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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)**

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) of FAR International Holdings Group Company Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**” or the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2023 (“**FY2023**”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	<b>FY2024</b> <b>RMB'000</b>	FY2023 <b>RMB'000</b>
Revenue	3	<b>2,982,719</b>	2,045,883
Cost of sales		<b>(2,767,916)</b>	(1,888,921)
Gross profit		<b>214,803</b>	156,962
Other income, gains and losses, net	5	<b>(9,767)</b>	1,087
Selling expenses		<b>(15,414)</b>	(10,026)
Administrative and other expenses		<b>(71,039)</b>	(96,991)
Impairment loss on trade and other receivables		<b>(18,441)</b>	(8,777)
Finance costs	6	<b>(19,354)</b>	(4,472)
Profit before tax		<b>80,788</b>	37,783
Income tax expenses	7	<b>(11,577)</b>	(10,833)
Profit for the year	8	<b><u>69,211</u></b>	<b><u>26,950</u></b>
Other comprehensive income for the year: <i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translating foreign operations		<b>1,441</b>	736
Total comprehensive income for the year		<b><u>70,652</u></b>	<b><u>27,686</u></b>
Profit (loss) attributable to:			
— Owners of the Company		<b>69,275</b>	27,349
— Non-controlling interests		<b>(64)</b>	(399)
		<b><u>69,211</u></b>	<b><u>26,950</u></b>
Total comprehensive income (expense) attributable to:			
— Owners of the Company		<b>70,716</b>	28,085
— Non-controlling interests		<b>(64)</b>	(399)
		<b><u>70,652</u></b>	<b><u>27,686</u></b>
Earnings per share			
Basic and diluted ( <i>RMB cents</i> )	10	<b><u>8.88</u></b>	<b><u>4.32</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>FY2024</b> <b>RMB'000</b>	FY2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		23,592	24,157
Right-of-use assets		8,880	16,681
Goodwill		144,680	144,680
Deposits		5,754	—
Deferred tax assets		7,865	4,261
		<b>190,771</b>	189,779
<b>Current assets</b>			
Trade receivables	11	660,409	488,120
Deposits, prepayments and other receivables		112,632	113,895
Amount due from a related company		—	1,652
Financial assets at fair value through profit or loss		60,030	—
Time deposit		249,856	4,622
Bank balances and cash		448,633	409,046
		<b>1,531,560</b>	1,017,335
<b>Current liabilities</b>			
Trade payables	12	83,252	232,523
Accruals and other payables		37,810	42,182
Contract liabilities		3,924	7,278
Income tax payables		8,316	3,925
Lease liabilities		5,607	10,386
Borrowings		857,391	252,200
		<b>996,300</b>	548,494
<b>Net current assets</b>		<b>535,260</b>	468,841
<b>Total assets less current liabilities</b>		<b>726,031</b>	658,620
<b>Non-current liabilities</b>			
Deferred tax liabilities		19	29
Lease liabilities		3,717	6,948
		<b>3,736</b>	6,977
<b>Net assets</b>		<b>722,295</b>	651,643

	<i>Notes</i>	<b>FY2024</b> <b>RMB'000</b>	FY2023 <i>RMB'000</i>
<b>Capital and reserves</b>			
Paid-in capital/share capital		7,075	7,075
Reserves		<u>715,638</u>	<u>644,922</u>
		<b>722,713</b>	651,997
Non-controlling interests		<u>(418)</u>	<u>(354)</u>
<b>Total equity</b>		<u><u>722,295</u></u>	<u><u>651,643</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

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**”). Its immediate and ultimate holding company is Zi Yue Holdings Limited (“**Zi Yue**”), a company with limited liability incorporated in the British Virgins Islands. Zi Yue is wholly and directly owned by Wang Quan (“**Mr. Wang**”), who is also a director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. 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 consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 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 year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements

### **New and amendments to HKFRSs issued but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major services lines		
— End-to-end cross-border delivery service	<b>1,374,191</b>	1,688,557
— Freight forwarding service	<b>599,766</b>	187,851
— Other logistics service	<b>1,008,762</b>	169,475
	<b><u>2,982,719</u></b>	<u>2,045,883</u>

#### Disaggregation of revenue from contracts with customers by timing of recognition

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Timing of revenue recognition</b>		
Overtime	<b>1,374,191</b>	1,688,557
At point in time	<b>1,608,528</b>	357,326
	<b><u>2,982,719</u></b>	<u>2,045,883</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 (or partially unsatisfied) as of the end of respective reporting period.

