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FAR International Holdings Group Company Limited

泛遠國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2516)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of FAR International Holdings Group Company Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | <i>Notes</i> | Six months ended 30 June | |
|---|--------------|---------------------------------|-----------------------|
| | | 2024 | 2023 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (unaudited) | (audited) |
| Revenue | 3 | 1,427,976 | 673,910 |
| Cost of sales | | (1,323,177) | (619,455) |
| Gross profit | | 104,799 | 54,455 |
| Other income, gains and losses, net | 5 | (9,230) | 2,838 |
| Selling expenses | | (8,423) | (4,149) |
| Administrative and other expenses | | (31,941) | (36,568) |
| Impairment loss on trade and other receivables | | (7,423) | (1,245) |
| Finance costs | | (7,741) | (1,286) |
| Profit before tax | | 40,041 | 14,045 |
| Income tax expenses | 6 | (1,979) | (3,128) |
| Profit for the period | 7 | <u>38,062</u> | <u>10,917</u> |
| Other comprehensive income for the period: <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange difference arising on translating foreign operations | | 494 | 5,299 |
| Total comprehensive income for the period | | <u>38,556</u> | <u>16,216</u> |
| Profit (loss) attributable to: | | | |
| — Owners of the Company | | 38,093 | 11,342 |
| — Non-controlling interests | | (31) | (425) |
| | | <u>38,062</u> | <u>10,917</u> |
| Total comprehensive income (expense) attributable to: | | | |
| — Owners of the Company | | 38,587 | 16,641 |
| — Non-controlling interests | | (31) | (425) |
| | | <u>38,556</u> | <u>16,216</u> |
| Earnings per share | | | |
| Basic and diluted (<i>RMB cents</i>) | 9 | <u>4.88</u> | <u>25.67</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 30 June 2024 <i>RMB'000</i> (unaudited) | 31 December 2023 <i>RMB'000</i> (audited) |
|--|----|--|--|
| Non-current assets | | | |
| Property, plant and equipment | | 24,122 | 24,157 |
| Right-of-use assets | | 10,323 | 16,681 |
| Goodwill | | 144,680 | 144,680 |
| Deferred tax assets | | 5,372 | 4,261 |
| | | 184,497 | 189,779 |
| Current assets | | | |
| Trade and bill receivables | 10 | 620,460 | 488,120 |
| Deposits, prepayments and other receivables | | 115,534 | 113,895 |
| Amount due from a related company | | — | 1,652 |
| Financial assets at fair value through profit or loss | 13 | 58,290 | — |
| Time deposits | | 14,655 | 4,622 |
| Bank balances and cash | | 398,691 | 409,046 |
| | | 1,207,630 | 1,017,335 |
| Current liabilities | | | |
| Trade payables | 11 | 121,116 | 232,523 |
| Accruals and other payables | | 44,343 | 42,182 |
| Contract liabilities | | 5,427 | 7,278 |
| Income tax payables | | 1,378 | 3,925 |
| Lease liabilities | | 6,941 | 10,386 |
| Borrowings | | 519,680 | 252,200 |
| | | 698,885 | 548,494 |
| Net current assets | | 508,745 | 468,841 |
| Total assets less current liabilities | | 693,242 | 658,620 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 24 | 29 |
| Lease liabilities | | 3,019 | 6,948 |
| | | 3,043 | 6,977 |
| Net assets | | 690,199 | 651,643 |

| | | 30 June 2024 | 31 December 2023 |
|-----------------------------|-------------|--------------------------------------|------------------------------------|
| | <i>Note</i> | RMB'000 (unaudited) | RMB'000 (audited) |
| Capital and reserves | | | |
| Share capital | 12 | 7,075 | 7,075 |
| Reserves | | 683,509 | 644,922 |
| | | 690,584 | 651,997 |
| Non-controlling interests | | (385) | (354) |
| Total equity | | 690,199 | 651,643 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

FAR International Holdings Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Act (as revised) of the Cayman Islands as an exempted company with limited liability on 24 November 2022 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 December 2023. Its immediate and ultimate holding company is Zi Yue Holdings Limited (“**Zi Yue**”), a company with limited liability incorporated in the British Virgin Islands. Zi Yue is wholly and directly owned by Mr. Wang Quan, who is also a director of the Company.

The Company is an investment holding company and has not carried on any business since the date of its incorporation. The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the provision of end-to-end cross-border delivery service, freight forwarding service and other logistics service.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

Before the listing of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the “**Reorganisation**”) as detailed in the section headed “History, development and reorganisation” in the prospectus of the Company dated 12 December 2023 (the “**Prospectus**”).

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 16 May 2023.

