



泛遠國際控股

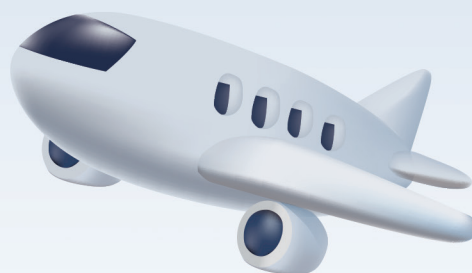
FAR INTERNATIONAL HOLDINGS

FAR International Holdings Group Company Limited

泛遠國際控股集團有限公司

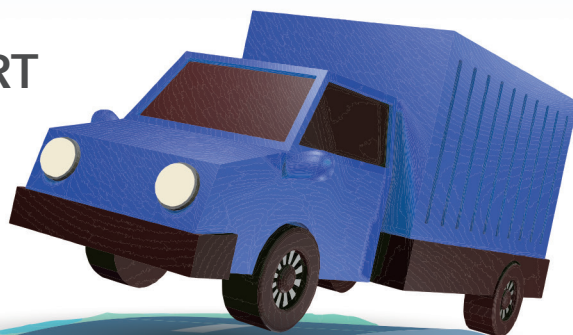
(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2516



ANNUAL REPORT

2025





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Company Profile

FAR International Holdings Group Company Limited is an exempted company incorporated in the Cayman Islands with limited liability on 24 November 2022 and was listed on the Main Board of the Stock Exchange on 22 December 2023.

We are an established cross-border e-commerce logistics service provider based in the PRC principally engaged in the provision of end-to-end cross-border logistics services. In 2015, we are the first batch of pilot enterprises at China (Hangzhou) Cross-border e-commerce Comprehensive Pilot Zone* (中國(杭州)跨境電子商務綜合試驗區首批試點企業) in the PRC. To seize the opportunity arising from the development of the PRC's cross-border e-commerce industry, particularly in the Yangtze River Delta and Pearl River Delta, we strategically set up our service outlets in major trading centres in the PRC, including Zhejiang Province, Shanghai Municipality, Chongqing Municipality, Guangdong Province, Sichuan Province, Shandong Province and Hong Kong.

Our business is built on a customer-oriented culture. We are capable of providing various flexible and reliable delivery options to our customers based on their selection of express, standard or economic delivery options, through coordinating our network of suppliers. At present, we provide overall management of the entire logistics value chain (from receiving the parcel from our customer and delivering the parcel to the final destination), including the determination of the delivery route, means of transportation, delivery costs control and fulfillment of customs requirements. Leveraging our ability in providing services for the entire logistics chain together with our suppliers, we also provide different types of logistics services to customers in the PRC and overseas. We offer our customers the flexibility to pick and choose the services they require us to perform within the logistics value chain, such as freight forwarding, customs clearance, recovery, warehouse operation, transportation and last-mile delivery. We offer customised supply chain solutions based on customers' specific requirements and formulate logistics solutions that suit their needs.

DIRECTORS

Executive Directors

Mr. Wang Quan (*Chairman of the Board*)
Mr. Yang Zhilong
Mr. Zhang Guangyang
Mr. Shi Dite (*Appointed on 20 January 2026*)
Mr. Zhu Jiong (*Resigned on 20 January 2026*)

Non-executive Directors

Mr. Yao Shenjie
Ms. Yi Yun (*Appointed on 26 November 2025*)
Mr. Wei Ran (*Resigned on 26 November 2025*)

Independent Non-executive Directors

Mr. Ye Xingyue
Mr. Ren Tiangan
Ms. Wang Jiaofei

COMPANY SECRETARY

Mr. Leung Lok Sang (*Appointed on 30 April 2025*)
Ms. Wong Hoi Ting (*Resigned on 30 April 2025*)

AUTHORIZED REPRESENTATIVES

Mr. Leung Lok Sang (*Appointed on 30 April 2025*)
Mr. Shi Dite (*Appointed on 20 January 2026*)
Ms. Wong Hoi Ting (*Resigned on 30 April 2025*)
Mr. Zhu Jiong (*Resigned on 20 January 2026*)

AUDIT COMMITTEE

Mr. Ye Xingyue (*Chairman*)
Mr. Ren Tiangan
Ms. Wang Jiaofei

REMUNERATION COMMITTEE

Mr. Ren Tiangan (*Chairman*)
Mr. Wang Quan
Mr. Ye Xingyue

NOMINATION COMMITTEE

Mr. Wang Quan (*Chairman*)
Mr. Ren Tiangan
Ms. Wang Jiaofei

INVESTMENT COMMITTEE

Mr. Wang Quan (*Chairman*)
Mr. Ye Xingyue
Mr. Ren Tiangan

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

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Room 1603, 16th Floor
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Central
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COMPLIANCE ADVISER

Grand Moore Capital Limited
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Wan Chai
Hong Kong

REGISTERED OFFICE

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HEADQUARTERS IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRAR

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PRINCIPAL BANKER

Hangzhou United Rural Commercial Bank Co Ltd
(Shiqiao Branch)
No. 336 Shiqiao Road
Gongshu District, Hangzhou City
Zhejiang Province
PRC

STOCK CODE

2516

COMPANY'S WEBSITE

www.far800.com

LISTING DATE

22 December 2023

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of FAR International Holdings Group Company Limited (the “**Company**” or “**FAR International**”) and its subsidiaries (collectively, the “**Group**”), I hereby present the annual report of the Group for the year ended 31 December 2025 (“**FY2025**” or the “**Reporting Period**”).

Guided by our corporate vision of “becoming a global cross-border trade preferred integrated fulfillment service platform,” and driven by our mission to “provide customers with simple, efficient, and safe cross-border supply chain solutions,” the Group adheres to the values of “customer first, simplicity, trust, and continuous meritorious service” as we deepen our commitment to global cross-border e-commerce logistics services. Over the past year, the global trade environment has remained volatile, and the Group’s operations have been impacted by external uncertainties such as U.S. tariff policies. The Group recorded revenue of approximately RMB1.99 billion, gross profit of approximately RMB154.3 million, and profit attributable to owners of the Company of approximately RMB5.1 million for FY2025. In the face of these challenges, the Group proactively implemented multiple measures to mitigate the adverse effects of tariff policies, safeguard the interests of the Company and all shareholders, and ensure the stable development of its business. In the second half of the year, through deepening synergies with long-term clients and implementing refined cost controls, the Group achieved a significant improvement in core business metrics compared to the first half, demonstrating its strong operational resilience and risk-resistance capabilities.

As a leading cross-border e-commerce logistics service provider in China, the Group has been deeply rooted in the industry for over two decades, adhering to a “customer-first” philosophy and specializing in end-to-end cross-border delivery services, freight forwarding services, and other logistics services. The Group fully recognises the critical significance of robust overseas infrastructure in mitigating risks associated with tariff policy changes and ensuring stable business development. Accordingly, the Group has further enhanced its warehousing and last-mile delivery capabilities in the U.S., establishing a complete “end-to-end” local fulfillment system. This initiative not only deepens the Group’s strategic footprint in the U.S. market but also effectively enhances service capabilities and customer loyalty, mitigates policy risks, and enables the Group to better seize market opportunities. Beyond further deepening its presence in the North American market, the Group has also significantly accelerated its business layout in other regional markets, including South America, Japan and South Korea, Southeast Asia, and Europe over the past year. These efforts enable the Group to continuously provide customers with diversified, low-cost, and efficient one-stop cross-border logistics solutions, while laying the groundwork for future expansion across multiple regions.

Looking ahead, the Group will remain firmly committed to its “Going Global” strategy and stay true to its original aspiration of pragmatism. The Group will continue to focus our efforts on the “One Core, Two Wings” strategy, with logistics as the foundational core, and trade and financial services as the two wings, evolving from a traditional logistics company into an integrated cross-border supply chain service platform based on the “integration of logistics and trade”. By strengthening our local capabilities overseas and deepening our digital transformation, the Group will join hands with partners to concentrate efforts to delve deep and break through challenges to achieve long-term success. In this way, we will steadily embark on a new journey of high-quality development, continue to contribute to the smooth flow of global trade, and create greater value for our shareholders.

Yours faithfully,

FAR International Holdings Group Company Limited

Wang Quan

Chairman and Executive Director

27 March 2026



Management Discussion and Analysis

BUSINESS OVERVIEW

Market Overview

Based on the data from the General Administration of Customs of the PRC, the total import and export trade volume in the PRC reached approximately RMB45.47 trillion in 2025, representing a year-on-year growth of 3.8% and achieving nine consecutive years of growth. Of this, total exports amounted to approximately RMB26.99 trillion, representing a year-on-year growth of 6.1%. 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 PRC's foreign trade achieved growth under pressure in 2025 with numerous highlights. This fully demonstrates its resilience and vitality, while also making significant contributions to global economic and trade development.

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 2025 impacted the cross-border e-commerce 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 and upgrading, cross-border e-commerce has made remarkable contributions to the robust growth of foreign trade in the PRC. In 2025, the import and export trade volume of cross-border e-commerce in the PRC was approximately RMB2.75 trillion, representing a growth of 69.7% as compared to 2020. 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.

Performance Overview

The Group is a renowned cross-border e-commerce logistics service provider in the PRC, with over 20 years of deep industry expertise. The Group operates more than 50 service outlets domestically and internationally with a service coverage spanning more than 220 countries and regions worldwide. It has established stable and deep collaborations with more than 1,100 suppliers, offering a variety of flexible, reliable, stable and compliant cross-border delivery options to its customers.

The Group's total revenue amounted to approximately RMB1.99 billion in 2025, while the revenue for the corresponding period in 2024 amounted to approximately RMB2.98 billion, representing a year-on-year decrease of approximately 33.2% as compared to 2024. Profit attributable to owners of the Company amounted to approximately RMB5.1 million in 2025, while profit attributable to owners of the Company amounted to approximately RMB69.3 million in the corresponding period in 2024. Notably, both revenue and profit of the Group improved significantly in the second half of 2025 as compared to the first half of 2025. This was attributable to the deepening synergistic collaboration with key long-term customers in logistics services and refined cost control.



In 2025, the changes in tariff policies of the United States (“**U.S.**”) impacted the Group’s export business to the U.S., resulting in a decline in both the revenue and profit of the Group. In response, the Group proactively implemented several measures to mitigate the adverse effects of tariff policies, safeguard the interests of the Company and all shareholders, and ensure stable business development:

1. Flexible service adjustments and cost-sharing negotiations. On one hand, we conducted an in-depth analysis of U.S. market demand and closely monitored tariff policy developments, making timely and targeted adjustments to our services, such as optimizing product portfolios and providing customized exclusive logistics solutions. On the other hand, we strengthened communication with customers, focusing on win-win cooperation to achieve reasonable cost sharing through various means, such as optimizing supply chain links to reduce overall costs. Based on market supply and demand and the actual impact of tariffs, we made moderate and reasonable adjustments to product prices while providing corresponding value-added services or preferential policies to balance the impact of price changes on customers.
2. Optimization of logistics routes and expansion into emerging markets. Our business team conducted a comprehensive review and analysis of our global logistics network coverage, designing multiple optimised logistics routes that effectively reduced transportation costs and tariff burdens. We vigorously implemented a strategy of diversifying revenue sources. Through in-depth market research, we accurately grasped local market demand characteristics and trends, expanding our layout and presence in emerging markets, such as Southeast Asia, South America, Europe, Japan, and South Korea.
3. Strengthen overseas infrastructure construction. The Group fully recognises the critical significance of robust overseas infrastructure in mitigating risks associated with tariff policy changes and ensuring stable business development. Accordingly, the Group has further enhanced its warehousing and last-mile delivery capabilities in the U.S., establishing a complete “end-to-end” local fulfillment system. This initiative not only deepens the Group’s strategic footprint in the U.S. market but also effectively enhances service capabilities and customer loyalty, mitigates policy risks, and enables the Group to better seize market opportunities. Beyond further deepening its presence in the North American market, the Group has also significantly accelerated infrastructure development in other regional markets over the past year, including South America, Japan and South Korea, and Southeast Asia. These efforts enable the Group to continuously provide customers with diversified, low-cost, and efficient one-stop cross-border logistics solutions, while laying the groundwork for future expansion across multiple regions.