## 4. SEGMENT INFORMATION

The executive 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 services, 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. Information about the Group's non-current assets is presented based on the geographic location of the assets.

Revenue from external customers:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	<b>2,903,620</b>	1,905,956
Hong Kong	<b>43,093</b>	120,191
The United States	<b>15,049</b>	14,894
Singapore	<b>14,446</b>	—
The United Kingdom	<b>95</b>	87
Other countries and regions	<b>6,416</b>	4,755
	<b><u>2,982,719</u></b>	<b><u>2,045,883</u></b>

Non-current assets:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	<b>173,928</b>	185,518
Hong Kong	<b>3,224</b>	—
	<b><u>177,152</u></b>	<b><u>185,518</u></b>

Non-current assets excluded financial instruments and deferred tax assets.

## Information about major customers

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

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Customer A <sup>1</sup>	<b><u>1,468,340</u></b>	<u>1,000,760</u>

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

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Bank interest income	<b>5,652</b>	3,913
Government grants ( <i>note (i)</i> )	<b>7,434</b>	2,081
Gain (loss) arising from change in fair value of financial assets at FVTPL	<b>1,412</b>	(10)
Net loss on disposal of property, plant and equipment	<b>(431)</b>	(86)
Net gain (loss) on early termination of leases	<b>6</b>	(78)
Exchange difference	<b>(24,374)</b>	(6,330)
Sundry income	<b>534</b>	1,597
	<b><u>(9,767)</u></b>	<u>1,087</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. In addition, during the years ended 31 December 2024 and 2023, the Group obtained a government grant, provided by local government authorities in the PRC, relating to the successful listing of its shares in Hong Kong. As of 31 December 2024 and 2023, there were no unfulfilled conditions or contingencies relating to these government grants.

## 6. FINANCE COSTS

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on:		
Bank borrowings	<b>18,621</b>	3,768
Lease liabilities	<b>733</b>	704
	<u>19,354</u>	<u>4,472</u>

## 7. INCOME TAX EXPENSES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax:		
— Hong Kong Profits Tax	<b>297</b>	823
— Corporate Income Tax	<b>14,894</b>	9,987
Deferred taxation	<b>(3,614)</b>	23
	<u>11,577</u>	<u>10,833</u>

## 8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Directors' emoluments	<b>3,421</b>	3,337
Salaries, allowances and other benefits (excluding directors' emoluments)	<b>68,460</b>	61,728
Contributions to retirement benefits scheme (excluding directors' emoluments)	<b>9,292</b>	8,675
	<hr/>	<hr/>
Total staff costs	<b>81,173</b>	73,740
	<hr/>	<hr/>
Auditor's remuneration	<b>1,350</b>	1,260
Listing expenses	<b>—</b>	27,983
Research and development cost ( <i>note</i> )	<b>1,503</b>	934
Impairment loss on:		
— trade receivables	<b>15,713</b>	8,526
— other receivables	<b>2,728</b>	251
	<hr/>	<hr/>
	<b>18,441</b>	8,777
	<hr/>	<hr/>
Depreciation of property, plant and equipment	<b>4,917</b>	4,502
Depreciation of right-of-use assets	<b>10,353</b>	9,821
	<hr/> <hr/>	<hr/> <hr/>

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

## 9. DIVIDEND

No dividend has been paid or declared during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 10. EARNINGS PER SHARE

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share	<u><b>69,275</b></u>	<u>27,349</u>
	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u><b>780,000</b></u>	<u>633,374</u>

For the year ended 31 December 2023, the weighted average number of ordinary shares had been adjusted for the effect of the capitalisation issue, and on the assumption that the reorganisation completed in May 2023 has been effective on 1 January 2023.