As the Reorganisation only involved inserting new holding companies and has not resulted in any change of economic substance, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the period ended 30 June 2023 have been prepared as if the current group structure had been in existence throughout the period ended 30 June 2023, or since the respective dates of incorporation/establishment of the relevant companies now comprising the Group where this is a shorter period and the Company had always been the holding company of the Group.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2024:

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sales and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue mainly represents revenue arising from end-to-end cross-border delivery service, freight forwarding service and other logistics service for the periods. An analysis of the Group's revenue is as follows:

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (audited) |
| Revenue from contracts with customers within the scope of HKFRS 15 "Revenue from Contracts with Customers" | | |
| Disaggregated by major services lines | | |
| — End-to-end cross-border delivery service | 648,712 | 589,909 |
| — Freight forwarding service | 315,065 | 40,476 |
| — Other logistics service | 464,199 | 43,525 |
| | <u>1,427,976</u> | <u>673,910</u> |

Disaggregation of revenue from contracts with customers by timing of recognition

| | Six months ended 30 June | |
|--------------------------------------|--------------------------|----------------|
| | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (audited) |
| Timing of revenue recognition | | |
| Overtime | 648,712 | 589,909 |
| A point in time | 779,264 | 84,001 |
| | <u>1,427,976</u> | <u>673,910</u> |

Transaction price allocated to the remaining performance obligations

The sales contracts are with an original expected duration of less than one year. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price for the performance obligation that is unsatisfied as of the end of respective reporting period.

4. SEGMENT INFORMATION

The directors of the Company, being the chief operating decision makers, review the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in the provision of end-to-end cross-border delivery service, freight forwarding service and other logistics service. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of revenue from external customers is based on the location of the orders placed as follows:

Revenue from external customers:

| | Six months ended 30 June | |
|-----------------------------|---------------------------------------|-------------------------------------|
| | 2024 <i>RMB'000</i> (unaudited) | 2023 <i>RMB'000</i> (audited) |
| Mainland China | 1,386,260 | 586,726 |
| Hong Kong | 21,629 | 81,771 |
| The United States | 11,907 | 3,205 |
| The United Kingdom | 93 | 36 |
| Other countries and regions | 8,087 | 2,172 |
| | <u>1,427,976</u> | <u>673,910</u> |

As at 30 June 2024 and 2023, all of the Group's non-current assets, excluding goodwill and deferred tax assets, were located in the People's Republic of China (the "PRC").

Information about major customers

Revenue from customers contributed over 10% of the total revenue of the Group are as follows:

| | Six months ended 30 June | |
|---|---------------------------------------|-------------------------------------|
| | 2024 <i>RMB'000</i> (unaudited) | 2023 <i>RMB'000</i> (audited) |
| Customer A ¹ | 748,424 | 150,688 |
| Customer B ² | 151,030 | N/A [#] |
| Shenzhen Yidatong Supply Chain Service Co., Ltd.* (深圳市一達通供應鏈服務有限公司) ³ | <u>N/A[#]</u> | <u>85,548</u> |

* for identification purpose only

¹ Revenue from end-to-end cross-border delivery service, freight forwarding service and other logistics service rendered.

² Revenue from freight forwarding service rendered.

³ Revenue from end-to-end cross-border delivery service rendered.

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME, GAINS AND LOSSES, NET

| | Six months ended 30 June | |
|---|---------------------------------|---------------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Bank interest income | 2,798 | 2,216 |
| Government grants (<i>note (i)</i>) | 3,214 | 383 |
| Gain (loss) arising from change in fair value of financial assets at fair value through profit or loss | 518 | (10) |
| Net loss on disposal of property, plant and equipment | (9) | (56) |
| Net gain on early termination of lease contract | 2 | — |
| Exchange difference | (17,646) | (426) |
| Sundry income | 1,893 | 731 |
| | <u> </u> | <u> </u> |
| | <u>(9,230)</u> | <u>2,838</u> |

Note:

- (i) The government grants were mainly incentives provided by local government authorities in the PRC for various forms of government financial incentives to reward the Group's support and contribution for the development of local economies. As of 30 June 2024 and 2023, there were no unfulfilled conditions or contingencies relating to these government grants.

6. INCOME TAX EXPENSES

| | Six months ended 30 June | |
|-------------------------|---------------------------------|---------------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Current income tax: | | |
| — Hong Kong Profits Tax | 44 | 17 |
| — Corporate Income Tax | 3,051 | 2,829 |
| Deferred taxation | (1,116) | 282 |
| | <u> </u> | <u> </u> |
| | <u>1,979</u> | <u>3,128</u> |

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

| | Six months ended 30 June | |
|--|--------------------------------|------------------------------|
| | 2024 RMB'000 (unaudited) | 2023 RMB'000 (audited) |
| Directors' emoluments | 1,659 | 1,493 |
| Salaries, allowances and other benefits (excluding directors' emoluments) | 33,276 | 30,344 |
| Contributions to retirement benefits scheme (excluding directors' emoluments) | 3,767 | 2,953 |
| Total staff costs | 38,702 | 34,790 |
| Listing expenses | — | 10,486 |
| Research and development cost (<i>note</i>) | 652 | 472 |
| Impairment loss (reversal of impairment loss) on: | | |
| — trade receivables | 7,493 | 1,291 |
| — other receivables | (70) | (46) |
| | 7,423 | 1,245 |
| Depreciation of property, plant and equipment | 2,531 | 2,131 |
| Depreciation of right-of-use assets | 5,163 | 4,302 |

Note: The item does not include depreciation, employee benefits and related expenses related to research and development.

