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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 2025**

The board (the “**Board**”) of directors (the “**Director(s)**”) 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 2025 together with the comparative figures for the corresponding period in 2024 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	808,208	1,427,976
Cost of sales		(734,515)	(1,323,177)
Gross profit		73,693	104,799
Other income, gains and losses, net	5	(5,205)	(9,230)
Share of results of associates		846	—
Selling expenses		(8,307)	(8,423)
Administrative and other expenses		(33,589)	(31,941)
Impairment loss on trade and other receivables		(14,423)	(7,423)
Impairment loss on goodwill		(18,099)	—
Finance costs		(9,718)	(7,741)
(Loss) profit before tax		(14,802)	40,041
Income tax credit (expenses)	6	313	(1,979)
(Loss) profit for the period	7	<u>(14,489)</u>	<u>38,062</u>
Other comprehensive (expense) income for the period:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translating foreign operations		(657)	494
Total comprehensive (expense) income for the period		<u>(15,146)</u>	<u>38,556</u>

	Six months ended 30 June	
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
(Loss) profit attributable to:		
— Owners of the Company	(14,350)	38,093
— Non-controlling interests	(139)	(31)
	<u>(14,489)</u>	<u>38,062</u>
Total comprehensive (expense) income attributable to:		
— Owners of the Company	(15,018)	38,587
— Non-controlling interests	(128)	(31)
	<u>(15,146)</u>	<u>38,556</u>
(Loss) earnings per share		
Basic and diluted (<i>RMB cents</i>)	(1.85)	4.88
	<u>(1.85)</u>	<u>4.88</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Non-current assets			
Property, plant and equipment		22,468	23,592
Right-of-use assets		12,118	8,880
Goodwill		126,581	144,680
Investments in associates		8,982	—
Deferred tax assets		12,432	7,865
Deposits		31,458	5,754
		214,039	190,771
Current assets			
Trade receivables	10	429,247	660,409
Deposits, prepayments and other receivables		62,565	112,632
Financial assets fair value through profit or loss ("FVTPL")	13	59,975	60,030
Time deposits		191,467	249,856
Bank balances and cash		485,408	448,633
		1,228,662	1,531,560
Current liabilities			
Trade payables	11	59,099	83,252
Accruals and other payables		32,689	37,810
Amounts due to associates		2,271	—
Contract liabilities		9,448	3,924
Income tax payables		2,087	8,316
Lease liabilities		7,607	5,607
Borrowings		630,850	857,391
		744,051	996,300
Net current assets		484,611	535,260
Total assets less current liabilities		698,650	726,031

		30 June	31 December
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
Non-current liabilities			
Deferred tax liabilities		15	19
Lease liabilities		4,819	3,717
		<u>4,834</u>	<u>3,736</u>
Net assets		<u>693,816</u>	<u>722,295</u>
Capital and reserves			
Share capital	<i>12</i>	7,075	7,075
Reserves		686,942	715,638
		<u>694,017</u>	<u>722,713</u>
Non-controlling interests		(201)	(418)
Total equity		<u>693,816</u>	<u>722,295</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 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.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which 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 2024.

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Timing of revenue recognition		
Overtime	501,831	648,712
A point in time	306,377	779,264
	<u>808,208</u>	<u>1,427,976</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 resources. 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Mainland China	715,830	1,386,260
Hong Kong	69,518	21,629
The United States	8,728	11,907
Singapore	12,427	5,263
The United Kingdom	—	93
Other countries and regions	1,705	2,824
	<u>808,208</u>	<u>1,427,976</u>

Non-current assets:

	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	185,424	177,928
United States	8,982	—
Hong Kong	2,535	3,224
	<u>196,941</u>	<u>181,152</u>

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:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Customer A ¹	243,654	748,424
Customer B ²	N/A[#]	151,030

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.