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 RMB983.0 million in 2025, accounting for approximately 49.33% 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 RMB404.6 million in 2025, accounting for approximately 20.30% 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 RMB605.1 million in 2025, accounting for approximately 30.37% 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 2025 and up to the present in 2026, the Group's business saw several breakthroughs and development:

1. On 20 January 2026, the Company announced its proposal to acquire 51% equity interest in COPE Services Incorporated ("**COPE**") and Hyperlining LLC ("**Hyperlining**"). Through this strategic merger and acquisition, the Group will deepen its logistics infrastructure in North America, enhance synergistic capabilities across the entire chain including first-mile services, warehouse management, last-mile delivery, and supply chain finance, thereby further strengthening its core competitiveness.
2. 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 in 2025. It will provide compliant and professional cross-border logistics solutions to sellers on Amazon.
3. Leveraging its comprehensive capabilities in the cross-border logistics sector, Hangzhou FAR was recognized as the "5A-grade Logistics Enterprise" (5A級物流企業), "2025 Logistics Benchmark Enterprise of Hangzhou" (杭州市2025年度物流標桿企業), "Zhejiang International Supply Chain Leading Enterprise" (浙江省國際供應鏈領軍企業) and "2025 Zhejiang Service Industry Leading Enterprise" (2025年浙江省服務業領軍企業) in 2025.
4. In November 2025, the Company joined the International Federation of Freight Forwarders Associations (FIATA), becoming a corporate member of FIATA for 2026. This has broadened the Company's channels for communication and cooperation with leading global logistics industry partners.

FINANCIAL OVERVIEW

Revenue

The Group's revenue for FY2025 was approximately RMB1.99 billion, representing a decrease of approximately 33.2% as compared to approximately RMB2.98 billion for FY2024. This decline was primarily attributable to changes in U.S. tariff policies, which led to a reduction in the Group's shipments to the United States during the year. Consequently, the Group's end-to-end cross-border delivery services, freight forwarding services, and other logistics services recorded revenue decreases of 28.5%, from approximately RMB1,374.2 million to approximately RMB983.0 million; 32.5%, from approximately RMB599.8 million to approximately RMB404.6 million; and 40.0%, from approximately RMB1,008.8 million to approximately RMB605.1 million, respectively.

**Cost of sales**

The Group's cost of sales decreased from approximately RMB2.77 billion for FY2024 to approximately RMB1.84 billion for FY2025, representing a decrease of approximately RMB929.6 million or 33.6%. 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 FY2025 was approximately RMB154.3 million, representing a decrease of approximately 28.2% as compared to approximately RMB214.8 million for FY2024. The decrease was mainly due to the decline in total revenue for the reasons described above.

The Group's gross profit margin increased slightly from approximately 7.20% for FY2024 to approximately 7.74% for FY2025, primarily attributable to an improvement in gross profit margin of freight forwarding services and other logistics services but partially offset by a decrease in gross profit margin of end-to-end cross-border delivery services.

The increase in gross profit margin of freight forwarding services was mainly due to an improvement in gross profit margin of airborne freight forwarding while the increase in gross profit margin of other logistics services resulted from a reduced proportion of last-mile delivery services which yield a relatively low profit margins.

The decrease in the gross profit margin for end-to-end cross-border delivery services was mainly due to a higher proportion of revenue generated from express delivery services which yield a relatively lower profit margin.

Other income, gains and losses — net

The Group recorded net losses of approximately RMB6.8 million from other income, gains and losses for FY2025, representing an improvement of approximately 30.2% compared to net losses of approximately RMB9.8 million for FY2024. The improvement was mainly attributable to a decrease in loss on exchange differences from RMB24.4 million for FY2024 to RMB13.7 million for FY2025; but partially offset by (i) a decrease in gain arising from change in fair value of financial assets at FVTPL; (ii) an increase in provision of litigation of approximately RMB2.5 million; and (iii) a decrease in government grants of approximately RMB6.3 million.

Impairment loss on trade, deposits and other receivables

The Group recorded impairment loss on trade, deposits and other receivables of approximately RMB19.9 million for FY2025 compared to an impairment loss of approximately RMB18.4 million for FY2024 mainly due to the increase in the gross carrying amount of the Group's trade receivables, deposits and other receivables.

Impairment loss on goodwill

The Group recorded an impairment loss on goodwill of approximately RMB18.1 million for FY2025, compared to nil in FY2024, mainly attributable to a major group customer changing its business from the Group's PRC wholly owned operating subsidiary, which carries the goodwill, to the Company's overseas subsidiaries.

Finance costs

The Group's finance costs decreased by approximately RMB1 million or 5% from approximately RMB19.4 million for FY2024 to approximately RMB18.4 million for FY2025. The decrease in finance costs was mainly due to the decrease in bank borrowings during FY2025.

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 FY2025 decreased by approximately 44.5% to RMB6.4 million from RMB11.58 million for FY2024. The decrease in income tax expenses was mainly due to a decrease in profit before tax for FY2025 as compared with FY2024.

Profit for the year

As a result of the forgoing, the Group recorded a profit for the year of approximately RMB3.0 million for FY2025, representing a decrease of approximately 95.6% as compared to approximately RMB69.2 million for FY2024. This was mainly due to (i) a decrease in the gross profit of approximately RMB60.5 million; (ii) the increase in impairment of goodwill of approximately RMB18.1 million during FY2025, partially offset by (i) an improvement in other income, gains and loss, net of approximately RMB2.9 million; and (ii) a decrease in administrative expenses of approximately RMB4.6 million and (iii) a decrease in profit tax of approximately RMB5.1 million.

Trade and bill receivables

The Group's trade and bill receivables were RMB557.2 million as at 31 December 2025, representing a decrease of 15.6% as compared to RMB660.4 million as at 31 December 2024, primarily attributable to a decrease in trade receivables from the Group's major group customer.

Trade payables

The Group's trade payables amounted to RMB92.8 million as at 31 December 2025, representing an increase of approximately 11.4% compared to RMB83.3 million as at 31 December 2024. The increase was mainly attributable to enhanced working capital control, under which payments to suppliers were made only upon the maturity of the respective payables.

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 31 December 2025, the Group's net current assets were approximately RMB549.4 million (31 December 2024: approximately RMB535.3 million). The Group's bank balances and cash as at 31 December 2025 were approximately RMB551.2 million (31 December 2024: approximately RMB448.6 million).



As at 31 December 2025, there were bank borrowings of approximately RMB592.5 million carried fixed interest rate from 0.66% to 4.05% per annum (31 December 2024: approximately RMB857.4 million carried fixed interest rate from 0.90% to 4.55% per annum). As at 31 December 2025, the Group had unutilized bank facilities of approximately RMB7.9 million.

As at 31 December 2025, the Group has lease liabilities of approximately RMB37.5 million (31 December 2024: RMB9.3 million), of which approximately RMB10.8 million (31 December 2024: RMB5.6 million) is analyzed as current position, and approximately RMB26.6 million (31 December 2024: RMB3.7 million) is analyzed as non-current position.

Gearing ratio

As at 31 December 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 81.3% (31 December 2024: 120.0%). The decrease in gearing ratio is primarily attributable to the decrease in bank borrowings partially offset by an increase in lease liabilities.

Significant investment held

During the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2025).

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 placing 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 FY2025.

Contingent liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Pledge of assets

As at 31 December 2025, the Group had pledged trade receivables with carry amounts of approximately RMB174.8 million and ownership interest in buildings with carrying amounts of approximately RMB2.2 million and time deposits with carrying amounts of approximately RMB55.0 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 RMB494.2 million and ownership interest in buildings with carrying amounts of approximately RMB2.6 million and time deposits with carrying amounts of approximately RMB245.0 million as collateral for secured bank borrowings granted to the Group.

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 slow down, 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 statistics 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

The Group will always uphold the philosophy of "Customer First", accelerating the implementation of its "Going Global" strategy through breakthrough practices, and focusing on resource expansion and global layout. Guided by the "One Core, Two Wings" strategy, with AI-driven digital fulfillment services as the core, and trade and financial services as the two wings, the Group will evolve from a traditional logistics company into a cross-border supply chain service platform based on the integration of logistics and trade.

1. 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, and strengthen the development of the marketing system to further extend its reach to small and medium direct corporate customers.
2. 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.
3. 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.
4. 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.

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.

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 liabilities 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.

Management Discussion and Analysis

As at 31 December 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	Net Proceeds utilised up to 31 March 2025	Unutilised Net Proceeds as at 31 March 2025	Net Proceeds		Unutilised amount as at 31 December 2025	Expected time for full utilisation of the remaining Net Proceeds
		estimated amount available for utilisation	amount available for utilisation			Adjusted use of the Unutilised Net Proceeds	utilised from 1 April 2025 to 31 December 2025		
		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	4.67	15.14	30 June 2027
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	2.21	2.60	30 June 2027
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	26.88	17.74	



USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

On 12 November 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with DL Securities (Hong Kong) Limited (the “**Placing Agent**”) pursuant to which the Company appointed the Placing Agent as its agent to procure not less than six placees to subscribe up to 156,000,000 new shares (the “**Placing Share(s)**”) at a price of HK\$0.455 per placing share on a best effort basis on the terms and subject to the condition of the Placing Agreement (the “**Placing**”).

On 20 November 2025, the Company completed the Placing to allot and issue the Placing Shares at HK\$0.455 each in accordance with the terms and conditions of the Placing Agreement. The net proceeds from the Placing were approximately RMB63.7 million. The utilization of the proceeds from the Placing up to 31 December 2025 was as below:

Planned use of net proceeds from the Placing	Net proceeds to be applied <i>RMB million</i>	Utilized net proceeds as of 31 December 2025 <i>RMB million</i>	Unutilized net proceeds as of 31 December 2025 <i>RMB million</i>
Strengthening the development of existing logistic business (including but not limited to expanding warehouses)	54.7	0.4	54.3
General working capital	9.0	9.0	—
Total	63.7	9.4	54.3

For further details of the Placing, please refer to the Company’s announcements dated November 12, 2025 and November 20, 2025.

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 2025.

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.

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

As at 31 December 2025, 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).

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 20 January 2026, the Company entered into transaction framework agreement with Mr. Qingguo Zheng, Ms. Wen An and the Zhenith Family Trust (collectively, the “**Sellers**”), pursuant to which the Company has conditionally agreed to acquire all shares in Colink First HK Limited (“**COPE Holding**”) from the Zhenith Family Trust and subscribe for 690 new common shares in COPE and acquire all shares in Hyperlining Holdings HK Limited (“**Hyperlining Holding**”) from Ms. Wen An (the “**Transactions**”). The total consideration for the Transactions shall be US\$15,777,006.

Immediately after the completion of the Transactions, the Company will become the sole shareholder of COPE Holding and Hyperlining Holding, will hold 44.55% of COPE through COPE Holding and Hyperlining Holding, and FAR Luxembourg Holdings Sarl, a wholly-owned subsidiary of the Company will hold 6.45% of COPE directly. In aggregate, the Company will hold 51% of COPE and 51% of Hyperlining through Hyperlining Holding. COPE and Hyperlining (collectively, the “**Target Companies**”) will become subsidiaries of the Company, and the financial results of the Target Companies will be consolidated into the Company's consolidated financial statements.

For details of the Transactions, please refer to the announcement dated 20 January 2026 and the circular dated 2 April 2026. As at the date of this annual report, completion of the Transactions has not taken place.

HUMAN RESOURCES AND REMUNERATION POLICIES

The number of full-time employees of the Group was 453 as at 31 December 2025 (31 December 2024: 477). The total staff costs for the Reporting Period was approximately RMB82.56 million as compared to approximately RMB81.17 million in FY2024.

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.



EXECUTIVE DIRECTORS

Mr. Wang Quan (王泉), aged 49, is an executive Director, the Chairman and one of the Controlling Shareholders. Mr. Wang is the chairman of the Nomination Committee and a member of each of the Remuneration Committee and the Investment Committee. He was appointed as a Director on 24 November 2022 and redesignated as an executive Director and the Chairman on 24 February 2023. He is responsible for overall strategic planning and business direction of the Group. Mr. Wang is also a director of Hangzhou FAR, Shenzhen Global Link, HK FAR Logistics Investments Limited (香港泛遠物流投資有限公司), ZY Logistics Company Limited (香港卓洋物流有限公司), Global Link, Sure Link Holdings Limited (燃連控股有限公司), Novel Harbour Holdings Limited (穎港控股有限公司), Far Fans Logistics Development Company Limited (泛遠花熊物流有限公司), Ingrun Holdings Limited (盈潤控股有限公司) and Easygo Holdings Limited, as well as the director and general manager of Hangzhou Heguang Tongchen Logistics Co. Ltd.* (杭州和光同塵物流有限公司) and Hangzhou Feiyue Supply Chain Management Co., Ltd.* (杭州飛約供應鏈管理有限公司).

Mr. Wang has over 29 years of experience in cross-border logistics industry. Mr. Wang was a manager of Zhejiang Property International Freight Company Limited* (浙江物產國際貨運有限公司), a subsidiary of Zhejiang Materials Industry Group Corporation (a state-owned company in which its issued shares are listed on the Shanghai Stock Exchange (stock code: 600704.SH)) from July 1997 to December 2000. He was also a manager of Hangzhou Longhang Freight Forwarding Company Limited* (杭州龍航貨運代理有限公司), one of the founding members of Hangzhou FAR from January 2001 to July 2004. Mr. Wang was the deputy general manager since the establishment of Hangzhou FAR in August 2004 until he was promoted as the executive director and general manager in May 2015. He was the chairman and general manager of Hangzhou FAR during the period from August 2015 to July 2021 and remains as the chairman of Hangzhou FAR since July 2021 up to the present date.