8. DIVIDENDS

No dividend has been paid or declared during the period ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (30 June 2023: Nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

| | Six months ended 30 June | |
|--|---------------------------------|-----------------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Earnings | | |
| Earnings for the purpose of basic and diluted earnings per share | <u>38,093</u> | <u>11,342</u> |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share | <u>780,000</u> | <u>618,178</u> |

The weighted average number of ordinary shares had been adjusted for the effect of the capitalisation issue for the period ended 30 June 2023, as stated in Note 12.

The diluted earnings per share is equivalent to the basic earnings per share as there were no dilutive potential ordinary shares outstanding for both periods.

10. TRADE AND BILL RECEIVABLES

| | 30 June 2024 | 31 December 2023 |
|---|-------------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (audited) |
| Trade receivables | 648,550 | 511,405 |
| Bill receivables | 200 | — |
| Less: allowance for impairment loss of trade receivables | (28,290) | (23,285) |
| | <u>620,460</u> | <u>488,120</u> |

The following is an ageing analysis of trade and bill receivables, net of allowance for impairment loss of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

| | 30 June 2024 | 31 December 2023 |
|-----------------|-------------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (audited) |
| Within 3 months | 589,116 | 469,557 |
| 4–12 months | 28,066 | 15,154 |
| 1–2 years | 3,278 | 3,409 |
| | <u>620,460</u> | <u>488,120</u> |

The Group allows credit period of 0 to 90 days to its trade customers depending on the creditability of the customers. The Group does not hold any collateral over its trade receivables.

11. TRADE PAYABLES

| | 30 June 2024 RMB'000 (unaudited) | 31 December 2023 RMB'000 (audited) |
|----------------|---|---|
| Trade payables | <u>121,116</u> | <u>232,523</u> |

The following is an ageing analysis of trade payables presented based on invoice date at the end of the reporting period:

| | 30 June 2024 RMB'000 (unaudited) | 31 December 2023 RMB'000 (audited) |
|-----------------|---|---|
| Within 3 months | 104,456 | 228,188 |
| 4–12 months | 15,096 | 3,467 |
| 1–2 years | 1,059 | 805 |
| 2–3 years | 442 | 63 |
| Over 3 years | 63 | — |
| | <u>121,116</u> | <u>232,523</u> |

The average credit period on purchases of goods is up to 90 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

12. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 24 November 2022 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares with a par value of HK\$0.01 each. On the same date of incorporation, one ordinary share of HK\$0.01 was allotted and issued to the initial subscriber, an independent third party, at par, which was then transferred to Zi Yue on the same date.

On 9 May 2023, the Company's authorised ordinary shares were further increased to 780,000,000 ordinary shares with a par value of HK\$0.01 each, and 40,491,580 ordinary shares were allotted and issued to various shareholders pursuant to the Reorganisation.

On 11 May 2023, a class of preferred shares was set up, and authorised share capital of the Company was re-designated from HK\$7,800,000 divided by 780,000,000 ordinary shares of HK\$0.01 each to HK\$7,800,000 divided by 775,000,000 ordinary shares of HK\$0.01 each and 5,000,000 preferred shares of HK\$0.01 each. On the same date, 4,791,427 preferred shares of HK\$47,914 were allotted (the "**Preferred Shares**") and issued to Taobao China Holding Limited pursuant to the Reorganisation.

The Preferred Shares contain same voting right, right to dividend and right to share of net assets at liquidation as holders of ordinary shares except for preference at liquidation. The Preferred Shares, in whole or in part, can be converted into ordinary shares on a one-for-one basis and are convertible at any time after the date of issuance of the shares. Each Preferred Share shall be automatically re-designated into ordinary shares of the Company upon listing of the Company's shares on the Main Board of the Stock Exchange.

On 16 May 2023, 457,404 ordinary shares of HK\$4,574 (RMB4,036) were allotted and issued to Easygo Warehouse Services Corporation pursuant to the Reorganisation.

Pursuant to the meeting of the Board dated 1 December 2023, the authorised share capital of the Company was increased from HK\$7,800,000 divided by 775,000,000 ordinary shares of HK\$0.01 each and 5,000,000 preferred shares of HK\$0.01 each to HK\$20,000,000 divided into 1,920,000,000 ordinary shares of HK\$0.01 each and 80,000,000 preferred shares of HK\$0.01 each by the creation of an additional 1,220,000,000 shares of par value of HK\$0.01 each.

On 22 December 2023, the capitalisation issue pursuant to the Company's shareholders' resolution dated 1 December 2023 was effected. The Company issued 594,259,588 shares at par value of HK\$0.01 each to the shareholders, whose are on the shareholders list as at 18 December 2023, credited as fully paid at par, by way of capitalisation of an amount of HK\$5,942,596 (approximately RMB5,399,000) standing to the credit of the share premium account of the Company.

