing a reduction of 2.2% compared to 3,142 employees as at December 31, 2023. The Group enters into employment contracts with its employees to cover matters such as wages, benefits, and grounds for termination.

Remuneration of the Group's employees includes salary, bonus and allowance elements. The compensation programs are designed to remunerate the employees based on their performance, measured against specified objective criteria. We also provide our employees with welfare benefits in accordance with applicable regulations and our internal policies. We provide periodic training to our employees in order to improve their quality, skills and knowledge, including introductory training for new employees, technical training, professional and management training and health and safety training, as well as extensive training to our sales and marketing team. The Group also has in place incentive schemes for its employees.

Use of Proceeds from the Global Offering

On November 11, 2021, upon the Company's listing on the Stock Exchange, the Company issued 80,220,000 ordinary shares with a par value of US$0.00002 at HK$13.88 each, and raised gross proceeds of approximately HK$1,113,454,000 (equivalent to approximately RMB916,606,000). The Company obtained net proceeds of approximately HK$1,009.2 million (equivalent to RMB830.8 million) (after deducting the underwriting commissions and other estimated expenses in connection with the exercise of the Global Offering). The net price to the Company (which was calculated by dividing the net proceeds by the number of shares issued in connection with the Global Offering after taking account of the exercise of overallotment option) was approximately HK$12.58 per share.

The table below sets forth a detailed breakdown and description of the use of net proceeds from the date of the Listing to December 31, 2024. The Company intends to use the net proceeds in the same matter and proportion as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Use of Proceeds	Percentage of total net proceeds (in the same proportion as stated in the Prospectus) *(%)*	Amount of net proceeds for the relevant use (in the same proportion as stated in the Prospectus) *(HK$ million)*	Unutilized amount of net proceeds at the beginning of the Reporting Period	Amount of net proceeds utilized during the Reporting Period *(HK$ million)*	Amount of net proceeds utilized as of December 31, 2024 *(HK$ million)*	Amount not yet utilized as of the date of December 31, 2024 *(HK$ million)*	Expected timeframe for utilizing the remaining unutilized net proceeds
(A) building, upgrading and potential acquisitions of months 5 to 10 key transit hubs in strategic locations to accommodate our high-volume growth, improve our network structure and ensure stability and long-term planning	**40.0**	**403.7**	**238.7**	**68.2**	**233.2**	**170.5**	**By December 2025**
(B) investment in our line-haul truck fleet to further improve our operation efficiency	**30.0**	**302.8**	**-**	**-**	**302.8**	**-**	
(i) purchase approximately 2,000 to 3,000 modern and high-capacity truck tractors and trailers, and to partner with major trucking manufacturers to customise their models to fit our operational needs	25.0	252.3	-	–	252.3	–	
(ii) repay our borrowings for the purchase of trucks of our sorting network	5.0	50.5	-	–	50.5	–	
(C) investment in technology innovations	**20.0**	**201.8**	**172.1**	**14.5**	**44.2**	**157.6**	**By December 2025**
(i) upgrade the technologies and automated facilities of our sorting network	10.0	100.9	78.6	6.0	28.3	72.6	
(a) Deploy AI-enabled autonomous decision-making systems in our management of sorting network to reduce human error and reliance on individual workers	2.0	20.2	–	–	20.2	–	
(b) Sorting automation, with focuses on AI vision monitoring systems, dynamic volume weighing devices, unmanned forklift, IoT devices and automated cross-belts tailored for freight sorting, which enable us to further improve sorting capacity and efficiency	8.0	80.7	78.6	6.0	8.1	72.6	
(ii) invest in intelligent transportation management systems and autonomous driving technologies	10.0	100.9	93.5	8.5	15.9	85.0	
(a) Intelligent transportation management to further optimize our route planning and enhance our transportation efficiency	8.0	80.7	73.3	8.5	15.9	64.8	
(b) Autonomous driving technologies to improve transportation safety and reduce transportation cost	2.0	20.2	20.2	–	–	20.2	
(D) Working capital and other general corporate purposes	**10.0**	**100.9**	**11.6**	**11.6**	**100.9**	**-**	

Note: The expected timeframe for utilizing the remaining unutilized net proceeds is based on the best estimation of the factual business needs and future business development of the Group. It will be subject to change based on the current and future developments of market conditions and future business needs of the Group.

Purchase, Sale or Redemption of Listed Securities

As disclosed by the Company's announcement dated August 19, 2024, at the annual general meeting of the Company held on June 19, 2024 (the "**2024 AGM**"), the Directors were granted a general mandate to repurchase no more than 116,260,548 shares of the Company, representing 10% of the total number of Shares in issue (excluding any treasury shares) as at the date of the 2024 AGM (the "**Share Repurchase Mandate**"). Details of the Share Repurchase Mandate are set out in the circular of the Company dated May 24, 2024.

During the Reporting Period, the Company repurchased 1,191,000 Shares on-market for a total consideration of HK$8,754,561.70 pursuant to the Share Repurchase Mandate. As of December 31, 2024, 1,191,000 Shares repurchased are held as treasury shares.

The Directors are of the view that repurchases of Shares will demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders.

Details of the share repurchases during the Reporting Period are as follows:

Month and year of repurchase	Number and method of repurchased	Price paid per Share		Aggregate consideration
		Highest	Lowest	
August 2024	1,191,000 on the Stock Exchange	HK$7.66	HK$7.13	HK$8,754,561.70
Total	**1,191,000 on the Stock Exchange**	**HK$7.66**	**HK$7.13**	**HK$8,754,561.70**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period. Save as disclosed above, there was no transaction in the Company's securities, or securities of its subsidiaries (in each case, in the nature of (1) convertible securities, warrants or similar rights issued or granted; (2) exercise of any conversion or subscription rights attached to the aforesaid; or (3) redemption, purchase or cancellation of redeemable securities) during the Reporting Period.

Material Litigation

As of December 31, 2024, as far as the Company is aware, the Company and its subsidiaries were not involved in any material litigation or arbitration and no material litigation or claim of material importance was pending or threatened against or by the Company.

Audit Committee and Auditor

As of the date of this announcement, the Audit Committee has four members comprising four independent non-executive Directors, being Mr. Li Wilson Wei (chairman of the Audit Committee), Mr. Geh George Shalchu, Ms. Sha Sha and Mr. Hung Cheung Fuk, with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the audited annual financial results for the year ended December 31, 2024, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The auditor of the Company, Ernst & Young, has agreed that the figures in respect of the Group's annual results for the year ended December 31, 2024 contained in this announcement are consistent with the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

Other Board Committees

In addition to the Audit Committee, the Company has also established a remuneration committee, a nomination committee, an environmental, social and governance committee and a strategy committee.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2024 and up to the date of this announcement.

FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended December 31, 2024.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The Company will arrange the time of convening the forthcoming annual general meeting (the "**Forthcoming AGM**") as soon as practicable, a circular and notice of the Forthcoming AGM will be published and despatched to the Shareholders in a timely manner in accordance with the requirements of the Listing Rules and the Company's articles of association. Once the date of the Forthcoming AGM is finalized, the Company will publish the period of closure of register of members of the Company in due course.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ane56.com).

The annual report for the year ended December 31, 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

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

Hong Kong, March 20, 2025

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