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

## 11. TRADE RECEIVABLES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	<b>696,121</b>	511,405
Less: allowance for impairment loss of trade receivables	<u><b>(35,712)</b></u>	<u>(23,285)</u>
	<u><b>660,409</b></u>	<u>488,120</u>

As at 31 December 2024, trade receivables with approximately RMB494,171,000 (2023: RMB399,984,000) were pledged to secure the bank borrowings granted to the Group.

The following is an ageing analysis of trade receivables, net of allowance for impairment loss of trade receivables, presented based on invoice date at the end of the reporting period.

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	<b>527,224</b>	469,557
4–12 months	<b>128,561</b>	15,154
1–2 years	<b>4,624</b>	3,409
	<u><b>660,409</b></u>	<u>488,120</u>

## 12. TRADE PAYABLES

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<u><b>83,252</b></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:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	<b>73,507</b>	228,188
4–12 months	<b>7,562</b>	3,467
1–2 years	<b>1,339</b>	805
2–3 years	<b>844</b>	63
	<u><b>83,252</b></u>	<u>232,523</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. BUSINESS OVERVIEW

### *Market Overview*

Based on the information from the General Administration of Customs of the People's Republic of China (the "PRC"), the total import and export trade volume in the PRC reached approximately RMB43.85 trillion in 2024, representing a year-on-year growth of 5%. This marks a new record high in terms of trade scale. Among which, the total export trade volume broke the previous record of RMB25 trillion, reaching approximately RMB25.45 trillion for the first time, representing a year-on-year growth of 7.1%. With a record of growth for eight consecutive years, the PRC has demonstrated strong and comprehensive competitiveness of its foreign trade. In particular, foreign trade achieved a quarterly historical high of approximately RMB11.51 trillion in the fourth quarter, with the growth rate increasing by 0.4 percentage point from the third quarter. Specifically in December, the scale of imports and exports exceeded RMB4 trillion for the first time, with the growth rate increasing to 6.8%, concluding the entire year with high-quality foreign trade performance.

Cross-border e-commerce, as the primary driver of foreign trade transformation and upgrades, has made remarkable contributions to the robust growth of foreign trade in the PRC. In 2024, the import and export trade volume of cross-border e-commerce in the PRC was approximately RMB2.63 trillion, representing a year-on-year growth of 10.8%. This growth rate exceeds the overall growth rate of foreign trade in the PRC by 5.8%. There is no doubt that cross-border e-commerce has become the new driving force for the growth of foreign trade in the PRC. Meanwhile, cross-border e-commerce logistics, which forms the core component of cross-border e-commerce imports and exports, has also created more opportunities for development.

In 2024, 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. These efforts have attracted a large number of consumers and contributed to the rapid performance growth of these platforms.

With the accelerating globalisation of cross-border e-commerce platforms such as Temu and TikTok Shop, cross-border e-commerce logistics, which forms a key component of the industrial chain, is encountering opportunities for structural development. The industry is being urged to restructure its traditional logistics resources system to enhance the capabilities of domestic logistics companies to serve global markets, thereby supporting the growing export demands of cross-border e-commerce.

## *Performance Overview*

The Group is a renowned cross-border e-commerce logistics service provider in the PRC. It operates more than 30 service outlets and a network of over 1,100 suppliers with a service coverage spanning more than 220 countries and regions worldwide, allowing it to provide a variety of flexible and reliable cross-border delivery options to its customers. In 2024, the Group continued to enhance the efficiency and quality of its logistics services, optimise its global logistics network, strengthen the Group's core competitiveness, thereby creating greater value for its customers and making greater contributions to industrial development.

The Group's total revenue amounted to approximately RMB2.98 billion in 2024, representing a growth of approximately 45.8% compared to approximately RMB2.05 billion for the corresponding period in 2023. Profit attributable to owners of the Company reached approximately RMB69.3 million in 2024, representing a year-on-year growth of approximately 153.3% compared to 2023. The performance in both operating revenue and profit indicates that the operational targets for the year have been exceeded.

The Group principally provides three main types of services, namely end-to-end cross-border delivery service, freight forwarding service and other logistics service.