On 22 December 2023, the Company issued a total of 140,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.90 (equivalent to RMB0.82) each upon the initial public offering and listing of the shares of the Company on the Stock Exchange with the total amounts of approximately RMB114,486,000. The number of total issued ordinary shares increased to 780,000,000 shares upon the capitalisation issue and the initial public offering. The new ordinary shares rank pari passu with the existing shares in all aspects. On the same day, all Preferred Shares are converted into ordinary shares automatically.

Ordinary shares

| | Number of shares | Amount HK\$ | Amount RMB | Shown in condensed consolidated financial statements RMB'000 |
|--|----------------------|-------------------|-------------------|---|
| Authorised ordinary shares at HK\$0.01 per share: | | | | |
| At 1 January 2023 (audited) | 38,000,000 | 380,000 | 335,288 | 335 |
| Increase in authorised ordinary shares on 9 May 2023 | 742,000,000 | 7,420,000 | 6,546,944 | 6,547 |
| Re-designate the authorised share capital on 11 May 2023 | (5,000,000) | (50,000) | (44,117) | (44) |
| Increase in authorised ordinary shares on 1 December 2023 | 1,145,000,000 | 11,450,000 | 10,422,019 | 10,422 |
| Conversion from preferred shares upon listing | 80,000,000 | 800,000 | 726,782 | 727 |
| | | | | |
| At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited) | <u>2,000,000,000</u> | <u>20,000,000</u> | <u>17,986,916</u> | <u>17,987</u> |
| Issued and fully paid ordinary shares at HK\$0.01 per share: | | | | |
| At 1 January 2023 (audited) | 1 | —** | —** | —*** |
| Issue of new ordinary shares on 9 May 2023 | 40,491,580 | 404,916 | 357,273 | 358 |
| Issue of new ordinary shares on 16 May 2023 | 457,404 | 4,574 | 4,036 | 4 |
| Conversion from preferred shares upon listing | 4,791,427 | 47,914 | 42,276 | 42 |
| Capitalisation issue | 594,259,588 | 5,942,596 | 5,399,561 | 5,399 |
| Issue of new ordinary shares upon listing | 140,000,000 | 1,400,000 | 1,272,068 | 1,272 |
| | | | | |
| At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited) | <u>780,000,000</u> | <u>7,800,000</u> | <u>7,075,214</u> | <u>7,075</u> |

Preferred shares

| | Number of shares | Amount HK\$ | Amount RMB | Shown in condensed consolidated financial statements RMB'000 |
|--|------------------|----------------|---------------|---|
| Authorised preferred shares at HKD0.01 per share: | | | | |
| At 1 January 2023 (audited) | — | — | — | — |
| Re-designate the authorised share capital on 11 May 2023 | 5,000,000 | 50,000 | 44,117 | 44 |
| Increase in authorised preferred shares on 1 December 2023 | 75,000,000 | 750,000 | 682,665 | 683 |
| Conversion into ordinary shares upon listing | (80,000,000) | (800,000) | (726,782) | (727) |
| | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited) | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Issued and fully paid preferred shares at HK\$0.01 per share: | | | | |
| At 1 January 2023 (audited) | — | — | — | — |
| Issue of new preferred shares on 11 May 2023 | 4,791,427 | 47,914 | 42,276 | 42 |
| Conversion into ordinary shares upon listing | (4,791,427) | (47,914) | (42,276) | (42) |
| | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited) | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |

** *Less than RMB1*

*** *Less than RMB1,000*

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of all financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The following table provides an analysis of financial instrument that is measured at fair value at the end of each reporting period for recurring measurement, grouped into Level 2 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

| | 30 June 2024 Level 2 RMB'000 (unaudited) | 31 December 2023 Level 2 RMB'000 (audited) |
|---|---|--|
| Financial assets at fair value through profit or loss | | |
| Unlisted funds | <u>58,290</u> | <u>—</u> |

There were no transfers into or out of Level 2 of fair value hierarchy during the period/year.

| Financial instrument | Fair value hierarchy | 30 June 2024 RMB'000 (unaudited) | 31 December 2023 RMB'000 (audited) | Valuation technique and key inputs |
|----------------------|----------------------|---|---|--|
| Unlisted funds | Level 2 | 58,290 | — | Quoted prices from fund administrators |

Except for the financial assets listed above, the management of the Group considers that the carrying amounts of other financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Market Overview

Based on the information from the General Administration of Customs of the PRC, the total import and export trade volume in the PRC reached approximately RMB21.17 trillion in the first half of 2024, representing a year-on-year growth of 6.1%, of which the total export trade volume was approximately RMB12.13 trillion, representing a year-on-year growth of 6.9%. According to the information in June 2024, the monthly exports have recorded a month-on-month growth for three consecutive months. Under the sophisticated political and economic environment, the PRC has maintained its strong growth momentum for foreign trade.

Contributions from cross-border e-commerce are essential for the growth momentum of the PRC's foreign trade. As an important channel for foreign trade transformation, cross-border e-commerce plays a leading role in the innovation and development of foreign trade. During the first half of this year, the import and export trade volume of cross-border e-commerce in the PRC reached approximately RMB1.22 trillion, representing a year-on-year growth of 10.5%. Such growth rate is higher than the overall growth rate of foreign trade in the PRC by 4.4 percentage points. There is no doubt that cross-border e-commerce has become the new drive for the growth of foreign trade in the PRC, while cross-border e-commerce logistics, which constitutes the core portion of cross-border e-commerce imports and exports, has also brought along more opportunities for development.