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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Bank interest income	3,623	2,798
Government grants (<i>note (i)</i>)	954	3,214
(Loss) gain arising from change in fair value of financial assets at FVTPL	(55)	518
Net loss on disposal of property, plant and equipment	(153)	(9)
Net gain on early termination of lease contract	—	2
Exchange difference	(6,299)	(17,646)
Written off of prepayment	(3,654)	—
Sundry income	379	1,893
	(5,205)	(9,230)

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 2025 and 2024, there were no unfulfilled conditions or contingencies relating to these government grants.

6. INCOME TAX (CREDIT) EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current income tax:		
— Hong Kong Profits Tax	254	44
— Corporate Income Tax	4,003	3,051
Deferred taxation	(4,570)	(1,116)
	<u>(313)</u>	<u>1,979</u>

7. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Directors' emoluments	1,612	1,659
Salaries, allowances and other benefits (excluding directors' emoluments)	37,469	33,276
Contributions to retirement benefits scheme (excluding directors' emoluments)	5,191	3,767
Total staff costs	<u>44,272</u>	<u>38,702</u>
Research and development costs (<i>note</i>)	973	652
Impairment loss on goodwill	18,099	—
Impairment loss (reversal of impairment loss) on:		
— trade receivables	14,498	7,493
— other receivables	(75)	(70)
	<u>14,423</u>	<u>7,423</u>
Depreciation of property, plant and equipment	2,270	2,531
Depreciation of right-of-use assets	<u>4,447</u>	<u>5,163</u>

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 2025, nor has any dividend been proposed since the end of the reporting period (30 June 2024: Nil).

9. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share	<u>(14,350)</u>	<u>38,093</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<u>777,212</u>	<u>780,000</u>

The calculation of weighted average number of ordinary shares during the period is based on outstanding ordinary shares in issue less weighted average number of ordinary share held for the share award scheme.

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

10. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade receivables	479,457	696,121
Less: allowance for impairment loss of trade receivables	(50,210)	(35,712)
	<u>429,247</u>	<u>660,409</u>

The following is an ageing analysis of trade 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 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 3 months	178,474	527,224
4–12 months	241,769	128,561
Over 1–2 years	9,004	4,624
	<u>429,247</u>	<u>660,409</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 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade payables	<u>59,099</u>	<u>83,252</u>

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

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 3 months	46,991	73,507
4–12 months	7,521	7,562
Over 1–2 years	3,380	1,339
Over 2–3 years	1,207	844
	<u>59,099</u>	<u>83,252</u>

The average credit period 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

Ordinary shares, issued and fully paid:

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Issued and fully paid	<u>7,075</u>	<u>7,075</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue '000	Share capital <i>RMB'000</i>
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	<u>780,000</u>	<u>7,075</u>

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 2025 Level 2 RMB'000 (unaudited)	31 December 2024 Level 2 RMB'000 (audited)
Financial assets at FVTPL		
Unlisted funds	<u>59,975</u>	<u>60,030</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 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)	Valuation technique and key inputs
Unlisted funds	Level 2	59,975	60,030	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 People's Republic of China (the "PRC"), the total import and export trade volume in the PRC reached approximately RMB21.79 trillion in the first half of 2025, representing a year-on-year growth of 2.9%. Of this, total exports amounted to approximately RMB13 trillion, representing a year-on-year growth of 7.2%. This marks a new record high in terms of trade scale during the same period. From a quarterly perspective, import and export trade volume increased by approximately 4.5% year-on-year in the second quarter, representing an increase of approximately 3.2 percentage points as compared to the first quarter and maintaining year-on-year growth for the seven consecutive quarters. While global economic uncertainties, geopolitical tensions and evolving trade regulations posed certain challenges, resulting in adverse impact on the PRC's foreign trade industry to a certain extent, the foreign trade industry of the PRC overcame various challenges in the first half of the year and realized steady growth in the scale of foreign trade.