Mr. Wang obtained a Bachelor's Degree in International Trade from Ningbo University in June 1997.

Mr. Yang Zhilong (楊志龍), aged 50, was appointed as an executive Director on 24 February 2023. He is primarily responsible for overall financial management of the Group. Mr. Yang is also the financial director of the Group.

Mr. Yang has more than 27 years of experience in finance and accounting industry. He was an accountant and a financial supervisor of Hangzhou Tingzheng Packing Material Company Limited* (杭州頂正包材有限公司) from January 1999 to December 2001. He joined Zhejiang Global Holdings Group Limited* (浙江環球控股集團有限公司) and Ningbo Division of Zhejiang Shangyuan Food and Beverage Company Limited* (浙江商源食品飲料有限公司) as a financial manager during the periods from January 2002 to September 2006 and from October 2006 to July 2008, respectively. Mr. Yang joined the Group in August 2008 as the financial director of Hangzhou FAR and was further appointed as a director of Hangzhou FAR in August 2015.

Mr. Yang obtained a Diploma in Computerised Accounting from Zhejiang Institute of Economics and Trade in June 1997 and a Bachelor's Degree in Accounting from Dongbei University of Finance and Economics in July 2009. Mr. Yang was conferred with an intermediate level specialty in Accounting by the Ministry of Finance of the People's Republic of China in May 2005.

Mr. Zhang Guangyang (張光陽), aged 47, was appointed as an executive Director on 24 February 2023. He is primarily responsible for overall management and business operation of the Group in South China. Mr. Zhang is a director and deputy general manager of the Group and the general manager of Shenzhen Global Link.

Mr. Zhang has over 24 years of experience in cross-border logistics industry. He was a department manager of Fairwind Shipping Company Limited in Hong Kong from April 2002 to September 2006. Mr. Zhang was the deputy general manager of Fairwind Wharf & Godown Company from October 2006 to March 2014. From April 2014 to May 2017, Mr. Zhang was the executive vice president of Tongde Holdings Management Company Limited, mainly responsible for managing Shenzhen Tongde International Freight Forwarding Company Limited* (深圳市通德國際貨運代理有限公司) and Qingdao Tongde International Freight Forwarding Company Limited* (青島通德國際貨運代理有限公司). He served as a department manager of Shenzhen Global Link from June 2017 to October 2019. He was promoted as a deputy general manager of Shenzhen Global Link in October 2019. Mr. Zhang was further promoted as the general manager of Shenzhen Global Link in January 2021. Since July 2021, Mr. Zhang has been a director and the deputy general manager of Hangzhou FAR.

Mr. Zhang obtained the Logistician Certificate issued by China Federation of Logistics and Purchasing in November 2008 and obtained a Bachelor's Degree in Business Management from China University of Geosciences, Wuhan in July 2013.

Mr. Shi Dite (師迪特), aged 43, was appointed as an executive Director on 20 January 2026. He is primarily responsible for overall compliance and investment matters of the Group.

Mr. Shi has over 22 years of extensive experience in Merger & Acquisition and International Sector, in particular on cross border transactions and China outbound investment. Mr. Shi was a Merger & Acquisition Tax Partner with KPMG China from August 2004 to December 2016, including 1 year with KPMG US and 5 years with KPMG Australia. Between November 2016 and March 2018, Mr. Shi was the Managing Director of Alvarez & Marsal Asia Limited and the firm's Head of Merger & Acquisition Tax practice in Asia. From November 2018 to December 2024, Mr. Shi joined Alibaba as ICBU's Head of Tax and Compliance business division. Since May 2025, Mr. Shi has joined FAR International Holdings Group Company Limited as the Head of Investment and Acquisitions, and the Chairman Assistant.

Mr. Shi obtained a master's degree of International Tax from the University of Sydney in December 2014. Mr. Shi is a fellow member of CPA Australia.



NON-EXECUTIVE DIRECTORS

Mr. Yao Shenjie (姚沈杰), aged 34, was appointed as a non-executive Director on 31 May 2024. He is primarily participating in formulating the Group's business strategies.

He was an officer of Hangzhou Xiaoshan Highway Development Co., Ltd.* (杭州蕭山公路開發有限公司) from 2013 to 2016, and an officer of Hangzhou Xiaoshan International Airport Expressway Construction and Development Co., Ltd.* (杭州蕭山國際機場高速公路建設開發有限公司) from 2016 to 2019. During the period from 2019 to 2022, he was the deputy general manager and general manager of Hangzhou Gongshu State-owned Innovation Development Co., Ltd.* (杭州拱墅國投創新發展有限公司) ("**Hangzhou Gongshu**") and the executive director and general manager of Hangzhou Force Asset Management Co., Ltd.* (杭州原動力資產管理有限公司) and Hangzhou Gongshu Industrial Investment Fund Co., Ltd.* (杭州拱墅產業投資基金有限公司), respectively. Since 2022, he has been the manager of Hangzhou Gongshu. Starting from 2020, he has been a director of Hangzhou Fortune Gala Investment Company Limited* (杭州財富盛典投資有限公司), a director of Zhejiang Electronic Equipment Company Limited* (浙江省電子器材有限公司), an executive director and general manager of Hangzhou Yangfan Culture Investment Company Limited* (杭州楊帆文化投資有限公司), and a director of Hangzhou Guancheng Kindergarten Company Limited* (杭州觀成幼兒園有限公司). Since July 2022, Mr. Yao is a director of Shanghai Runda Medical Technology Company Limited* (上海潤達醫療科技股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603108.SH). Since August 2022, he has been a director and general manager of Hangzhou Gongshu State-owned Investment Technology Development Co., Ltd.* (杭州拱墅國投科技發展有限公司). Since March 2023, Mr. Yao is a director of Hangzhou Huizhong Diagnostic Technology Company Limited* (杭州惠中診斷技術有限公司).

Mr. Yao graduated from Huazhong University of Science and Technology (華中科技大學) majoring in Civil Engineering in July 2020.

Ms. Yi Yun (裔韻), aged 54, was appointed as a non-executive Director on 26 November 2025. She is primarily participating in formulating the Group's business strategies.

Ms. Yi has over 27 years of extensive experience in international express delivery, international air and sea freight, international logistics, and internet logistics supply chain. During the period from 1997 to 2023, Ms. Yi subsequently held positions as the sales director for Federal Express (China) Company Limited from December 1997 to March 2004, the station manager for Air Macau Company Limited (Shanghai Station) from April 2004 to May 2006, the global director of international logistics shared services at UTi (China) Limited from May 2006 to July 2016, the director of international B2B business at Cainiao Network Technology Co., Ltd. from July 2016 to January 2018, the vice president of Amazon Global Logistics China from January 2018 to June 2022, and the head of logistics and services for Maersk (China) Shipping Co., Ltd. from June 2022 to May 2023. Since May 2023, Ms. Yi has joined Alibaba International Digital Commerce Group as head of logistics and supply chain, responsible for managing logistics and supply chain operations.

Ms. Yi obtained a master's degree of logistic engineering and management from the University of Western Australia in March 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ye Xingyue (葉星月), aged 51, was appointed as an independent non-executive Director on 1 December 2023. Mr. Ye is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Investment Committee. He is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

Mr. Ye has over 29 years' experience in accounting and financial management. Mr. Ye was the chief accountant at Zhejiang Material Industrial Zhongda Yuantong Group Company Limited from July 1997 to August 2000. Mr. Ye was the financial and planning analysis manager at Xizi Otis Elevator Company Limited from September 2000 to January 2008. Mr. Ye was consecutively the assistant financial manager, company subsidiary finance director, deputy executive of group finance, and vice president to the investments and new businesses department of Xizi Elevator Group Company Limited* (西子電梯集團有限公司) from January 2008 to December 2014. From January 2015 to April 2015, Mr. Ye was the financial manager of Hangzhou Tailin Bioengineering Company Limited* (杭州泰林生物技術設備有限公司). Mr. Ye joined Zhejiang Tailin Bioengineering Company Limited in January 2015 and is currently the secretary to the board of directors and financial manager.

Mr. Ye obtained a Bachelor's Degree in Accounting from Hangzhou Business School* (杭州商學院) in July 1997 and a Master's Degree in Accounting from Xiamen University in December 2012. He was admitted as a Chinese Certified Public Accountant in December 2009 and a senior accountant in July 2015 by the Zhejiang Province Human Resources and Social Security Department.

Mr. Ren Tiangan (任天干), aged 52, was appointed as an independent non-executive Director on 1 December 2023. Mr. Ren is the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Investment Committee. He is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

Mr. Ren has over 25 years' experience in legal industry. Mr. Ren was an assistant to general manager at Ningbo Development Zone Import and Export Company* (寧波開發區進出口公司) from July 1997 to May 1998. He joined Ningbo Sanhe Law Firm* (寧波三和律師事務所) as a lawyer from May 1998 to August 2000. Mr. Ren was enrolled as a postgraduate student at the Shanghai Maritime University from September 2000 to June 2003. He was a government lawyer at Shanghai Waigaoqiao Free Trade Zone Management Committee from May 2003 to May 2009. Mr. Ren was the head of the legal compliance department of Alltrust Property Insurance Company Limited during May 2009 to May 2010. From May 2010 to May 2019, he was a partner at RICC & Co. He was a partner at Horizon Law Office from May 2019 to April 2020. During April 2020 to February 2022, Mr. Ren was a partner at MHP Law Firm. Since February 2022, Mr. Ren has been the senior partner at Beijing Weiheng (Shanghai) Law Firm.

Mr. Ren obtained a Bachelor's Degree in Laws from Ningbo University in July 1997 and a Master's Degree in International Laws from Shanghai Maritime University in May 2003. He was admitted as a practicing lawyer in the PRC in August 1998.



Ms. Wang Jiaofei (汪蛟飛), aged 57, was appointed as an independent non-executive Director on 31 May 2024. Ms. Wang is a member of each of the Audit Committee and the Nomination Committee. She is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

From August 1988 to March 1995, Ms. Wang served as a member of the organisation committee of Dinghai Vocational High School of Zhejiang Province* (浙江省定海職業中學). During the period from April 1995 to April 2003, she served as the office manager of Sinotrans Foreign Trade and Transportation Company Limited, Zhoushan Branch* (中外運對外貿易運輸有限公司舟山分公司). From May 2003 to September 2017, she served as the department manager, assistant general manager and deputy general manager of Sinotrans Air Transport Development Company Limited, Zhejiang Branch* (中外運空運發展股份有限公司浙江分公司). Since October 2017, she has served as the director and executive deputy general manager of Zhejiang Xinhuang Environmental Engineering Co., Ltd* (浙江鑫煌環境工程有限公司).

Ms. Wang graduated from physical education major of Ningbo Normal College (寧波師範學院) (now known as Ningbo University (寧波大學)) in July 1988.

SENIOR MANAGEMENT

Mr. Wang Tiantian (王添天), aged 42, was appointed as the Chief Executive Officer on 1 March 2025. He has over 18 years of experience in cross-border and domestic business management. He was a merchandise planning manager of Tesco PLC from February 2007 to April 2010 responsible for global headquarters product planning and supply chain management. From April 2010 to April 2012, he was the Greater China supply chain director of Staples Inc. Mr. Wang was the senior business product manager of Amazon.com, Inc. during the period from April 2012 to April 2014. He was the operational vice president of DHgate (敦煌網) from April 2014 to April 2017. From April 2017 to February 2024, he served as the vice president and the sales general manager of cross-border supply chain and China suppliers of Alibaba.com. He became a member of our Group as a director of Hangzhou FAR from January 2021 to June 2024 and served as a non-executive Director of the Company from February 2023 to February 2024, who participated in formulating the Group's business strategies.

Mr. Wang obtained a bachelor's degree in business studies and financial management from University of Salford in July 2006. He also obtained a master's degree in international business and management from University of Manchester in September 2007. Mr. Wang completed his doctoral degree in economics from the Chinese Academy of Social Sciences in April 2016.

Mr. Yang Zhilong (楊志龍), aged 50, is an executive Director and financial director of the Company. For details of his biography, please see the above "Executive Directors" of this section.

Mr. Zhang Guangyang (張光陽), aged 47, is an executive Director and deputy general manager of the Company. For details of his biography, please see the above "Executive Directors" of this section.

COMPANY SECRETARY

Mr. Leung Lok Sang (梁樂生), aged 44, was appointed as the company secretary of the Company on 30 April 2025.