During the first half of this year, cross-border e-commerce platforms in the PRC, including Temu, TikTok Shop and SHINE, through updating and iterating their models such as "hosting", have continued to make substantial investments in expanding their foreign markets, which attracted a large number of consumers and contributed to the growth of performance of those platforms at a fast pace. With the globalisation of cross-border e-commerce accelerating, not only does it require a deeper binding of the export of domestic logistics companies, but there is also a greater need to overtake the logistics resources system dominated by foreign companies. As such, domestically oriented cross-border e-commerce logistics service providers have to timely exploit this opportunity and seize the benefits that arise to assist in facilitating the layout of globalisation of cross-border e-commerce in the PRC.

Performance Overview

The Group is a renowned cross-border e-commerce logistics service provider in the PRC. The Group has more than 30 service outlets and a network of over 1,100 suppliers with a service coverage of more than 220 countries and regions worldwide, allowing it to provide various flexible and reliable cross-border delivery options to customers. During the first half of 2024, the Group principally provided three main types of services, namely end-to-end cross-border delivery service, freight forwarding service and other logistics services. The total revenue amounted to approximately RMB1,427.98 million for the first half of 2024, representing a growth of approximately 111.89% as compared to that of approximately RMB673.91 million for the corresponding period of 2023. Profit attributable to owners of the Company amounted to approximately RMB38.09 million for the first half of 2024, representing a growth of approximately 235.86% as compared to that of the first half of 2023.

The core business performance indicators of the Group during the first half of 2024 continued to improve, with both its operating revenue and profit exceeding expectation, and achieved rapid growth under such a sophisticated external environment and laid a solid foundation for attaining all goals for the entire 2024.

Specific performance for each product is as follows:

The Group is capable of providing various flexible and reliable delivery options to its customers based on their selection of express, standard or economic delivery options, through coordinating its network of suppliers. Operating revenue from end-to-end cross-border delivery service amounted to approximately RMB648.71 million for the first half of 2024, representing a rise of approximately 9.97% as compared to that of the first half of 2023. This was mainly attributable to the contribution from standard and economic delivery services.

The Group offers freight forwarding services for the delivery of parcels from the port of the origin to the port of the final destination through different delivery methods, such as airborne, seaborne and ground transportation. Operating revenue from freight forwarding service amounted to approximately RMB315.07 million for the first half of 2024, representing a rise of approximately 678.40% as compared to that of the first half of 2023. This was mainly attributable to the substantial growth of airborne services.

Building on the Group's service outlets and supplier network, the Group offers value-adding supply chain solutions that integrate its service offerings and fulfills the specific needs of its customers of different industry verticals. Operating revenue from other logistics services amounted to approximately RMB464.20 million for the first half of 2024, representing a rise of approximately 966.51% as compared to that of the first half of 2023. This was mainly attributable to the contribution from other customs clearance and delivery services.

Future Outlook and Prospect

Market Outlook

Based on the information from the General Administration of Customs of the PRC and the prediction from iResearch, the compound annual growth rate of the export trade volume of cross-border e-commerce in the PRC from 2022 to 2025 is expected to reach approximately 16.40%, achieving a stable and positive development. By 2025, the scale of cross-border e-commerce is expected to reach approximately RMB10.00 trillion. The rapid development of cross-border e-commerce promotes the continuous growth of the cross-border e-commerce logistics market.

In the second half of 2024, cross-border e-commerce sellers will appear on more emerging platforms which largely adopt the “hosting” model. For cross-border e-commerce logistics companies, they can serve more e-commerce sellers through cooperation with these platforms. Meanwhile, the standardised logistics service requirements and standards of such platforms further improve the service quality of the cross-border e-commerce logistics industry.

With the diversifying and segmenting demand of global consumers, there are rising demands for goods. Meanwhile, the channels and ways for global consumers to obtain information about the goods are continuously increasing. Foreign social media like Facebook, YouTube, TikTok and Twitter also recognise the demand for Chinese brands to export overseas and have invested more resources to support and help companies from the PRC to enter the international market. Cross-border e-commerce logistics services will also benefit from such situation.

Development Strategy

Further deepen the strategic cooperation with major platforms. The Company will strengthen the construction of marketing system and customer acquisition capability for non-platform customers like individual platforms.

Expand the business scale and service capabilities. The Company will expand or upgrade its existing service outlets as required to raise its service carrying capacity.

Expand the overseas business layout. On the basis of its existing business, the Company will extend the foreign logistics network, improve the cross-border delivery and the performance ability of overseas localization ancillary services, facilitate the construction and launch of overseas logistics infrastructure and team recruitment, and establish an international logistics supply chain network.

Increasing investment in technology. Science is the key to refined management. Through upgrading the information technology system, the Company can improve the standard of digitalization and empower its corporate development.