Cross-border e-commerce is the digital bridge between manufacturers and consumers across countries and an important trend of international trade, which gradually becomes an indispensable part of people's daily lives. While the complex and changing external environment in the first half of the year impacted the cross-border e-commerce industry to a certain extent, it did not change the inherent advantages of cross-border e-commerce or the overall trend of development towards digitalisation of international trade. As the primary driver of foreign trade transformation, cross-border e-commerce has made remarkable contributions to the robust growth of foreign trade in the PRC. In the first half of 2025, the import and export trade volume of cross-border e-commerce in the PRC was approximately RMB1.32 trillion, representing a year-on-year growth of 5.7%. This growth rate exceeds the overall growth rate of foreign trade in the PRC by 2.8 percentage points. There is no doubt that cross-border e-commerce has become the new driving force for the growth of foreign trade in the PRC. As the core component of cross-border e-commerce imports and exports, cross border e-commerce logistics has also created more opportunities for development.

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.

The Group's total revenue amounted to approximately RMB0.8 billion in the first half of 2025, while the revenue for the corresponding period in 2024 amounted to approximately RMB1.4 billion, representing a year-on-year decrease of approximately 43.4% as compared to the first half of 2024. Loss attributable to owners of the Company amounted to approximately RMB14.4 million in the first half of 2025, while profit attributable to owners of the Company amounted to approximately RMB38.1 million in the corresponding period in 2024.

In the first half of the year, the changes in tariff policies of the United State ("U.S.") impacted the Group's export business to the U.S., resulting in a decline in both the revenue and profit of Group. The Group has taken various measures to proactively address the situation:

1. Closely monitor U.S. tariff policies, make timely adjustments to its services, and pass on the relevant tariff costs to customers.
2. Design optimised logistics routes to alleviate transportation constraints, diversify revenue sources, and expand its presence in emerging markets, such as Southeast Asia, South America, and the Middle East.
3. Strengthen overseas infrastructure construction, such as overseas warehouses, customs clearance and last-mile delivery, in order to counteract the impact from changes in U.S. tariff policies.

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

Through coordinating its network of suppliers, 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. Operating revenue from end-to-end cross-border delivery services amounted to approximately RMB501.8 million in the first half of 2025, accounting for approximately 62.1% 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 RMB46.6 million in the first half of 2025, accounting for approximately 5.8% of the Group's total revenue.

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 RMB259.8 million in the first half of 2025, accounting for approximately 32.1% of the Group's total revenue.

The Group has always insisted on innovation-driven development, actively embraced digital and intelligent transformation and continuously enhanced our core corporate competitiveness. In the first half of 2025, the Group's business saw several breakthroughs and development.

Ingrun Holdings Limited, an indirect wholly-owned subsidiary of the Company, acquired 30% of the shares of Advanced Logistics Solutions LLC, a U.S. logistics company, in order to enhance the Group's competitiveness in the logistics network of the U.S. and overseas, laying a sound foundation for our expansion in the global market.

Hangzhou FAR International Logistics Co., Ltd.* (杭州泛遠國際物流有限公司) (“**Hangzhou FAR**”), an indirect wholly-owned subsidiary of the Group, passed the stringent screening process of Amazon and officially joined the service provider network of Amazon. It will provide compliant and professional cross-border logistics solutions to sellers on Amazon. With its outstanding comprehensive logistics capabilities, Hangzhou FAR was also recognised as the 2025 Logistics Benchmark Enterprise of Hangzhou (杭州市2025年度物流標桿企業) in the first half of the year.

At the first “2024 Hong Kong Stock Golden Intelligence Awards”, the Company was awarded with the “Company of the Year” (年度價值公司) award for its outstanding performance, innovative strategic layout and efficient management.

FUTURE OUTLOOK AND PROSPECT

Market Outlook

Advancements in automation, data analytics, artificial intelligence and other logistics technologies are expected to further enhance supply chain efficiency. In addition, continued trade globalization and steady growth of cross-border e-commerce will also promote the development of cross-border trade. Although the overall growth is expected to slowdown, driven by changes in global trade structure, evolving consumer demands and the market's continued attention on efficiency and sustainability, the global cross-border logistics industry is expected to maintain its upward trend.