The Group is capable of providing a variety of flexible and reliable delivery options to its customers based on their selection of express, standard or economy delivery options, through coordinating its network of suppliers. Operating revenue from end-to-end cross-border delivery services amounted to approximately RMB1.37 billion in 2024, representing approximately 46.1% of the Group's total revenue.

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 various delivery methods, such as airborne, seaborne and land transportation. Operating revenue from freight forwarding services amounted to approximately RMB0.6 billion in 2024, representing a year-on-year growth of approximately 219.3%.

Building on the Group's service outlets and supplier network, the Group offers value-added supply chain solutions that integrate its service offerings and fulfill the specific needs of its customers across various industry verticals. Operating revenue from other logistics services amounted to approximately RMB1.01 billion in 2024, representing a year-on-year growth of approximately 495.2%.

The core business performance indicators of the Group in 2024 continued to improve, with both its operating revenue and profit exceeding expectation and achieving rapid growth despite a complex external environment and laid a solid foundation for attaining all goals throughout 2025.

The Group achieved outstanding performance in 2024 by fully leveraging its competitive advantages in the cross-border logistics profession, constantly optimising its transportation process through improved warehouse management, as well as actively transforming into a new, digital, intelligent and green logistics model. In 2024, the Group attained excellent achievements in corporate governance practice and sustainable development by being awarded the “Greater Bay Area Listed Companies ESG100 Green Advancement Awards — Governance Excellence Award of the Year” and the “Greater Bay Area New Productivity Enterprise Award — Transportation, Freight, Logistics and Supply Chain”. Hangzhou FAR International Logistics Co., Ltd.\* (杭州泛遠國際物流有限公司), an indirect wholly owned subsidiary of the Group, was accredited with National 4A Logistics Enterprise\* (國家4A級物流企業) and won the bid for East China Central warehouse business of Alibaba.com (阿里巴巴國際站), thereby consolidating the service barriers of leading platforms.

\* For identification purposes only

## 2. FINANCIAL OVERVIEW

### *Revenue*

The Group's revenue for FY2024 was RMB2.98 billion, representing an increase of approximately 45.8% as compared to RMB2.05 billion for FY2023. This increase was mainly attributed to the rise in revenue from the Group's freight forwarding services and other logistics services, partially offset by a decrease in revenue from end-to-end cross-border delivery services.

The decrease in revenue from end-to-end cross-border delivery services was mainly attributable to a decrease in revenue from the provision of standard delivery services, but partially offset by an increase in revenue from provision of economic delivery services. The decrease in revenue from standard delivery services was due to a reduction in services required by the Group's major customers. Both the number of parcels delivered to the United States through the Group's standard delivery services and the respective billed weight witnessed a decline during FY2024. The increase in revenue from economic delivery service was due to a rise in the number of parcels delivered to the United States through seaborne logistics services providers.

The increase in revenue from other logistics services was mainly attributable to the increase in revenue from the Group's major customers for the Group's services of customs clearance and the last-mile delivery services in the United States.

The increase in revenue from freight forwarding services was the net effect of (i) an increase in revenue from both seaborne and airborne freight forwarding services, and (ii) a decrease in revenue generated from land transportation.

### *Cost of sales*

The Group's cost of sales increased from approximately RMB1.89 billion for FY2023 to approximately RMB2.77 billion for FY2024, representing an increase of approximately RMB879.0 million or 46.5%. The increase was mainly due to the overall rise in logistic costs associated with the changes in revenue during FY2024 as discussed above.

### *Gross profit*

The Group's gross profit for FY2024 was approximately RMB214.80 million, representing an increase of approximately 36.9% as compared to approximately RMB156.96 million for FY2023. The increase was mainly due to increases in revenue from freight forwarding services and other logistics services, partially offset by a decrease in revenue from end-to-end cross-border delivery services for the

reasons described above. The Group's gross profit margin declined slightly from approximately 7.67% for FY2023 to approximately 7.20% for FY2024, primarily attributable to the decrease in gross profit margin of freight forwarding services and other logistics services but partially offset by an increase in gross profit margin of end-to-end cross-border delivery services.