Financial Review

Revenue

The Group's revenue for the six months ended 30 June 2024 was approximately RMB1,427.98 million, representing an increase of 111.89% as compared to approximately RMB673.91 million for the six months ended 30 June 2023, which was mainly attributable to the increase in revenue from end-to-end cross-border delivery services, freight forwarding services and other logistics services. Specifically, revenue from Customer A surged from approximately RMB150.69 million for the six months ended 30 June 2023 to approximately RMB748.42 million for the six months ended 30 June 2024.

Revenue from end-to-end cross-border delivery services increased from approximately RMB589.91 million for the six months ended 30 June 2023 to approximately RMB648.71 million for the six months ended 30 June 2024, representing an increase of approximately 9.97%. The increase was mainly due to the increase in revenue from standard and economic delivery services.

Revenue from freight forwarding services dramatically increased from approximately RMB40.48 million for the six months ended 30 June 2023 to approximately RMB315.07 million for the six months ended 30 June 2024, representing an increase of approximately 678.40%. The increase was mainly attributable to the substantial growth of airborne services.

Revenue from other logistics services increased significantly, soaring from approximately RMB43.53 million for the six months ended 30 June 2023 to approximately RMB464.20 million for the six months ended 30 June 2024, representing an increase of approximately 966.51%. The increase was mainly due to other customs clearance and delivery services.

Cost of Sales

The Group's cost of sales for the six months ended 30 June 2024 increased to approximately RMB1,323.18 million from approximately RMB619.46 million for the six months ended 30 June 2023, representing an increase of approximately RMB703.72 million or 113.60%. The increase was mainly due to the overall rise in logistic costs associated with the significant increase in revenue for the six months ended 30 June 2024 as discussed above.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 June 2024 was approximately RMB104.80 million, representing an increase of approximately RMB50.34 million as compared to approximately RMB54.46 million for the six months ended 30 June 2023. Its gross profit margin decreased from approximately 8.08% for the six months ended 30 June 2023 to approximately 7.34% for the six months ended 30 June 2024, which was mainly attributable to more significant rise in the Group's revenue contribution from freight forwarding services and other logistics services, which carry lower profit margins as compared to end-to-end cross-border delivery services.

Other Income, Gains and Losses — Net

Other income, gains and losses mainly comprise bank interest income, government grants, gain or loss arising from change in fair value of financial assets at fair value through profit or loss, exchange difference and sundry income. For the six months ended 30 June 2024, the Group recorded net losses amounted to approximately RMB9.23 million, as compared to net gains of approximately RMB2.84 million for the six months ended 30 June 2023. The change from net gains to net losses was mainly attributable to the increase in loss on exchange difference.

Impairment Loss on Trade and Other Receivables

The Group's impairment loss on trade and other receivables was approximately RMB7.42 million for the six months ended 30 June 2024, representing an increase of approximately RMB6.17 million or 496.22%, as compared to approximately RMB1.25 million for the six months ended 30 June 2023, which was mainly due to the increased amount of trade and other receivables associated with the increase in revenue as discussed above.

Finance Costs

The Group's finance costs for the six months ended 30 June 2024 increased by approximately RMB6.45 million or 501.94% from approximately RMB1.29 million for the six months ended 30 June 2023 to approximately RMB7.74 million. The increase in finance costs was mainly due to the increase in bank borrowings for the six months ended 30 June 2024.

Income Tax Expenses

Income tax expenses primarily consist of current and deferred income tax at the applicable tax rate in accordance with the relevant laws and regulations in the PRC and Hong Kong. The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax in those jurisdictions.

Income tax expenses of the Group for the six months ended 30 June 2024 were approximately RMB1.98 million, representing a decrease of approximately RMB1.15 million from approximately RMB3.13 million for the six months ended 30 June 2023. Such decrease was mainly attributable to the increase in deferred tax assets, partially offset by the increase in current income tax for the six months ended 30 June 2024.

Profit for the Period

As a result of the foregoing, for the six months ended 30 June 2024, the Group recorded a profit of approximately RMB38.06 million, representing an increase of approximately 248.65% as compared to approximately RMB10.92 million for the six months ended 30 June 2023, which was mainly due to the increase in revenue and gross profit as explained above, partially offset by (i) other losses recorded for the six months ended 30 June 2024; (ii) increase in impairment loss on trade and other receivables; (iii) increase in finance costs; and (iv) increase in selling expenses associated with increase in revenue for the period.

Interim Dividend

The Board has resolved not to recommend the payment of interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

Non-HKFRS Adjusted Net Profit

To supplement the Group's condensed consolidated financial statements which are presented in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), the Company also used non-HKFRS adjusted net profit as an additional financial measure in order to evaluate its financial performance by eliminating the impact of items that it does not consider indicative of the performance of its business. The Company believes that this additional financial measure provides useful guidance as it reflects its net profit position relating to its normal business operations by eliminating the potential impact of its listing expenses. The term "adjusted net profit" is not defined under HKFRS. Other companies in the industry in which the Group operates may calculate such non-HKFRS item differently from the Group. The use of adjusted net profit has material limitations as an analytical tool, as adjusted net profit does not include all items that impact the Group's net profit for the six months ended 30 June 2024, and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under HKFRS.