Based on the information from the General Administration of Customs of the PRC and the prediction from Frost & Sullivan, the market scale of cross-border e-commerce and logistics in the PRC increased from RMB1.9 trillion in 2019 to RMB4.0 trillion in 2024, representing a compound annual growth rate of 16.1%. Affected by the executive orders of the U.S. government to impose various tariffs, the growth of cross-border e-commerce and logistics in the PRC is expected to slow down in the short-term. By 2029, it is expected to reach RMB5.7 trillion, with a compound annual growth rate of 7.3% from 2024 to 2029.

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.

Financial Review

Financial Overview

Revenue

The Group's revenue for the six months ended 30 June 2025 was approximately RMB0.8 billion, representing a decrease of approximately 43.4% compared to approximately RMB1.4 billion for the six months ended 30 June 2024. This decline was primarily attributable to changes in U.S. tariff policies, which led to a reduction in the Group's shipments to U.S. during the period. Consequently, the Group's end-to-end cross-border delivery services, freight forwarding services, and other logistics services recorded revenue decreases of 22.6%, from approximately RMB648.7 million to approximately RMB501.8 million; 85.2%, from approximately RMB315.1 million to approximately RMB46.6 million; and 44.0%, from approximately RMB464.2 million to approximately RMB259.8 million, respectively.

Cost of sales

The Group's cost of sales decreased from approximately RMB1.3 billion for the six months ended 30 June 2024 to approximately RMB0.7 billion for the six months ended 30 June 2025, representing a decrease of approximately RMB588.7 million or 44.5%. The decrease was mainly due to the overall drop in logistic costs associated with the changes in revenue during the period as discussed above.

Gross profit

The Group's gross profit for the period ended 30 June 2025 was approximately RMB73.7 million, representing a decrease of approximately RMB31.1 million or 29.7%, compared to approximately RMB104.8 million for the period ended 30 June 2024. The decrease was mainly due to the decline in total revenue for the reasons described above.

The Group's gross profit margin improved from approximately 7.3% for the six months ended 30 June 2024 to approximately 9.1% for the six months ended 30 June 2025. This improvement was primarily attributable to the reduced proportion of revenue from freight forwarding services which yielded a relatively low gross profit margin and the improvement in gross profit margin for other logistics services. However, this was partially offset by a decrease in gross profit margin of end-to-end cross-border delivery services.

The improvement in gross profit margin for other logistics services was primarily due to a decrease in the proportion of revenue from last-mile delivery services, which yielded a relatively low gross profit margin. The decline in the gross profit margin of end-to-end cross-border delivery services was mainly attributable to a reduction in the gross profit margin of standard delivery services, which dropped from approximately 13.6% for the period ended 30 June 2024 to approximately 5.3% for the period ended 30 June 2025, as a result of intense market competition.

Other income, gains and losses — net

The Group recorded net losses of approximately RMB5.2 million from other income, gains and losses for the period ended 30 June 2025, representing an improvement from net losses of approximately RMB9.2 million for the period ended 30 June 2024. This improvement was primarily attributable to a decrease in exchange loss, which fell from approximately RMB17.6 million for the period ended 30 June 2024 to approximately RMB6.3 million for the period ended 30 June 2025, as well as an increase in bank interest income of approximately RMB0.8 million; but partially offset by (i) a decrease in government grants of approximately RMB2.3 million; (ii) a loss arising from changes in the fair value of financial assets at FVTPL of approximately RMB55,000, compared to a gain of approximately RMB0.5 million for the period ended 30 June 2024; (iii) a decrease in sundry income of approximately RMB1.5 million; and (iv) increase in written off of prepayment of approximately RMB3.7 million.