Mr. Leung is a senior manager of SSC Corporate Services Limited, a professional services provider specialising in corporate services including company secretarial works, and has more than 7 years' experience in corporate compliance and financial management for listed companies in Hong Kong. Mr. Leung had served as an audit manager in East Asia Sentinel Limited, a Certified Public Accountant (Practising) in Hong Kong, from April 2007 to June 2017. Mr. Leung holds memberships in both Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also a Certified Environmental, Social and Governance Analyst offered by The European Federation of Financial Analysts Societies. In addition, Mr. Leung holds a bachelor's degree in accounting from The Hong Kong Polytechnic University.

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

SHARE OFFER

The Company was incorporated in the Cayman Islands with limited liability on 24 November 2022. The Shares were listed on the Main Board of the Stock Exchange on 22 December 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is primarily engaged in the provision of end-to-end cross-border logistics services in the PRC.

Analysis of the principal activities of the Group during the Reporting Period is set out in the “Notes to the Consolidated Financial Statements” of this annual report.

An analysis of the Group’s performance during the Reporting Period by business segments is set out in notes 5 and 6 to the consolidated financial statements of this annual report.

SUBSIDIARIES

Particulars of the Company’s subsidiaries are set out in note 36 to the consolidated financial statements of this annual report.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 67 of this annual report.

FINAL DIVIDEND

In accordance to the Group’s dividend policy, in order to retain resources for the Group’s business development, the Directors did not recommend the payment of a final dividend for the Reporting Period (2024: Nil).

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

AGM AND CLOSURE OF REGISTER OF MEMBERS

It is proposed that the AGM will be held on Thursday, 7 May 2026.

For Determining the Eligibility to Attend and Vote at the AGM

The register of members of the Company will be closed from Monday, 4 May 2026 to Thursday, 7 May 2026 (both days inclusive) for the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates and transfer forms 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 for registration not later than 4:30 p.m. on Thursday, 30 April 2026.

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial key performance and an indication of likely future developments in the Group's business are set out in the section headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. Compliance with relevant laws and regulations that have a significant impact on the Group can be found throughout this annual report, in particular, the "Corporate Governance Report". The Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends are contained in the sections headed "Company Profile" and "Chairman's Statement", this Report of Directors and the "Notes to Consolidated Financial Statements". Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Management Discussion and Analysis — Significant Event After the Reporting Period" in this annual report. These discussions form part of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- Our cross-border e-commerce logistics service provider business is significantly affected by changes in global economic and social conditions.
- Some of our customers that ship goods to the United States benefit from certain tax exemption regime, which may be changed in the future. In such event, these customers' operations may be negatively affected, and in turn affect our revenue generated from these customers.
- We face risks related to severe weather conditions and other natural disasters, health epidemics and other outbreaks.
- We operate in a competitive industry, and if we fail to compete effectively, our business and profitability could suffer.
- Mergers and acquisitions within the logistics industry may intensify market competition. If we are unable to compete effectively, our business, financial condition, results of operations and prospects would be materially and adversely affected.
- Our business relies on our suppliers. Increases in their operating costs or failure to maintain partnerships with them may adversely affect our business.
- Fluctuations in the price or availability of fuel may adversely affect our results of operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

For more details of other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" of the Prospectus.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management of the Company are aware, the Group has complied in all material aspects with relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on pages 135 and 136 of this annual report. This summary does not form part of the audited consolidated financial statements.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group believes that its success depends on the support from its key stakeholders, namely employees, customers and suppliers.

Employees

The Group endeavours to provide better working conditions and attractive remunerations to its employees. The Group offers remuneration packages to its employees, which include salary, allowances and payment for welfare contributions, including social insurance contributions and housing provident fund contributions. Based on the performance of each employee, the Group will provide salary increments, bonuses and promotions, so as to encourage the employees' personal developments. The Group provides regular on-the-job training to its employees in order to build up a sound career platform for employees.

Major Customers

The Group's business is built on a customer-oriented culture. We are capable of providing various flexible and reliable delivery options to the customers based on their selection of express, standard or economic delivery options, through coordinating network of suppliers. The customers generally include e-commerce platforms, e-commerce sellers, other logistics service providers and traditional traders. For the Reporting Period, the Group's sales to its five largest customers accounted for 53.98% (2024: 71.49%) of the Group's total revenue and the Group's sales to its single largest customer accounted for 39.18% (2024: 49.23%) of the Group's total revenue.

Major Suppliers

Over the years, the Group managed to develop its capabilities and build up a network of suppliers to assist its provision of cross-border end-to-end delivery services which covers the entire logistics service chain. The Group's network of suppliers generally include air/sea port operators, air and ocean carriers, customs brokers as well as international and national-level logistics service providers. For the Reporting Period, the Group's purchases from its five largest suppliers accounted for 44.84% (2024: 59.38%) of the Group's total purchases and the Group's purchases from its single largest supplier accounted for 22.36% (2024: 32.40%) of the Group's total purchases.

Shenzhen Yidatong Supply Chain Service Co., Ltd* (深圳市一達通供應鏈服務有限公司), one of the Group's five largest customers, is an indirect subsidiary of Alibaba Group, which is an indirect Shareholder holding approximately 7.16% of the total number of issued Shares. During the Reporting Period, save as disclosed above, none of the Directors or any of their respective close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of issued Shares) had any interest in the Group's five largest customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure our compliance with the prevailing environmental protection laws and regulations. The Group has developed environmental protection measures and policies to prevent and control pollution levels and harm caused to the environment in the form of waste gas, waste water, solid waste, dust, etc. in the course of production or other activities in accordance with the applicable environmental laws and regulations. The Group understands that a better future depends on everyone's participation and contribution. It has encouraged all employees to participate in the environmental activities which benefit the community.

The Group's environmental policies and performance are set out in a separate Environmental, Social and Governance (ESG) Report, which will be available on the Company's website and the website of the Stock Exchange on the same day of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 15 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period and details of the Shares issued during the Reporting Period are set out in note 30 to the consolidated financial statements of this annual report.

DONATIONS

During the Reporting Period, the donation expenditure of the Group was RMB50,000.

DEBENTURE ISSUED

The Company did not issue any debenture during the Reporting Period.

CONVERTIBLE BONDS ISSUED

As at the date of this annual report, the Company has not issued any convertible bonds.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out on notes 31 and 37 of this annual report respectively.

DISTRIBUTABLE RESERVES

As of 31 December 2025, the Company's reserves available for distribution amounted to approximately RMB285.10 million (as of 31 December 2024: RMB245.64 million).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as of 31 December 2025 are set out in note 26 to the consolidated financial statements of this annual report.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are:

Executive Directors:

Mr. Wang Quan (*Chairman of the Board*)

Mr. Yang Zhilong

Mr. Zhang Guangyang

Mr. Shi Dite (*Appointed on 20 January 2026*)

Mr. Zhu Jiong (*Resigned on 20 January 2026 due to other work arrangement*)

Non-executive Directors:

Mr. Yao Shenjie

Ms. Yi Yun (*Appointed on 26 November 2025*)

Mr. Wei Ran (*Resigned on 26 November 2025 due to other work allocation*)

Independent Non-executive Directors:

Mr. Ye Xingyue

Mr. Ren Tiangan

Ms. Wang Jiaofei

Pursuant to Article 108(a) of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Wang Quan, Mr. Yao Shenjie and Mr. Zhang Guangyang will retire from office by rotation and are eligible for re-election at the forthcoming AGM.

Pursuant to Article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first AGM after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first AGM after his/her appointment and shall then be eligible for re-election. Accordingly, Ms. Yi Yun and Mr. Shi Dite will hold office as the Directors until the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out in the section headed “Directors and Senior Management” of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors, and the Company considers such Directors to be independent throughout the Reporting Period and remain so as of the date of this annual report.

DIRECTORS’ SERVICE AGREEMENT

Ms. Yi Yun has entered into a service agreement with the Company for an initial term of three years with effect from 26 November 2025. Mr. Shi Dite has entered into a service agreement with the Company for an initial term of three years with effect from 20 January 2026. Mr. Yao Shenjie and Ms. Wang Jiaofei have entered into service agreements with the Company for an initial term of three years with effect from 31 May 2024. Each other Director (other than Ms. Yi Yun, Mr. Shi Dite, Mr. Yao Shenjie and Ms. Wang Jiaofei) has entered into a service agreement with the Company for an initial term of three years with effect from the Listing Date. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term subject to retirement by rotation and re-election at an AGM at least once every three years and until terminated by either party giving at least 1 month’s written notice of non-renewal before the expiry of the initial term.

No Director proposed for re-election at the forthcoming AGM has or is proposed to have a service agreement with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

CONTROLLING SHAREHOLDERS’ INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management of the Group and comparable market practices.

Details of the emoluments of the Directors and five highest paid individuals during the Reporting Period are set out in notes 11 and 12 to the consolidated financial statements of this annual report.

During the Reporting Period, none of the Directors and the five highest paid individuals of the Group (i) received any emolument from the Group as an inducement to join or upon joining the Group; (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emoluments.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The subsidiaries in the Chinese mainland have participated in employee social security plans established in the Chinese mainland, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. The employees of the Group in the PRC are members of stated-managed retirement benefit schemes operated by the relevant governments. The Group is required to contribute a certain percentage of payroll costs to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is make the specified contributions. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on the percentages of the basic salaries of employees, subject to certain ceilings imposed.

The Group also operates a Mandatory Provident Fund Scheme (the "**MPF scheme**") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, capped at HK\$1,500 per month. The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

No forfeited contribution (by the Group on behalf of its employees who leave the schemes prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension schemes.

Details of the retirement and employee benefits scheme of the Company are set out in note 28 to the consolidated financial statements of this annual report.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

Ms. Yi Yun has been appointed as a non-executive Director with effect from 26 November 2025. Ms. Yi Yun confirmed she has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 26 November 2025 and understood her obligations as a Director.

Mr. Shi Dite has been appointed as an executive Director and an authorised representative of the Company (the “**Authorised Representative**”), with effect from 20 January 2026. Mr. Shi Dite confirmed he has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 20 January 2026 and understood his obligations as a Director.

Mr. Wang Quan has resigned as the Chief Executive Officer with effect from 1 March 2025.

Mr. Wang Tiantian has been appointed as the Chief Executive Officer with effect from 1 March 2025.

Mr. Leung Lok Sang has been appointed as the company secretary of the Company (the “**Company Secretary**”) and an Authorised Representative with the effect from 30 April 2025.

Ms. Wong Hoi Ting has resigned as the Company Secretary and an Authorised Representative with the effect from 30 April 2025.

Mr. Wei Ran has resigned as a non-executive Director with effect from 26 November 2025.

Mr. Zhu Jiong has resigned as an executive Director and an Authorised Representative with the effect from 20 January 2026.

Save as disclosed above and in this annual report, there was no change to information which is required to be disclosed and has been disclosed by Directors and chief executives of the Company pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this annual report.

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 this annual report, no Awarded Shares had been awarded.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares of the Company:

Name of Director	Capacity and nature of interest	Number of Shares held/interested in ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Mr. Wang Quan ⁽³⁾	Interest in a controlled corporation	263,189,164	28.12%
Mr. Yang Zhilong ⁽⁴⁾	Interest in a controlled corporation	8,708,246	0.93%
Mr. Zhu Jiong ⁽⁵⁾	Interest in a controlled corporation	8,386,092	0.90%
Mr. Zhang Guangyang ⁽⁶⁾	Beneficial owner	2,098,800	0.22%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 936,000,000 Shares in issue as at 31 December 2025.

(3) As at 31 December 2025, Zi Yue and Gensis FAR Holdings Limited ("**Gensis FAR**") held 221,213,154 and 41,976,010 Shares, representing approximately 23.6339% and 4.4846% of the entire issued share capital of the Company, respectively. Zi Yue is entirely owned by Mr. Wang Quan. Therefore, Mr. Wang Quan is deemed to be interested in the Shares held by Zi Yue by virtue of the SFO. Gensis FAR is wholly-owned by Hangzhou Aiyuan L.P.. Mr. Wang Quan is interested in approximately 37.88% of the equity interest in Hangzhou Aiyuan L.P.. Therefore, Mr. Wang Quan is deemed to be interested in the Shares held by Gensis FAR by virtue of the SFO.

(4) As at 31 December 2025, Ren He International Holdings Limited held 8,708,246 Shares, representing approximately 0.93% of the entire issued share capital of the Company. Ren He International Holdings Limited is entirely owned by Mr. Yang Zhilong. Therefore, Mr. Yang Zhilong is deemed to be interested in the Shares held by Ren He International Holdings Limited by virtue of the SFO.