The table below sets out the calculation of the Group’s non-HKFRS adjusted net profit for the periods indicated:

| | Six months ended 30 June 2024 RMB’000 (unaudited) | Six months ended 30 June 2023 RMB’000 (audited) |
|--|--|---|
| Profit for the period | 38,062 | 10,971 |
| <i>Adjustment for:</i> | | |
| Listing expenses | <u>—</u> | <u>10,486</u> |
| Adjusted net profit (non-HKFRS measure) for the period | <u>38,062</u> | <u>21,457</u> |

The Group’s adjusted net profit, adjusted by excluding the Group’s listing expenses, was approximately RMB38.06 million for the six months ended 30 June 2024, representing an increase of approximately 77.39% as compared to approximately RMB21.46 million for the six months ended 30 June 2023. The increase was mainly due to the increase in profit for the period as described above and no listing expense was recorded for the six months ended 30 June 2024.

Trade and Bill Receivables

The Group’s trade and bill receivables were approximately RMB620.46 million as at 30 June 2024, representing an increase of approximately 27.11% as compared to approximately RMB488.12 million as at 31 December 2023, primarily attributable to the increase in revenue in line with the growth of the Group’s business.

Trade Payables

The Group’s trade payables were approximately RMB121.12 million as at 30 June 2024, representing a decrease of approximately 47.91% as compared to approximately RMB232.52 million as at 31 December 2023, which was mainly attributable to the decrease in trade payables within 3 months driven by the Group’s dedication to making timely payment.

Liquidity, Financial Resources and Capital Structure

The Group generally finances its operations primarily through a combination of cash generated from operations and bank borrowings. Following the Company’s completion of the public offer and placing of the shares of the Company (the “**Share Offer**”) in December

2023, the net proceeds from the Share Offer are expected to provide additional funds for future cash needs of the Group. It is anticipated that the Group has sufficient working capital to fund its future working capital, capital expenditures and other cash needs.

The Group has adopted prudent treasury policies in cash and financial management. The Board closely monitors the Group's liquidity and capital resources to ensure that the liquidity structure of the Group's asset, liabilities and commitments can meet its funding requirements from time to time.

As at 30 June 2024, the Group's net current assets were approximately RMB508.75 million (31 December 2023: approximately RMB468.84 million). The Group's bank balances and cash as at 30 June 2024 were approximately RMB398.69 million (31 December 2023: approximately RMB409.05 million).

As at 30 June 2024, bank borrowings of approximately RMB519.68 million carried interest rates from 3.55% to 5.23% per annum (31 December 2023: approximately RMB252.20 million carried interest rates from 3.60% to 4.45% per annum). As at 30 June 2024, the Group had unutilised bank facilities of approximately RMB1.00 million.

As at 30 June 2024, the Group had lease liabilities of approximately RMB9.96 million, of which approximately RMB6.94 million is classified as current position and approximately RMB3.02 million is classified as non-current position.

Gearing Ratio

Gearing ratio is calculated based on the total debt of the Company (including interest-bearing borrowings and lease liabilities) to the total equity of the Company. The gearing ratio of the Group as at 30 June 2024 was approximately 76.74% as compared to 41.36% as at 31 December 2023. The increase in gearing ratio was mainly due to the increase in bank borrowings, partially offset by the decrease in lease liabilities.

Exchange Rate Fluctuation Risk

Renminbi is the Group's functional currency while some of the Group's business transactions with its customers and suppliers are denominated in other currencies, which are primarily United States dollars and Hong Kong dollars. Therefore, the Group is exposed to foreign currency risk primarily through sales and procurements which give rise to accounts receivables, accounts payables and bank and cash balances that are denominated in a foreign currency other than Renminbi. In addition, the Group retains certain proceeds from the Share Offer in Hong Kong dollars that are exposed to foreign currency risk. The Group does not carry out hedging activities against its foreign currency exposures. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Significant Investment Held

During the six months ended 30 June 2024, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2024).

Pledge of Assets

As at 30 June 2024, the Group had pledged trade receivables with carrying amounts of approximately RMB336.88 million and ownership interests in buildings with carrying amounts of approximately RMB2.50 million as collateral for secured bank borrowings granted to the Group.

Contingent Liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities.

Human Resources and Remuneration Policy

The number of full-time employees of the Group was 477 as at 30 June 2024 (30 June 2023: 473). The total staff costs for the six months ended 30 June 2024 were approximately RMB38.70 million as compared to approximately RMB34.79 million for the six months ended 30 June 2023.

To maintain the quality, knowledge and skill levels of the workforce, the Group provides regular in-house and external training to employees. In addition, the Group provides orientation training and mentorship program to newly recruited employees to help them understand the Group's culture and enhance their skills and knowledge in relation to the daily operation. The Group's remuneration policy is determined by employees' qualifications, experience and capability as well as the prevailing market remuneration rate. The remuneration policy will be reviewed by the Board from time to time. The Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement, medical, work-related injury, maternity and unemployment benefits, as well as housing provident funds, under the applicable PRC laws and regulations.