Impairment loss on trade and other receivables

The Group recorded an impairment loss on trade and other receivables of approximately RMB14.4 million for the period ended 30 June 2025 compared to an impairment loss of approximately RMB7.4 million for the period ended 30 June 2024. This increase was mainly due to a higher expected credit loss rate applied, resulting from slower repayments by customers.

Finance costs

The Group's finance costs increased by approximately RMB2.0 million or 25.5% from approximately RMB7.7 million for the period ended 30 June 2024 to approximately RMB9.7 million for the period ended 30 June 2025. The increase in finance costs was mainly attributable to the rise in bank borrowings during the period.

Income tax expense

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's income tax expenses for the period ended 30 June 2024 was approximately RMB2.0 million while a tax credit of approximately RMB0.3 million was recorded for the period ended 30 June 2025. The fluctuation in income tax expenses was primarily due to the Group's loss-making position during the period and an increase in deferred tax credit resulting from higher impairment of expected credit losses of trade receivables.

Loss for the period

As a result of the forgoing, the Group recorded a loss of approximately RMB14.4 million for the period ended 30 June 2025, representing a turnaround from a profit of approximately RMB38.1 million for the corresponding period in 2024. The fluctuation was mainly attributable to (i) a decrease in the gross profit of approximately RMB31.1 million; (ii) an increase of impairment loss of approximately RMB25.1 million and (iii) an increase of finance cost of approximately RMB2.0 million but partially offset by (i) an improvement in other losses of approximately RMB2.0 million and (ii) a decrease in income tax expenses of approximately RMB2.3 million.

Trade receivables

As at 30 June 2025, the Group's trade receivables amounted to approximately RMB429.2 million, representing a decrease of 35.0% compared to approximately RMB660.4 million as at 31 December 2024. The decrease was primarily attributable to a reduction in average monthly revenue during the period.

Trade payables

As at 30 June 2025, the Group's trade payables amounted to approximately RMB59.1 million, representing a decrease of 29.0% compared to approximately RMB83.3 million as at 31 December 2024. This decrease was mainly attributable to a reduction in average monthly cost of sales during the period.

Liquidity, Financial Resources and Capital Structure

The Group generally finances its operations primarily through a combination of cash generated from operations and bank borrowings. It is anticipated that the Group has sufficient working capital to fund its future working capital, capital expenditure and other cash requirements.

As at 30 June 2025, the Group's net current assets were approximately RMB484.6 million (31 December 2024: approximately RMB535.3 million). The Group's bank balances and cash as at 30 June 2025 were approximately RMB485.4 million (31 December 2024: approximately RMB448.6 million).

As at 30 June 2025, there were bank borrowings of approximately RMB630.9 million carried fixed interest rate from 1.0% to 4.25% per annum (31 December 2024 approximately RMB857.4 million carried fixed interest rate from 0.9% to 4.55% per annum).

As at 30 June 2025, the Group had unutilized bank facilities of approximately RMB103.9 million.

As at 30 June 2025, the Group has lease liabilities of approximately RMB12.4 million (31 December 2024: RMB9.3 million), of which approximately RMB7.6 million (31 December 2024: RMB5.6 million) is analyzed as current position, and approximately RMB4.8 million (31 December 2024: RMB3.7 million) is analyzed as non-current position.

Gearing ratio

As at 30 June 2025, 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 93.0% (31 December 2024: 120.0%). The decrease in the gearing ratio was primarily attributable to a reduction in bank borrowings, partially offset by an increase 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 the 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 the period ended 30 June 2025.

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

Pledge of assets

As at 30 June 2025, the Group had pledged trade receivables with carry amounts of approximately RMB258.8 million and ownership interest in buildings with carrying amounts of approximately RMB2.30 million and time deposits with carrying amounts of approximately RMB185.00 million as collateral for secured bank borrowings granted to the Group.

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.

Use of Net Proceeds From the Share Offer

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.