(5) As at 31 December 2025, Seven Big Dipper Holdings Limited held 8,386,092 Shares, representing approximately 0.90% of the entire issued share capital of the Company. Seven Big Dipper Holdings Limited is entirely owned by Mr. Zhu Jiong. Therefore, Mr. Zhu Jiong is deemed to be interested in the Shares held by Seven Big Dipper Holdings Limited by virtue of the SFO. Mr. Zhu Jiong has resigned as an executive Director with the effect from 20 January 2026.

(6) As at 31 December 2025, Mr. Zhang Guangyang held 2,098,800 Shares, representing approximately 0.22% of the entire issued share capital of the Company.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or 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 equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity and nature of interest	Number of Shares held/interested in ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Zi Yue ⁽³⁾	Beneficial owner	221,213,154	23.63%
Gensis FAR ⁽³⁾	Beneficial owner	41,976,010	4.49%
Ms. Lao Minzhong ⁽⁴⁾	Interest of spouse	263,189,164	28.12%
AIDC SI PTE. LTD. ⁽⁵⁾	Beneficial owner	67,041,663	7.16%
Alibaba Singapore Holding Private Limited ⁽⁵⁾	Interest in a controlled corporation	67,041,663	7.16%
Alibaba.com Holding Limited ⁽⁵⁾	Interest in a controlled corporation	67,041,663	7.16%
Alibaba.com International (Cayman) Holding Limited ⁽⁵⁾	Interest in a controlled corporation	67,041,663	7.16%

Name of Shareholder	Capacity and nature of interest	Number of Shares held/ interested in ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Alibaba.com Investment Holding Limited ⁽⁵⁾	Interest in a controlled corporation	67,041,663	7.16%
Alibaba.com Limited ⁽⁵⁾	Interest in a controlled corporation	67,041,663	7.16%
Mr. Ye Jianrong ⁽⁶⁾	Interest in a controlled corporation	51,699,152	5.52%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 936,000,000 Shares in issue as at 31 December 2025.
- (3) Zi Yue is entirely owned by Mr. Wang Quan. Therefore, Mr. Wang Quan is deemed to be interested in the Shares held by Zi Yue by virtue of the SFO. Gensis FAR is interested in approximately 4.49% shareholding of the Company as at 31 December 2025. Gensis FAR is wholly-owned by Hangzhou Aiyuan L.P.. Mr. Wang Quan is interested in approximately 37.88% of the equity interest in Hangzhou Aiyuan L.P.. Therefore, Mr. Wang Quan is deemed to be interested in the Shares held by Gensis FAR by virtue of the SFO.
- (4) Ms. Lao Minzhong is the spouse of Mr. Wang Quan. Accordingly, for the purpose of the SFO, Ms. Lao Minzhong is deemed, or taken to be, interested in the Shares in which Mr. Wang Quan is interested.
- (5) As at 31 December 2025, AIDC SI PTE. LTD. is interested in approximately 7.16% shareholding of the Company. AIDC SI PTE. LTD. is 100% owned by Alibaba Singapore Holding Private Limited, which is in turn 100% owned by Alibaba.com Holding Limited. Alibaba.com Holding Limited is 100% owned by Alibaba.com International (Cayman) Holding Limited, which is in turn 96.5% owned by Alibaba.com Investment Holding Limited. Alibaba.com Investment Holding Limited is 100% owned by Alibaba.com Limited. Therefore, each of Alibaba.com Limited, Alibaba.com Investment Holding Limited, Alibaba.com International (Cayman) Holding Limited, Alibaba.com Holding Limited and Alibaba Singapore Holding Private Limited is deemed to be interested in the Shares held by AIDC SI PTE. LTD. by virtue of the SFO.
- (6) Coast Harvest Holdings Limited ("**Coast Harvest**") is interested in approximately 3.55% shareholding of the Company as at 31 December 2025. Mr. Ye Jianrong is interested in 85.00% of the shareholding in Coast Harvest. Therefore, Mr. Ye Jianrong is deemed to be interested in the Shares held by Coast Harvest by virtue of the SFO. Skill Lead Holdings Limited ("**Skill Lead**") is interested in approximately 1.97% shareholding of the Company as at 31 December 2025. Skill Lead is entirely owned by Mr. Ye Jianrong. Therefore, Mr. Ye Jianrong is deemed to be interested in the Shares held by Skill Lead by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons (who were not Directors or chief executives of the Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register be kept by the Company pursuant to Section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Reporting Period or subsisted as at 31 December 2025.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Reporting Period (including sale of treasury Shares, if any).

TAX RELIEF AND EXEMPTION

The Directors were not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

NON-COMPETITION UNDERTAKINGS

In order to avoid any possible future competition among the Group, the Controlling Shareholders entered into the Deed of Non-competition on 1 December 2023 in favour of the Company (for itself and for the benefit of each other member of the Group).

For details of the Deed of Non-competition, please refer to section headed "Relationship with Controlling Shareholders — Non-competition Undertakings" in the Prospectus.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-Competition during the Reporting Period for disclosure in this annual report.

The independent non-executive Directors have reviewed the compliance with the Deed of Non-Competition during the Reporting Period based on the information and confirmation provided by or obtained from the Controlling Shareholders and were satisfied that the Controlling Shareholders have duly complied with the Deed of Non-Competition.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group for the Reporting Period.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions of the Group during the Reporting Period as disclosed in note 35 to the consolidated financial statements did not constitute as connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

During the Reporting Period, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this annual report pursuant to Chapter 14A of the Listing Rules.

TRANSACTIONS IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

There were no transactions in the securities of the Company or its subsidiaries during the Reporting Period.

SIGNIFICANT LEGAL PROCEEDINGS

For the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities, which was in force during the course of the year under review and remains in force as of the date of this annual report. The insurance coverage will be reviewed on an annual basis.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there is no material subsequent event undertaken by the Group after 31 December 2025 and up to the date of this annual report.

AUDIT COMMITTEE

The Audit Committee had reviewed the Group's consolidated financial statements for the Reporting Period, including the accounting principles and policies adopted by the Group and the annual results of the Group for the year ended 31 December 2025. The Audit Committee considered that the annual results of the Group for the year ended 31 December 2025 had complied with all applicable accounting standard, laws and regulations and Listing Rules, and the Company has made appropriate disclosures thereof.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 37 to 61 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, as of 31 December 2025, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDITOR

The Shares were listed on the Stock Exchange on 22 December 2023, and the Company has no change in the auditor of the Company since the Listing Date.

SHINEWING (HK) CPA Limited was appointed as the auditor of the Company for the Reporting Period. The accompanying financial statements prepared in accordance with HKFRSs have been audited by SHINEWING (HK) CPA Limited.

A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company will be proposed at the forthcoming AGM.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

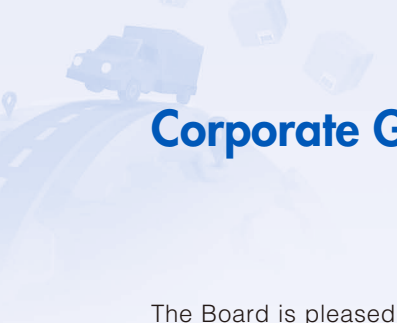
All references above to other sections, reports or notes in this report form part of this annual report.

On behalf of the Board

Wang Quan

Chairman and Executive Director

Hong Kong, 27 March 2026



Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed below, during the Reporting Period and up to the date of this annual report, 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 annual report, the roles of Chairman and the Chief Executive Officer are separate and performed by different individuals.

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

THE BOARD

Cultures and Values

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. *Integrity and code of conduct*

The Group strives to maintain high standards of business ethics and corporate governance across all its activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook (including therein the Group's code of conduct) and the anti-corruption policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. *Commitment*

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As of 31 December 2025 and up to the date of this annual report, the Board comprises 4 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors as follows:

Executive Directors:

Mr. Wang Quan (*Chairman of the Board*)
Mr. Yang Zhilong
Mr. Zhang Guangyang
Mr. Shi Dite (*Appointed on 20 January 2026*)
Mr. Zhu Jiong (*Resigned on 20 January 2026*)

Non-executive Directors:

Mr. Yao Shenjie
Ms. Yi Yun (*Appointed on 26 November 2025*)
Mr. Wei Ran (*Resigned on 26 November 2025*)

Independent Non-executive Directors:

Mr. Ye Xingyue
Mr. Ren Tiangan
Ms. Wang Jiaofei

The biographies of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

During the Reporting Period, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise. Among the three independent non-executive Directors, Mr. Ye Xingyue has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

During the Reporting Period, the Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.



Independent Non-executive Directors

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all Shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any Shares.

The Company has established a mechanism which aims to ensure that the Board has strong independent elements, so that the Board can effectively make independent judgments and better protect the interests of the Shareholders. The Company has adopted a procedure to allow Directors to seek independent professional advice when performing their duties and encourages Directors to independently contact and consult the senior management of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the independence of the independent non-executive Directors annually with regards to all relevant factors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent during the Reporting Period in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Company recognises and embraces the benefits of the Board diversity to enhance the quality of its performance and endeavours to ensure that the Board has appropriate balance and level of skills, experiences and perspectives required to support the execution of its business strategies and its sustainable development. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, industry and regional experience and length of service, and the amount of time and effort that the candidates will devote to discharge his/her duties and responsibilities. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board comprises of nine members, including two female Directors. Under the current composition of the Board, the Board has a balanced mix of knowledge, skills and experience, including experience in the areas of strategic development, production, administration, finance and accounting. The Directors have a diverse educational background including international trade, accounting, international business and management, laws and finance. Furthermore, the Board has a wide range of age, ranging from 34 years old to 57 years old.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing Board diversity under the CG Code. The Nomination Committee will, from time to time and at least once annually, monitor and evaluate the implementation of the Board Diversity Policy to ensure its continued effectiveness.

The Nomination Committee and the Board have reviewed the membership, structure and composition of the Board, and are of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, industry and regional experience and length of service, and the amount of time and effort that the candidates will devote to discharge his/her duties and responsibilities. When identifying potential candidates to the Board, the Nomination Committee and the Board will, among others, (i) consider the current level of representation of women on the Board and the senior management of the Company when making recommendations for nominees as well as succession planning to the Board and senior management of the Company; (ii) consider the criteria that promotes diversity by making reference to the code of practices on employment published by the Equal Opportunities Commission from time to time; and (iii) communicate the Board Diversity Policy to the Nomination Committee and encourage a cooperative approach to ensure diversity on the Board. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels. In particular, Ms. Zhang Min, who served as an executive Director and the Chief Executive Officer from 1 January 2024 to on 31 May 2024 and was responsible for overall management and business operation of the Group, is female and formed part of the Board members and the senior management team of the Company. Following Ms. Zhang Min's retirement, Ms. Wang Jiaofei, another female, joined the Board on 31 May 2024 as an independent non-executive Director. Ms. Yi Yun joined the Board on 26 November 2025 as the second female Director.

The Board has also assessed the Group's diversity profile annually of all levels of employees and applied the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. As of 31 December 2025, the Group had 453 full-time employees, including senior management. There were no female members in the senior management team, the proportion of female Directors was approximately 22.22%, and female employees represented around 39.29% of the total workforce. The Group has achieved its objective of maintaining a relatively balanced gender ratio. For the purpose of implementation of the gender diversity in the Group's workforce, the measurable objectives adopted include (a) at least one of the Directors or senior management members of the Company shall be female; and (b) at least 30% of the Group's full-time employees shall be female. Based on the Board's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development seminars and programmes to develop and refresh their knowledge and skills. The Company will also engage external legal advisers to provide training to Directors on updates of the Listing Rules as well as the latest changes in relevant rules and regulations.

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 December 2025 is as follows:

Name of Directors	Nature of Continuous Professional Development Programmes
<i>Executive Directors</i>	
Mr. Wang Quan (<i>Chairman of the Board</i>)	A and B
Mr. Yang Zhilong	A and B
Mr. Zhang Guangyang	A and B
Mr. Shi Dite (<i>Appointed on 20 January 2026</i>)	N/A
Mr. Zhu Jiong (<i>Resigned on 20 January 2026</i>)	A and B
<i>Non-executive Directors</i>	
Mr. Yao Shenjie	A and B
Ms. Yi Yun (<i>Appointed on 26 November 2025</i>)	A and B
Mr. Wei Ran (<i>Resigned on 26 November 2025</i>)	A and B
<i>Independent Non-executive Directors</i>	
Mr. Ye Xingyue	A and B
Mr. Ren Tiangan	A and B
Ms. Wang Jiaofei	A and B

Notes:

A: Attending training conducted by lawyers

B: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

Chairman and Chief Executive Officer

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 role of the Chairman is separate from that of the chief executive officer of the Company to ensure a balance of power and authority. The Chairman is responsible for overall strategic planning and business direction of the Group while the chief executive officer of the Company is responsible for overall management and business operation of the Group. 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. The Board believed that having Mr. Wang Quan in both roles as the Chairman and the Chief Executive Officer ensures the Group has consistent leadership and can make and implement the overall strategy of the Group more effectively. The Board also believed that this structure does not compromise the balance of power and authority.