The decrease in gross profit margin for freight forwarding services was due to keen competition in airborne freight forwarding while the decrease in gross profit margin for other logistics services was due to a growing portion of last-mile delivery services which yield a relatively low profit margin.

The increase in the gross profit margin for end-to-end cross-border delivery services was due to an increase in gross profit margin for standard delivery services from approximately 8.26% for FY2023 to approximately 10.61% for FY2024 and a growing portion revenue from economic delivery services which yielded a relatively higher profit margin.

#### ***Other income, gains and losses — net***

The Group recorded net losses of approximately RMB9.77 million from other income, gains and losses for FY2024 and net gains of approximately RMB1.09 million for FY2023. The fluctuation can be primarily attributable to the increase in loss on exchange differences from RMB6.33 million for FY2023 to RMB24.37 million for FY2024; but partially offset by (i) RMB1.41 million gain arising from change in fair value of financial assets at FVTPL, as compared to a loss from change in fair value of financial assets at FVTPL of RMB10,000 in FY2023; (ii) an increase in bank interest income; and (iii) an increase in government grants mainly relating to the successful listing of the Company's shares in Hong Kong.

#### ***Impairment loss on trade and other receivables***

The Group recorded impairment loss on trade and other receivables of approximately RMB18.44 million for FY2024 compared to an impairment loss of approximately RMB8.78 million for FY2023 mainly due to the increase in the gross carrying amount of the Group's trade receivable and other receivables.

#### ***Finance costs***

The Group's finance costs increased by approximately RMB14.88 million or 332.78% from approximately RMB4.47 million for FY2023 to approximately RMB19.35 million for FY2024. The increase in finance costs was mainly due to the increase in bank borrowings during FY2024.

### ***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 entities established in the Cayman Islands and the BVI are exempted from income tax in those jurisdictions.

The Group income tax expenses for FY2024 increased by approximately 6.9% to RMB11.58 million from RMB10.83 million for FY2023. The increase in income tax expenses was mainly due to an increase in profit before tax for FY2024 as compared with FY2023.

### ***Profit for the year***

As a result of the forgoing, the Group recorded a profit for the year of approximately RMB69.21 million for FY2024, representing an increase of approximately 156.8% as compared to approximately RMB26.95 million for FY2023. This was mainly due to (i) an increase in the gross profit of approximately RMB57.84 million; (ii) the absence of listing fees of approximately RMB27.98 million during FY2024, partially offset by (i) a decrease in other income, gains and loss, net of approximately RMB10.85 million; and (ii) an increase in impairment loss on trade and other receivables of approximately RMB9.66 million and an increase in finance costs of approximately RMB14.88 million.

### ***Non-HKFRS adjusted net profit***

To supplement the Group's consolidated financial statements which are presented in accordance with HKFRS, the Company also used unaudited 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 having eliminated 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 FY2023 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 years indicated:

	<b>2024</b>	2023
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Profit for the year	<b>69,211</b>	26,950
<i>Adjustment for:</i>		
Listing Expenses	<u>—</u>	<u>27,983</u>
Adjusted net profit (Non-HKFRS measure) for the year	<b><u>69,211</u></b>	<b><u>54,933</u></b>

Adjusted net profit, adjusted by excluding the Group’s listing expenses, was approximately RMB69.21 million for FY2024, representing an increase of approximately 26.0% as compared to approximately RMB54.93 million for FY2023.

### ***Trade receivables***

The Group’s trade receivables were approximately RMB660.41 million as at 31 December 2024, representing an increase of 35.3% as compared to approximately RMB488.12 million as at 31 December 2023, primarily attributable to an increase in trade receivables from the Group’s major customers.

### ***Trade payables***

The Group’s trade payables were approximately RMB83.25 million as at 31 December 2024, representing a decrease of 64.2% as compared to approximately RMB232.52 million as at 31 December 2023. This decrease was mainly attributable to the change in payment patterns with suppliers which required the Group to make payments in advance.

### ***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 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 requirements. It is anticipated that the Group has sufficient working capital to fund its future working capital, capital expenditure and other cash requirements.