Use of Net Proceeds From the Share Offer

Based on the offer price of HK\$0.9 per share of the Company under the Share Offer, after deducting the relevant listing expenses, the net proceeds from the Share Offer amounted to approximately RMB58.79 million (the "Net Proceeds"), which was lower than the RMB80.00 million as disclosed in the Prospectus. The difference of approximately RMB21.21 million has been adjusted in the same manner and in the same proportion to the

use of proceeds as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. However, the Directors will continue to evaluate the business objectives of the Company and might change or revise its plans based on the changing market conditions in order to facilitate the business growth of the Company.

An analysis of the utilisation of the Net Proceeds is set out below:

| Planned use of the Net Proceeds | Percentage of total Net Proceeds | Original estimated amount available for utilisation | Adjusted amount available for utilisation | Unutilised amount up to 31 December 2023 | Actual amount of the Net Proceeds utilised during the six months ended 30 June 2024 | Unutilised amount as at 30 June 2024 | Expected time for full utilisation of the remaining Net Proceeds |
|---|----------------------------------|---|---|--|---|--------------------------------------|--|
| | | RMB million | RMB million | RMB million | RMB million | RMB million | |
| 1. Achieving greater scale and further the Group's reach | 81.9% | 65.5 | 48.15 | 48.15 | 2.28 | 45.87 | 30 June 2025 |
| — Setting up new service outlets in the PRC | 47.0% | 37.6 | 27.63 | 27.63 | 0.20 | 27.43 | 30 June 2025 |
| — Expanding and upgrading the Group's existing service outlets in the PRC | 34.9% | 27.9 | 20.52 | 20.52 | 2.08 | 18.44 | 30 June 2025 |
| 2. Invest in and upgrade the Group's information technology systems | 18.0% | 14.4 | 10.58 | 10.58 | 2.42 | 8.16 | 30 June 2025 |
| 3. Working capital and general corporate purposes | 0.1% | 0.1 | 0.06 | 0.06 | 0.06 | 0.00 | 30 June 2025 |
| Total | 100.0% | 80.0 | 58.79 | 58.79 | 4.76 | 54.03 | |

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of conduct regarding the Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the six months ended 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this results announcement, there is no material subsequent event undertaken by the Group after 30 June 2024 and up to the date of this results announcement.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the principles and complied with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance. Save as disclosed below, the Company has, to the best knowledge of the Board, complied with all applicable code provisions set out in part 2 of the CG Code and adopted most of the recommended best practices set out therein during the six months ended 30 June 2024.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the cessation of Ms. Zhang Min as the chief executive officer of the Company (the “**Chief Executive Officer**”) with effect from 31 May 2024, Mr. Wang Quan (“**Mr. Wang**”) has been appointed as the Chief Executive Officer with effect from the same date. Since 31 May 2024 and up to the date of this results announcement, Mr. Wang assumes the dual roles of the chairman of the Company (the “**Chairman**”) and the Chief Executive Officer. With extensive experience in the cross-border logistics industry and having served in the Company since its establishment, Mr. Wang is responsible for the overall strategic planning and business direction of the Group. Despite the fact that the roles of the Chairman and the Chief Executive Officer are both performed by Mr. Wang, which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that having the same individual in both roles as the Chairman and the Chief Executive Officer ensures that the Group has consistent leadership and can make and implement the overall strategy of the Group more effectively. The Board believes that this arrangement does not compromise the balance of power and authority between the Board and the senior management of the

Company, given that: (i) Mr. Wang and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each of them acts for the benefit and in the best interests of the Company; (ii) there is sufficient check and balance in the Board, which comprises experienced and diverse individuals, and decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the overall strategic and other key business, financial and operational policies of the Group are and will be made collectively after thorough discussion at both the Board and senior management levels.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of any of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2024.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

There was at no time during the six months ended 30 June 2024 the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the shares in, or debt securities (including debentures) of, the Company or any other body corporate or had exercised any such right.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group's unaudited interim results for the six months ended 30 June 2024 and discussed with the management of the Company on the accounting principles and practices adopted by the Group. The Audit Committee was of the view that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The Group's unaudited interim results for the six months ended 30 June 2024 have been reviewed by the Company's auditor, SHINEWING (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA, whose review report will be included in the interim report of the Company which will be dispatched to its shareholders.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six month ended 30 June 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.far800.com. The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be dispatched to its shareholders and published on the above websites in due course.

On behalf of the Board
FAR International Holdings Group Company Limited
Wang Quan
Chairman and Executive Director

Hong Kong, 28 August 2024

As at the date of this announcement, the executive Directors are Mr. Wang Quan, Mr. Yang Zhilong, Mr. Zhang Guangyang and Mr. Zhu Jiong; the non-executive Directors are Mr. Wei Ran and Mr. Yao Shenjie; and the independent non-executive Directors are Mr. Ye Xingyue, Mr. Ren Tiangan and Ms. Wang Jiaofei.