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 annual report, the roles of Chairman and the Chief Executive Director are separate and performed by different individuals.

Appointment and Re-election of Directors

Each Director has entered into a service agreement with the Company for an initial term of three years. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term, but is subject to retirement by rotation and re-election at an AGM at least once every three years and until terminated by either party giving at least one month's written notice of non-renewal before the expiry of the initial term.

None of the Directors proposed for re-election at the forthcoming AGM has or is proposed to have a service agreement with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

According to Article 108(a) of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

According to Article 112 of the Articles of Association, any Director appointed by the Board as an addition to the existing Board shall hold office only until the first AGM after his appointment and shall then be eligible for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying meeting papers are dispatched to the Directors or Board Committee members at least three days before the meeting to ensure that they have sufficient time to review the papers and are adequately prepared for the meeting. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman of the Board Committee prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by the Directors.

During the Reporting Period, eight Board meetings were held and the attendance of each Director at these meetings is set out in the table below:

Directors	Attended/Eligible to attend the Board meeting(s)
<i>Executive Directors:</i>	
Mr. Wang Quan (<i>Chairman of the Board</i>)	8/8
Mr. Yang Zhilong	8/8
Mr. Zhang Guangyang	8/8
Mr. Shi Dite (<i>Appointed on 20 January 2026</i>)	0/0
Mr. Zhu Jiong (<i>Resigned on 20 January 2026</i>)	8/8
<i>Non-executive Directors:</i>	
Mr. Yao Shenjie	8/8
Ms. Yi Yun (<i>Appointed on 26 November 2025</i>)	0/0
Mr. Wei Ran (<i>Resigned on 26 November 2025</i>)	7/8
<i>Independent Non-executive Directors:</i>	
Mr. Ye Xingyue	8/8
Mr. Ren Tiangan	8/8
Ms. Wang Jiaofei	8/8

**Chairman and Independent Non-executive Directors Meeting**

During the Reporting Period, the Chairman held meeting(s) with the independent non-executive Directors without the presence of other Directors or senior management to facilitate expression of independent views.

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, the Directors has confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management of the Company. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management of the Company.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

BOARD COMMITTEES

Audit Committee

The Audit Committee comprises three members, including 3 independent non-executive Directors namely Mr. Ye Xingyue (chairman), Mr. Ren Tiangan and Ms. Wang Jiaofei.

The principal duties of the Audit Committee include the following:

1. to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Company's external auditor, and to approve the remuneration and terms of engagement of the Company's external auditor, and any questions of its resignation or dismissal;
2. to review and monitor the Company's external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor of the Company the nature and scope of the audit and related reporting obligations before the audit commences. Should there be more than one auditor firm participating, the Audit Committee shall ensure the coordination between them;
3. to review of the Company's financial information, including monitoring integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them, discussing with the Company's external auditors questions and doubts arising in audit of interim and annual accounts, and other matters that the auditors wish to discuss, reviewing the letter to the Company's management from the Company's external auditors and the management's response, and reviewing the statement about the Company's internal control system included in the Company's annual report prior to submission for the Board's approval; and
4. to oversee of the Company's financial reporting system, risk management and internal control systems.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, two meetings of the Audit Committee were held to discuss and consider the following matters:

- reviewed the consolidated financial statements, annual results announcement and the annual report for the year ended 31 December 2024, and submitted them to the Board for approval and was of the view that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;
- reviewed the consolidated unaudited financial statements, interim results announcement and the 2025 interim report for the six months ended 30 June 2025, and submitted them to the Board for approval and was of the view that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;



- reviewed the financial reporting system, compliance procedures, internal control, risk management systems and processes and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor; and
- discussed the audit plan for the year ended 31 December of 2025 with the Auditor.

Attendance of each Audit Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Ye Xingyue (<i>Chairman</i>)	2/2
Mr. Ren Tiangan	2/2
Ms. Wang Jiaofei	2/2

Nomination Committee

The Nomination Committee currently comprises 3 members, including 1 executive Director namely Mr. Wang Quan (chairman) and 2 independent non-executive Directors namely Mr. Ren Tiangan and Ms. Wang Jiaofei.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including without limitation the skills, knowledge, experience and length of service) of the Board together with the Board Diversity Policy at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships for the Board's approval;
3. to assess the independence of independent non-executive Directors; and
4. to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, three meetings of the Nomination Committee was held to discuss and consider the following matters:

- reviewed the structure, size and composition of the Board;
- assessed the independence of independent non-executive Directors;
- reviewed the board diversity policy of the Company; and
- considered the re-appointment of the retired Directors and discuss matters relating to procedure of nomination of Director candidate by Directors' evaluation and succession plan.

Attendance of each Nomination Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Wang Quan (<i>Chairman</i>)	3/3
Mr. Ren Tiangan	3/3
Ms. Wang Jiaofei	3/3

Nomination Policy

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) in accordance with the CG Code for selecting and recommending candidates for directorships.

The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise Shareholders' value.

**Nomination Process**

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) to consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from Shareholders with due consideration given to the criteria;
- (b) to adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (c) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (d) to make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (e) the Board will have the final authority on determining the selection of nominees.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and service to the Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nominating Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection. The Nominating Committee shall then make recommendations to the Board on the re-election of Directors.

The Nomination Committee shall also monitor and review the implementation of the Director Nomination Policy, as appropriate from time to time, and will report to the Board annually. As of the date of this annual report, the Nomination Committee and the Board have reviewed the Director Nomination Policy and consider it effective.

Remuneration Committee

The Remuneration Committee comprises 3 members, including 2 independent non-executive Directors namely Mr. Ren Tiangan (chairman) and Mr. Ye Xingyue and 1 executive Director namely Mr. Wang Quan.

The principal duties of the Remuneration Committee include the following:

- 1. to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company. This should, include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive with the market practice;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
8. to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
9. when the occasion arises, to advise Shareholders on how to vote with respect to any service agreements of Directors that require Shareholders' approval under the Listing Rules;
10. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
11. the chairman of the committee or in his/her absence, another member (who must be an independent non-executive Director) of the committee shall attend the AGM and be prepared to respond to Shareholders' questions on the committee's activities and their responsibilities;
12. any other duties applicable to the committee as specified in the CG Code or as delegated to the committee by the Board from time to time; and
13. to make available these terms of reference to any person without charge upon request and these terms of reference will be posted on the websites of the Company and the Stock Exchange.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.



During the Reporting Period, three meetings of the Remuneration Committee were held to discuss and consider the following matters:

- reviewed the remuneration of the newly-appointed Directors and senior management; and
- reviewed the remuneration policy and package for the Directors and senior management of the Company and make recommendation to the Board.

Attendance of each Remuneration Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Ren Tiangan (<i>Chairman</i>)	3/3
Mr. Ye Xingyue	3/3
Mr. Wang Quan	3/3

Directors' Remuneration Policy

The Directors' remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), considering other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions.

The Remuneration Committee will meet at least once for each year to discuss remuneration related matters (including the remuneration of Directors and the senior management of the Company) and review the remuneration policy of the Group. It has been decided that the Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and the senior management of the Company.

Remuneration of Directors and Senior Management

Particulars of the remuneration of the Directors and the five highest paid individuals for the Reporting Period are set out in notes 11 and 12 to the consolidated financial statements of this annual report. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management of the Company (including all executive Directors other than Mr. Wang Quan) whose particulars are contained in the section headed "Directors and Senior Management" in this annual report for the Reporting Period by band is set out below:

Remuneration band (RMB)	Number of individual
500,000–1,000,000	3

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Reporting Period which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management of the Company has provided to the Board such explanation and information that are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 62 to 66 of this annual report.

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor of the Company and affiliate firms during the year ended 31 December 2025 was approximately as follows:

Type of Services	Amount (RMB'000)
Audit services	1,099
Non-audit services	—
Total	1,099

GOVERNANCE POLICIES

To uphold high standards of business integrity, honesty and transparency in all its business dealings, the Group has formulated and adopted an anti-corruption and anti-bribery regime, which is conducive to setting a healthy corporate culture and good corporate governance practices.



Anti-corruption and Anti-bribery Measures

The Company has adopted an anti-corruption and anti-bribery regime. According to the anti-corruption and anti-bribery regime, key anti-corruption and anti-bribery measures include the following:

- (a) the Company provides anti-fraud and ethics training to its employees and distribute its anti-corruption and anti-bribery policy to all employees;
- (b) the administration department of the Company is responsible for identifying improper conduct of its employees and monitoring inter-department activities. The duties of the administration department of the Company also include providing anti-corruption and anti-bribery compliance advice, investigating potential corruption or fraudulent incidents, and initiating anti-fraud promotional activities with the Group; and
- (c) the Company has a whistleblowing and complaint handling process and will conduct investigations for any suspected cases of bribery, corruption or other related misconduct or fraudulent activities.

The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The anti-corruption and anti-bribery regime forms an integral part of the Group's corporate governance framework. The anti-corruption and anti-bribery regime sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the anti-corruption and anti-bribery regime has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Group maintains a strict zero-tolerance policy towards bribery and corruption. The Group will conduct anti-corruption training to strengthen the ethics and integrity governance of the staff, such as understanding the legislation and relevant compliance requirements before commencement of staff recreational activities to raise prevention awareness of corruption risks, enhance the professional conduct of staff and learn the anti-corruption and integrity standards to be complied with when contacting with public officials. In addition, the employees are required to sign the handbook which including their anti-corruption commitment upon they are on board.

The anti-corruption and anti-bribery regime is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Whistleblowing Policy

The Company has adopted a whistleblowing policy (the "**Whistleblowing Policy**"), the purpose of which is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; (ii) promote the importance of ethical behaviour; and (iii) encourage employees of and those who deal with the Group to raise concerns, in confidence and anonymity, relating to the misconduct, unlawful and unethical behavior in any matters related to the Group.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to immediate supervisor or another senior member of the business or functional unit, the Chief Executive Officer, the Chairman or the chairman of the Audit Committee as appropriate for preliminary investigation. The possible improprieties will be discussed with the Directors, and determined by the Audit Committee or the Board, as the case may be, for necessity of further investigation. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the Reporting Period has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's risk management and internal control systems and reviews their effectiveness on an annual basis. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, on the basis of the target setting, identifies the risks in the process of internal control through daily and regular assessment procedures and methods, classifies the risks and prepares the Company's risk list.

The Group has established a risk management manual, a compliance manual and an internal control manual, which are designed to enable the Company to maintain the highest standards of corporate governance and to identify and reduce any potential risks. The Group also provides employees with revised staff manual and various management systems from time to time. The Company has set up employee induction training and assessment and provide employees with compliance training on a regular basis to enhance their compliance awareness. The Group has established a risk management manual, which clarifies the division of responsibility and authority of risk management corresponding to each relevant department and standardizes the basic process of risk management. All departments will (i) systematically and regularly identify internal and external risks; (ii) assess the possibility and impact of risks; (iii) determine risk response strategies and implement response plans; (iv) regular risk management and regular testing of the situation and response capabilities; (v) overall evaluation of the effectiveness of the design and implementation of risk response strategies; and (vi) regular and systematic reporting of risks and risk management information.

The Company has established an internal audit function. The Company's internal audit function plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit function are reviewing the financial condition and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a timely basis. The internal audit function reports to the Audit Committee to ensure that any major issues identified are channeled to the committee on a timely basis. The Audit Committee then discusses the issues with, and reports to, the Board, if necessary.



The Company understands its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to its attention and/or it is the subject of a decision unless it falls within any of the “Safe Harbours” as provided in the SFO. Meanwhile, the Company has set up an inside information management system, the insider internal reporting obligations, reporting procedures and liability of disclosure of information of the personnel concerned has been clearly stated, and the Company shall arrange self-examination in a timely manner in accordance with the provisions of the relevant regulatory authorities. The real-time monitoring performed by the Company may involve the inside information, and should organize intermediary agencies to determine whether the information belongs to an inside information and practical, if it has fulfilled the disclosure requirements, will soon organize the disclosure and will strictly control the scope of the monitoring before the disclosure, the volatility of share price will be monitored until the disclosure of inside information is completed; if the disclosure requirements are not satisfied, the Company will also maintain strict confidentiality.

The main features of the risk management and internal control systems are to safeguard assets, to ensure proper maintenance of accounting records and provide reliable financial reporting, and to ensure compliance with relevant legislation and regulations.

The Company reviews the risk management and internal control systems once a year. The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the Reporting Period to ensure that a sound system is maintained and operated by the management of the Company in compliance with the agreed procedures and standards, and to resolve material internal control defects. The review covered all material controls, including financial, operational and compliance controls and risk management functions. In particular, the Board considered the resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial functions, as well as those relating to the Company’s ESG performance and reporting to be effective and adequate. The review was conducted through discussions with the management of the Company, its external auditors and the assessment performed by the Audit Committee.