As at 31 December 2024, the Group's net current assets were approximately RMB535.26 million (31 December 2023: approximately RMB468.84 million). The Group's bank balances and cash as at 31 December 2024 were approximately RMB448.63 million (31 December 2023: approximately RMB409.07 million).

As at 31 December 2024, there were bank borrowings of approximately RMB857.39 million carried fixed interest rate from 0.90% to 4.55% per annum (31 December 2023: approximately RMB252.20 million carried fixed interest rate from 3.60% to 4.45% per annum). As at 31 December 2024, the Group had unutilized bank facilities of approximately RMB10.8 million.

As at 31 December 2024, the Group had lease liabilities of approximately RMB9.32 million (31 December 2023: approximately RMB17.33 million), of which approximately RMB5.60 million (31 December 2023: approximately RMB10.38 million) was analyzed as current position, and approximately RMB3.72 million (31 December 2023: approximately RMB6.95 million) was analyzed as non-current position.

### ***Gearing ratio***

As at 31 December 2024, the gearing ratio of the Group, based on the total debt (including interest-bearing borrowing and lease liabilities) to total equity of the Company was approximately 120.0% (31 December 2023: approximately 41.4%). The increase in gearing ratio is primarily attributable to the increase in bank borrowings partially offset by the decrease in lease liabilities.

### ***Exchange rate fluctuation risk***

RMB is the Group's functional currency while some of the Group's business transactions with its customers and suppliers are denominated in other currencies, including but not limited to US dollars and Hong Kong dollars. Therefore, the Group is exposed, to some extent, to foreign currency risks as a result of sales and purchases that are denominated in a currency other than RMB. In addition, the Group retains certain proceeds from listing in Hong Kong dollars that are exposed to foreign exchange risk. The Group closely monitors the exchange rate fluctuation risk and will take appropriate measures such as hedging measures to control the exchange rate fluctuation risk when necessary. The Group has not experienced any material difficulty or liquidity problems resulting from foreign exchange fluctuations during FY2024.

### ***Contingent liabilities***

As at 31 December 2024, the Group had no material contingent liabilities.

### *Pledge of assets*

As at 31 December 2024, the Group had pledged trade receivables with carry amounts of approximately RMB494.17 million and ownership interest in buildings with carrying amounts of approximately RMB2.56 million and time deposits with carrying amounts of approximately RMB245.00 million as collateral for secured bank borrowings granted to the Group.

As at 31 December 2023, the Group had pledged trade receivables with carry amounts of approximately RMB399.98 million and ownership interest in buildings with carrying amounts of approximately RMB2.57 million as collateral for secured bank borrowings granted to the Group.

## **3. 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 volume of cross-border e-commerce in the PRC from 2022 to 2025 is expected to reach approximately 16.40%, achieving a stable development. By 2025, its scale will reach approximately RMB10.00 trillion. The rapid development of cross-border e-commerce promotes the continued growth of the cross-border e-commerce logistics market.

In 2025, cross-border e-commerce sellers are expected to constantly spring up on more emerging platforms. Such emerging platforms largely adopt, among others, the “hosting” model. The Group will take the initiative to collaborate with these platforms to expand its customer base and benefit from the unified logistics service standards of such platforms to further improve the quality of the Group’s services.

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 of 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 Group will mainly focus on strengthening in-depth cooperation with leading cross-border e-commerce platforms, while maintaining the sustainable development of the existing platform, to further extend its reach to small and medium direct corporate customers.

Expand the business scale and service capabilities. The Group 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 Group will extend the foreign logistics network, improve the cross-border delivery and the performance ability of overseas localisation 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. Amid the wave of AI revolution, the Group profoundly acknowledges the essentiality of AI technology to corporate digital transformation. Science is the key to refined management. Through upgrading the information technology system and deepening the integration with AI technology, the Group is able to raise its level of digitalisation and empower its corporate development. In this regard, we have been increasing our investments in AI-driven technology to fully facilitate corporate digital upgrades. We embrace the AI revolution and are committed to applying AI technology to all business aspects, optimising operational efficiency, improving decision-making quality to build an intelligent and data-driven corporate ecosystem.

#### 4. USE OF PROCEEDS FROM INITIAL GLOBAL PUBLIC OFFERING

Based on the offer price of HK\$0.9 per share 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 of the Company dated 12 December 2023 (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.