Pursuant to the announcement of the Company dated 30 April 2025, the Company planned to change the use of the Net Proceeds. In order to provide higher flexibility for the Group to manage its assets and liability against the current market unstable business environment including the US-China tariffs trade war and enable the Group to capture other business opportunities for the Group's revenue growth, the Company planned to reallocate RMB39.81 million from the original use of achieving greater scale and further the Group's reach by setting up new service outlets and expanding and upgrading the Group's existing service outlets in the PRC to: (i) RMB19.81 million for enhancing overseas logistics capabilities; (ii) RMB16.00 million for construction of a global intelligent operations command base; and (iii) RMB4.00 million for working capital and general corporate purposes. The Board considered that changing the use of the Net Proceeds was deemed the most effective for the Group to achieve sustainable development and was fair, reasonable and in the best interests of the Group and the Company's shareholders as a whole. The Board confirmed that there were no material changes to the nature of the Group's business as outlined in the Prospectus.

As at 30 June 2025, the Group had utilized the Net Proceeds in the manners as set out in the table below:

Planned use of Net Proceeds	Percentage of total Net Proceeds	Original	Adjusted	Unutilised	Adjusted	Net Proceeds		Expected time for full utilisation of the remaining Net Proceeds
		estimated amount available for utilisation	amount available for utilisation	Net Proceeds utilised up to 31 March 2025	use of the Unutilised Net Proceeds as at 31 March 2025	from 1 April 2025 to 30 June 2025	Unutilised amount as at 30 June 2025	
		RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Achieving greater scale and further the Group's reach	81.9%	65.5	48.15	8.34	39.81	—	—	—
— Setting up new service outlets in the PRC	47.0%	37.6	27.63	0.51	27.12	—	—	—
— Expanding and upgrading the Group's existing service outlets in the PRC	34.9%	27.9	20.52	7.83	12.69	—	—	—
Enhancing overseas logistics capabilities	—	—	—	—	—	19.81	0.51	19.30
Construction of a global intelligent operations command base	—	—	—	—	—	16.00	16.00	—
Investing in and upgrading the Group's information technology systems	18.0%	14.4	10.58	5.77	4.81	4.81	0.74	4.07
Working capital and general corporate purposes	0.1%	0.1	0.06	0.06	—	4.00	4.00	—
Total	100%	80.0	58.79	14.17	44.62	44.62	21.25	23.37

OTHER INFORMATION

HUMAN RESOURCES AND REMUNERATION POLICY

The number of full-time employees of the Group was 465 as at 30 June 2025 (30 June 2024: 477). The total staff costs for the six months ended 30 June 2025 were approximately RMB44.3 million as compared to approximately RMB38.70 million for the six months ended 30 June 2024.

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.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 9 April 2025 (the “**Adoption Date**”), under which the shares of the Company (the “**Awarded Shares**”) may be awarded to directors and employees of the Company, its holding companies, fellow subsidiaries and associated companies (the “**Eligible Participants**”) pursuant to the terms of the scheme. The purpose of the Share Award Scheme is to recognise and reward the contribution of the Eligible Participants to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board pursuant to the rules, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date. The maximum number of the Awarded Shares shall not exceed 78,000,000 shares of the Company, representing approximately 10% of the issued share capital of the Company as at the Adoption Date. The maximum number of Awarded Shares that may be granted to an Eligible Participant under the Share Award Scheme shall not exceed 1 per cent of the issued share capital of the Company from time to time. Details of the Share Award Scheme have been set out in the Company's announcement dated 9 April 2025. Since the Adoption Date up to 30 June 2025, no Awarded Shares had been awarded.

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 2025.

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 2025 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 2025.

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.

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

There was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2025.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

There was at no time during the six months ended 30 June 2025 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 2025 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 2025 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 months ended 30 June 2025.

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 2025 containing all the information required by the Listing Rules will be dispatched to its shareholders and published on the above websites in due course.

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

Hong Kong, 27 August 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.