During the Reporting Period, the Board confirmed that there had been no significant changes in the Group’s assessment of risks (including environmental, social and governance risks) or in its risk management and internal control systems.

The Board considers that the current risk management and internal control measures effectively and adequately cover the existing businesses of the Group and will continue to be optimised in line with the business development of the Group. The risks mentioned herein include, among other things, material risks relating to ESG.

COMPANY SECRETARY

The Company has engaged Mr. Leung Lok Sang as its company secretary. The primary corporate contact person at the Company is Mr. Shi Dite, an executive Director.

In accordance with Rule 3.29 of the Listing Rules, Mr. Leung Lok Sang has attended not less than 15 hours of relevant professional training during the Reporting Period.

DIVIDEND POLICY

The Board adopted a dividend policy (the “**Dividend Policy**”) on 1 December 2023. According to the Dividend Policy, in proposing any dividend payout, the Board shall also take into account, inter alia:–

- (a) the Company's operating results, actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (f) the Group's liquidity position;
- (g) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factors that the Board may deem appropriate and relevant.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. Under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business.

The Board have reviewed the Dividend Policy and considered it to be effective.



GENERAL MEETING

The annual general meeting of the Company was held on 28 May 2025 and the attendance of each Director at the annual general meeting is set out in the table below:

Directors	Attended/Eligible to attend the general meeting
<i>Executive Directors:</i>	
Mr. Wang Quan (<i>Chairman of the Board</i>)	1/1
Mr. Yang Zhilong	1/1
Mr. Zhang Guangyang	1/1
Mr. Shi Dite (<i>Appointed on 20 January 2026</i>)	0/0
Mr. Zhu Jiong (<i>Resigned on 20 January 2026</i>)	1/1
<i>Non-executive Directors:</i>	
Mr. Yao Shenjie	1/1
Ms. Yi Yun (<i>Appointed on 26 November 2025</i>)	0/0
Mr. Wei Ran (<i>Resigned on 26 November 2025</i>)	1/1
<i>Independent Non-executive Directors:</i>	
Mr. Ye Xingyue	1/1
Mr. Ren Tiangan	1/1
Ms. Wang Jiaofei	1/1

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman and the chairmen of the Board Committees will attend the AGMs to answer Shareholders' questions. The auditor of the Company will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the shareholders and maintains a dedicated "Investor Relations section" on the website of the Company at www.far800.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Company has established several channels to communicate with the Shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are issued in printed form upon request and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.far800.com;
- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website;
- (iv) AGMs and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management of the Company;
- (v) Investor/analysts briefings and one-on-one meetings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums, etc. will be available on a regular basis in order to facilitate communication between the Company, the Shareholders and the investment community; and
- (vi) the Company's branch share registrar in Hong Kong serves the Shareholders in respect of Share registration, dividend payment and related matters.

The Company has reviewed the implementation and effectiveness of the shareholders' communication policy. The Board is of the view that the Shareholders' communication policy of the Company has facilitated sufficient communication with the Shareholders and considered the policy is effective and adequate.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association.

In accordance with Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may put forward proposals for consideration at a general meeting of the Company according to Article 64 of the Articles of Association requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 64 of the Articles of Association are set out above.

As regards the Shareholders to propose a person for election as a Director, the procedures for the Shareholders are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Room 201, Hangzhou Cross-border E-commerce Industrial Park, No. 22 Changcheng Street, Gongshu District, Hangzhou City, Zhejiang Province, the PRC (email address: dongban@far800.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there was no change in the Memorandum and Articles of Association.

Independent Auditor's Report



SHINEWING (HK) CPA Limited
17/F., Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣
告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF FAR INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of FAR International Holdings Group Company Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) set out on pages 67 to 134, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill

Refer to Note 17 to the consolidated financial statements and the relevant accounting policies.

The key audit matter**How the matter was addressed in our audit**

As at 31 December 2025, the carrying amount of the Group's goodwill was approximately RMB126,581,000, after deduction of impairment loss of approximately RMB18,099,000.

We have identified the impairment of goodwill as a key audit matter because the carrying amount of goodwill is significant to the consolidated financial statements and the impairment of goodwill involved significant judgments, estimates and uncertainty which may be subject to the management bias and uncontrollable.

Our audit procedures were designed to obtain, understand and evaluate management's impairment assessment on goodwill.

We have tested the mathematical accuracy of the value in use calculation of the cash-generating unit with goodwill which is based on the cash flow forecast and assessed the appropriateness of the methodology used by the management.

In addition, we have tested the key assumptions used in the cash flow forecast, including revenue growth rate and terminal growth rate, based on other available market data and taking into account the historical performance of the Group and corroborating with the development plan based on our discussion with the management.

We have also tested the discount rate by benchmarking them to the rates used by similar companies in the market.

Provision of expected credit loss ("ECL") for trade receivables

Refer to Note 19 to the consolidated financial statements and the relevant accounting policies.

The key audit matter**How the matter was addressed in our audit**

As at 31 December 2025, the carrying amount of the Group's trade and bills receivables was approximately RMB557,189,000 (net of allowance for impairment loss of RMB51,658,000).

Impairment loss recognised in respect of trade receivables of approximately RMB16,365,000 has been recognised for the year ended 31 December 2025.

We have identified provision of the ECL for trade receivables as a key audit matter because the total carrying amount of trade receivables are significant to the consolidated financial statements and the provision of ECL involves significant judgements and estimates.

Our audit procedures were designed to obtain, understand and evaluate the management's assessment on the impairment loss of trade receivables under ECL.

We have assessed reasonableness of the groupings of various debtors that have similar loss patterns. We have sample tested the ageing analysis.

We also assessed and challenged the management estimation on ECL including the credit risk of the debtors, historical loss information and challenge the reasonableness and selection of forward-looking information used in the calculation of ECL.

Other information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors of the Company and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Chuen Fai.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Chuen Fai

Practising Certificate Number: P05589

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	1,992,648	2,982,719
Cost of sales		(1,838,337)	(2,767,916)
Gross profit		154,311	214,803
Other income, gains and losses, net	7	(6,821)	(9,767)
Share of losses of associates		(555)	—
Selling expenses		(14,714)	(15,414)
Administrative and other expenses		(66,414)	(71,039)
Impairment loss on trade, deposits and other receivables		(19,868)	(18,441)
Impairment loss on goodwill		(18,099)	—
Finance costs	8	(18,383)	(19,354)
Profit before tax		9,457	80,788
Income tax expenses	9	(6,431)	(11,577)
Profit for the year	10	3,026	69,211
Other comprehensive (expense) income for the year:			
Item that may be reclassified subsequently to profit or loss			
Exchange difference arising on translating foreign operations		(1,127)	1,441
Total comprehensive income for the year		1,899	70,652
Profit (loss) attributable to:			
— Owners of the Company		5,115	69,275
— Non-controlling interests		(2,089)	(64)
		3,026	69,211
Total comprehensive income (expense) attributable to:			
— Owners of the Company		3,988	70,716
— Non-controlling interests		(2,089)	(64)
		1,899	70,652
Earnings per share			
Basic and diluted (RMB cents)	14	0.65	8.88

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	21,243	23,592
Right-of-use assets	16	35,948	8,880
Goodwill	17	126,581	144,680
Deposits	21	56,287	5,754
Investments in associates	18	—	—
Deferred tax assets	29	11,769	7,865
		251,828	190,771
Current assets			
Trade and bills receivables	19	557,189	660,409
Deposits, prepayments and other receivables	21	139,057	112,632
Financial assets at fair value through profit or loss	20	3,617	60,030
Time deposit	22	61,405	249,856
Bank balances and cash	22	551,157	448,633
		1,312,425	1,531,560
Current liabilities			
Trade payables	23	92,770	83,252
Accruals and other payables	24	39,326	37,810
Contract liabilities	25	19,390	3,924
Income tax payables		5,752	8,316
Lease liabilities	16	10,846	5,607
Provision on litigation	27	2,500	—
Borrowings	26	592,482	857,391
		763,066	996,300
Net current assets		549,359	535,260
Total assets less current liabilities		801,187	726,031
Non-current liabilities			
Deferred tax liabilities	29	10	19
Lease liabilities	16	26,649	3,717
		26,659	3,736
Net assets		774,528	722,295

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Capital and reserves			
Paid-in capital/share capital	30	8,496	7,075
Reserves	31	768,195	715,638
		776,691	722,713
Non-controlling interests	32	(2,163)	(418)
Total equity		774,528	722,295

The consolidated financial statements on pages 67 to 133 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

Wang Quan
Director

Yang Zhilong
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Paid-in capital/share capital	Share premium	Other reserves	Statutory surplus reserve	Share held for share scheme	Translation reserve	Retained earnings	Subtotal	Non- controlling interests ("NCI")	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	7,075	95,221	307,169	36,772	—	1,642	204,118	651,997	(354)	651,643
Profit (loss) for the year	—	—	—	—	—	—	69,275	69,275	(64)	69,211
Exchange difference arising on translating foreign operations	—	—	—	—	—	1,441	—	1,441	—	1,441
Total comprehensive income (expense) for the year	—	—	—	—	—	1,441	69,275	70,716	(64)	70,652
Appropriation	—	—	—	5,575	—	—	(5,575)	—	—	—
At 31 December 2024 and 1 January 2025	7,075	95,221	307,169	42,347	—	3,083	267,818	722,713	(418)	722,295
Profit (loss) for the year	—	—	—	—	—	—	5,115	5,115	(2,089)	3,026
Exchange difference arising on translating foreign operations	—	—	—	—	—	(1,127)	—	(1,127)	—	(1,127)
Total comprehensive income (expense) for the year	—	—	—	—	—	(1,127)	5,115	3,988	(2,089)	1,899
Appropriation	—	—	—	3,705	—	—	(3,705)	—	—	—
Capital contribution of non-controlling interests in non-wholly-owned subsidiary	—	—	—	—	—	—	—	—	344	344
Repurchase of shares for share award scheme (Note 31)	—	—	—	—	(13,678)	—	—	(13,678)	—	(13,678)
Issue of shares (Note 30)	1,421	62,247	—	—	—	—	—	63,668	—	63,668
At 31 December 2025	8,496	157,468	307,169	46,052	(13,678)	1,956	269,228	776,691	(2,163)	774,528

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Profit before tax	9,457	80,788
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	4,535	4,917
Net loss on disposal of PPE	140	431
Finance costs	18,383	19,354
Depreciation of right-of-use assets	10,902	10,353
Loss (gain) on early termination of a lease	25	(6)
Share of loss of associates	555	—
Gain on disposal of an associate	(191)	—
Gain on deemed disposal of an associate	(386)	—
Impairment loss on trade, deposits and other receivables	19,868	18,441
Impairment loss on goodwill	18,099	—
Provision on litigation	2,500	—
Gain arising from change in fair value of financial assets at fair value through profit or loss ("FVTPL")	(718)	(1,412)
Bank interest income	(5,592)	(5,652)
Operating cash flows before working capital changes	77,577	127,214
Decrease (increase) in trade and bills receivables	86,855	(188,002)
Decrease (increase) in deposits, prepayments and other receivables	28,172	(3,219)
Increase (decrease) in contract liabilities	15,466	(3,354)
Increase (decrease) in trade payables	9,518	(149,271)
Increase (decrease) in accruals and other payables	1,313	(4,190)
Cash generated from (used in) operations	218,901	(220,822)
Income taxes paid	(12,908)	(10,801)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	205,993	(231,623)
INVESTING ACTIVITIES		
Payments for purchase of PPE	(2,429)	(4,945)
Placement of time deposit	(246,467)	(259,856)
Withdrawal of time deposit	434,918	14,622
Deposit paid for acquisition of PPE	(47,885)	(4,000)
Payments to acquire the interests in associates	(5,865)	—
Consideration received on disposal of interest in an associate	2,271	—
Repayment from a related company	—	1,652
Bank interest income received	5,592	5,652
Proceeds from disposal of PPE	103	162
Purchase of financial assets at FVTPL	—	(58,618)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	140,238	(305,331)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
New bank borrowings raised	993,332	1,615,821
Repayment of bank borrowings	(1,258,241)	(1,010,630)
Repayment of lease liabilities	(8,309)	(10,556)
Interest paid	(19,080)	(18,460)
Proceeds from issue of shares from placing	63,668	—
Capital contribution from the non-controlling interests of a subsidiary	344	—
Payments on repurchase of shares under share award scheme	(13,678)	—
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(241,964)	576,175
Net increase in cash and cash equivalents	104,267	39,221
Cash and cash equivalents at the beginning of the year	448,633	409,046
Effect of changes in exchange rate	(1,743)	366
Cash and cash equivalents at the end of the year	551,157	448,633

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 principal activities of its subsidiaries are set out in Note 36.