The following table illustrates the planned use and utilisation of the Net Proceeds:

Planned use of Net Proceeds	Percentage of total Net Proceeds	Original estimated amount available for utilisation	Adjusted amount available for utilisation	Net Proceeds utilised up to 31 December 2024	Unutilised amount as at 31 December 2024	Expected time for full utilisation of the remaining Net Proceeds
		RMB million	RMB million	RMB million	RMB million	
1. Achieving greater scale and further the Group’s reach	81.9%	65.5	48.15	6.32	41.83	30 June 2025
— Setting up new service outlets in the PRC	47.0%	37.6	27.63	0.47	27.16	30 June 2025
— Expanding and upgrading the Group’s existing service outlets in the PRC	34.9%	27.9	20.52	5.85	14.67	30 June 2025
2. Invest in and upgrade the Group’s information technology systems	18.0%	14.4	10.58	5.09	5.49	30 June 2025
3. Working capital and general corporate purposes	0.1%	0.1	0.06	0.06	0.00	30 June 2025
Total	100%	80.0	58.79	11.47	47.32	

**5. FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Other than the disclosure in the Prospectus, the Company had no other future plans for material investments and capital assets as of 31 December 2024.

**6. MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company did not make any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

**7. PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

As at 31 December 2024, the Company did not hold any treasury shares. During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares, if any).

**8. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2024 and up to the date of this results announcement.

## **OTHER INFORMATION**

### **EMPLOYEES**

As at 31 December 2024, the total number of employees of the Group was 477 (as at 31 December 2023: 506). Salaries of employees are maintained at competitive level, with close reference to the qualifications, relevant experience, position and seniority, and performance of each individual employee, and are reviewed annually.

### **FINAL DIVIDENDS**

The Directors do not recommend the payment of a final dividend for FY2024 (FY2023: Nil).

### **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. Save as disclosed below, during the Reporting Period, the Company has 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.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals. The Company deviated from this code provision as Mr. Wang Quan performed these two roles of the Company after Ms. Zhang Min retired as an executive Director and ceased to be the Chief Executive Officer on 31 May 2024. On 1 March 2025, Mr. Wang Quan resigned as the Chief Executive Officer and Mr. Wang Tiantian was appointed as the Chief Executive Officer. Since then and up to the date of the results announcement, the roles of chairman and the chief executive officer are separate and performed by different individuals.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transaction. Having made specific enquiries to all Directors, the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group’s audited consolidated financial statements for FY2024, including the accounting principles and policies adopted by the Group. The Audit Committee considered that the annual results for FY2024 had complied with all applicable accounting standards and the Listing Rules. The Audit Committee has also reviewed this results announcement.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes for the year ended 31 December 2024 as set out in this preliminary results announcement have been agreed by the Group’s independent auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2024. The work performed by SHINEWING (HK) CPA Limited 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 SHINEWING (HK) CPA Limited on this preliminary results announcement.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the “**AGM**”) will be held on Wednesday, 28 May 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

### **For Determining the Eligibility to Attend and Vote at the AGM**

The register of members of the Company will be closed from Friday, 23 May 2025 to Wednesday, 28 May 2025 (both days inclusive) for the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. for registration on Thursday, 22 May 2025.

## **SUFFICIENCY OF PUBLIC FLOAT**

According to the information that is publicly available to the Company and within the knowledge of the Directors, as at 31 December 2024, the Company has maintained a sufficient public float as required under the Listing Rules.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.far800.com](http://www.far800.com), respectively. The annual report of the Company for FY2024 containing all the information required by the Listing Rules will be sent to its Shareholders and published on the above websites in due course.

## **PUBLICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

The environmental, social and governance report of the Group for FY2024 will be published on or before 30 April 2025 and will be available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.far800.com](http://www.far800.com), respectively.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to extend our gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our Shareholders, suppliers, customers and bankers for their continuous support.

By order of the Board  
**FAR International Holdings Group Company Limited**  
**Wang Quan**  
*Chairman and Executive Director*

Hong Kong, 26 March 2025

*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.*