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 2025:

Amendments to HKAS 21

Lack of Exchangeability

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

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

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 ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ 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.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with the following accounting policies which conform to HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporates the financial information of the Company and entities controlled by the Company upon the Reorganisation.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and non-controlling interest.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group and any unrealised profits arising from intra-group transactions are eliminated in full on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries in preparing the consolidated financial statements to bring their accounting policies in line with the Group's accounting policies.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investment in a subsidiary

Investment in a subsidiary is stated in the statement of financial position of the Company at cost less any identified impairment loss.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods and services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services to a customer. Specifically, the Group uses a five-step approach to recognise revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties and sales related taxes.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

The Group recognises revenue from provision of end-to-end cross-border delivery service, freight forwarding service and other logistic service

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Provision of end-to-end cross-border delivery service

The Group provides delivery services to both corporate and individual customers. Delivery services mainly include parcel pickup, parcel sorting, line-haul transportation and last-mile delivery. Each order for delivery of parcels from the point of receiving the parcels from senders all the way through to the point when the parcels are delivered to end recipients, is considered as a performance obligation. The Group recognises revenue from delivery services over time since customers simultaneously receive the benefits provided by the Group's performance of services as the parcels are delivered from one location to another.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Provision of freight forwarding service and other logistic service

Revenue from freight forwarding service and other logistic service include freight forwarding, customs clearance, parcel pick-up from air/sea ports, warehouse operation, transportation and last-mile delivery. Revenue is recognised upon completion of the services.

Foreign currencies

In preparing the financial statements of individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants related to income are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Retirement benefits costs

Payments to the state-managed retirement benefit scheme in the People's Republic of China ("PRC") and the Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and buildings (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above.

Lease

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date of a lease, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Lease (Continued)

Lease liabilities (Continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 “Provision, Contingent Liabilities and Contingent Assets”. The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Lease (Continued)

Right-of-use assets (Continued)

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 “Impairment of Assets” to determine whether a right-of-use asset is impaired and accounts for any identified impairment losses as described in the “Impairment losses on property, plant and equipment and right-of-use assets other than goodwill” policy as stated above.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade and bill receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 “Revenue from Contracts with Customers” (“**HKFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group’s financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss (“**FVTPL**”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income, gains and losses, net" line item (Note 7).

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("**FVTOCI**") are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognition in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on this financial assets is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-months ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade payables, accruals and other payables and borrowings, are subsequently measured at amortised cost, using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

Fair value measurement

When measuring fair value, expect for the value in use of assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 — Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment losses recognised in respect of trade receivables and deposits and other receivables

The impairment provisions for trade receivables and deposits and other receivables are measured using ECL model which requires the Group to use judgement in making assumptions and selecting the inputs to the impairment calculation, including the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment loss in profit or loss. As at 31 December 2025, the carrying amount of trade and bills receivables was approximately RMB557,189,000 (2024: RMB660,409,000), net of allowance for impairment loss of approximately RMB51,658,000 (2024: RMB35,712,000). As at 31 December 2025, the carrying amount of deposits and other receivables was approximately RMB94,590,000 (2024: RMB40,677,000), net of allowance for impairment loss of approximately RMB6,793,000 (2024: RMB3,308,000).

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units with goodwill. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2025, the carrying amount of goodwill was approximately RMB126,581,000, after the deduction of impairment loss of approximately RMB18,099,000 (2024: RMB144,680,000 with no accumulated impairment loss). Details of the recoverable amount calculation are disclosed in Note 17.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of property, plant and equipment and right-of-use assets (Continued)

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. The carrying amounts of property, plant and equipment and right-of-use assets as at 31 December 2025 and 2024 are set out in Notes 15 and 16 respectively.

Provision on litigation

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

The Group has been involved in legal proceeding and assessed the provision required based on its legal assessment. As the legal proceeding against the Group has not been concluded, any change in the final outcome could materially affect the future cash flows to settle the present obligation. Details of the legal proceeding are disclosed in Note 27.

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For the year ended 31 December 2025

5. 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:

	2025 RMB'000	2024 RMB'000
<u>Revenue from contracts with customers within the scope of HKFRS 15</u>		
Disaggregated by major services lines		
— End-to-end cross-border delivery service	982,970	1,374,191
— Freight forwarding service	404,568	599,766
— Other logistics service	605,110	1,008,762
	<u>1,992,648</u>	<u>2,982,719</u>

Disaggregation of revenue from contracts with customers by timing of recognition

	2025 RMB'000	2024 RMB'000
<u>Timing of revenue recognition</u>		
Overtime	982,970	1,374,191
At point in time	<u>1,009,678</u>	<u>1,608,528</u>
	<u>1,992,648</u>	<u>2,982,719</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 the reporting period.

6. 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.

6. SEGMENT INFORMATION (Continued)**Geographical information**

The following table sets out information about the geographical location of the Group's revenue from external customers and non-current assets. 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:

	2025 RMB'000	2024 RMB'000
Chinese Mainland	1,596,489	2,903,620
Hong Kong	326,796	43,093
The United States	11,437	15,049
Singapore	51,430	14,446
The United Kingdom	4,237	95
Other countries and regions	2,259	6,416
	1,992,648	2,982,719

Non-current assets:

	2025 RMB'000	2024 RMB'000
Chinese Mainland	156,793	173,928
The United States	25,138	—
Hong Kong	1,841	3,224
	183,772	177,152

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:

	2025 RMB'000	2024 RMB'000
Customer Group A ¹	780,719	1,468,340

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

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7. OTHER INCOME, GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Bank interest income	5,592	5,652
Government grants (note (i))	1,165	7,434
Gain on disposal of an associate	191	—
Gain on deemed disposal of an associate	386	—
Gain arising from change in fair value of financial assets at FVTPL	718	1,412
Net loss on disposal of property, plant and equipment	(140)	(431)
Net (loss) gain on early termination of leases	(25)	6
Provision for litigation (Note 27)	(2,500)	—
Exchange difference	(13,695)	(24,374)
Sundry income	1,487	534
	(6,821)	(9,767)

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 year ended 31 December 2024, 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 2025 and 2024, there were no unfulfilled conditions or contingencies relating to these government grants.

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on:		
Bank borrowings	16,572	18,621
Lease liabilities	1,811	733
	18,383	19,354

9. INCOME TAX EXPENSES

	2025 RMB'000	2024 RMB'000
Current income tax:		
— Hong Kong Profits Tax	1,163	297
— Corporate Income Tax	9,646	14,894
Over-provision of profit tax for prior years	(465)	—
Deferred taxation (<i>Note 29</i>)	(3,913)	(3,614)
	<u>6,431</u>	<u>11,577</u>

- (i) Pursuant to the rules and regulation of the British Virgin Islands and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.
- (ii) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first 2 million Hong Kong Dollar (“**HK\$**”) profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at the flat rate of 16.5%.
- (iii) Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax rate is 25%. Subject to certain preferential tax treatment, the applicable tax rate of certain PRC subsidiaries is 15% and certain research and development costs of the Company's PRC subsidiaries are qualified for 100% additional deduction for tax purpose for the both years.
- (iv) The tax concession for Hong Kong Profits Tax represents reduction of Hong Kong Profits Tax for the year of assessment of 2025/2026 and 2024/2025 by 100%, subject to a ceiling of HK\$1,500 and HK\$3,000, respectively, for each subsidiary under Hong Kong tax jurisdiction.
- (v) Under the Internal Revenue Code in the United States of America, the statutory federal corporate income tax rate applicable to the Group is 21%. In addition to federal corporate income tax, the Group is subject to state corporate income taxes, with rates varying by jurisdiction.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. INCOME TAX EXPENSES (Continued)

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	9,457	80,788
Tax at the applicable domestic income tax rates (25%)	2,364	20,197
Tax effect of expenses not deductible for tax purpose	8,535	1,747
Tax effect of income not taxable for tax purpose	(263)	(392)
Tax effect of tax losses not recognised	2,119	707
Tax effect of utilisation of tax losses previously not recognised	(86)	(5,817)
Tax effect of different tax rates of subsidiaries	(2,368)	(553)
Additional deduction for qualified research and development costs	(3,402)	(4,311)
Hong Kong Profits Tax concession	(3)	(1)
Over-provision of profits tax	(465)	—
	6,431	11,577

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2025 RMB'000	2024 RMB'000
Directors' emoluments (<i>Note 11</i>)	3,115	3,421
Salaries, allowances and other benefits (excluding directors' emoluments)	69,200	68,460
Contributions to retirement benefits scheme (excluding directors' emoluments)	10,240	9,292
Total staff costs	82,555	81,173
Auditor's remuneration	1,099	1,350
Research and development cost (<i>note</i>)	1,127	1,503
Impairment loss on goodwill	18,099	—
Impairment loss on:		
— trade receivables	16,365	15,713
— deposits and other receivables	3,503	2,728
	19,868	18,441
Depreciation of property, plant and equipment	4,535	4,917
Depreciation of right-of-use assets	10,902	10,353

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

11. DIRECTORS' EMOLUMENTS

Details of directors' emoluments are as follows:

	Fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
Year ended 31 December 2024					
<i>Executive directors</i>					
Mr. Wang	—	399	400	96	895
Ms. Zhang Min ("Ms. Zhang") (Note (i))	—	253	—	—	253
Mr. Yang Zhilong ("Mr. Yang")	—	436	144	79	659
Mr. Zhang Guangyang ("Mr. Zhang")	—	401	190	93	684
Mr. Zhu Jiong ("Mr. Zhu")	—	481	132	77	690
<i>Non-executive directors</i>					
Mr. Wei Ran (Note (ii))	—	—	—	—	—
Mr. Wang Tiantian (Note (iii))	—	—	—	—	—
Mr. Yao Shenjie ("Mr. Yao") (Note (iv))	—	—	—	—	—
<i>Independent non-executive directors</i>					
Mr. Ye Xingye ("Mr. Ye")	80	—	—	—	80
Mr. Ren Tiangan ("Mr. Ren")	80	—	—	—	80
Ms. Wang Jiaofei ("Ms. Wang") (Note (v))	47	—	—	—	47
Mr. Sun Peng ("Mr. Sun") (Note (vi))	33	—	—	—	33
	240	1,970	866	345	3,421

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' EMOLUMENTS (Continued)

	Fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Contributions to retirement benefits scheme RMB'000	Total RMB'000
Year ended 31 December 2025					
<i>Executive directors</i>					
Mr. Wang	—	399	256	105	760
Mr. Yang Zhilong ("Mr. Yang")	—	438	120	103	661
Mr. Zhang Guangyang ("Mr. Zhang")	—	439	180	65	684
Mr. Zhu Jiong ("Mr. Zhu")	—	526	140	104	770
<i>Non-executive directors</i>					
Mr. Wei Ran (Note (ii))	—	—	—	—	—
Mr. Yao Shenjie ("Mr. Yao") (Note (iv))	—	—	—	—	—
Ms. Yi Yun ("Ms. Yi") (Note (vii))	—	—	—	—	—
<i>Independent non-executive directors</i>					
Mr. Ye Xingye ("Mr. Ye")	80	—	—	—	80
Mr. Ren Tiangan ("Mr. Ren")	80	—	—	—	80
Ms. Wang Jiaofei ("Ms. Wang") (Note (v))	80	—	—	—	80
	<u>240</u>	<u>1,802</u>	<u>696</u>	<u>377</u>	<u>3,115</u>

Notes:

- (i) Ms. Zhang retired as an executive director of the Company on 31 May 2024.
- (ii) Mr. Wei Ran was appointed as a non-executive director of the Company on 2 February 2024 and resigned on 26 November 2025.
- (iii) Mr. Wang Tiantian resigned as a non-executive director of the Company on 2 February 2024. On 1 March 2025, he was appointed as chief executive officer of the Company.
- (iv) Mr. Yao was appointed as a non-executive director of the Company on 31 May 2024.
- (v) Ms. Wang was appointed as an independent non-executive director of the Company on 31 May 2024.
- (vi) Mr. Sun retired as an independent non-executive director of the Company on 31 May 2024.
- (vii) Ms. Yi was appointed as a non-executive director of the Company on 26 November 2025.

None of the directors of the subsidiaries now comprising the Group and the Company waived or agreed to waive any emoluments paid by the Group during both years.

No emoluments were paid by the Group to any of the directors of the subsidiaries and the Company as an incentive for joining the Group or as compensation for loss of office for both years.

11. DIRECTORS' EMOLUMENTS (Continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. Emoluments of the independent non-executive directors and non-executive director shown above were for their services as directors of the Company.

12. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included two (2024: one) director of the Company whose emoluments are set out in Note 11 above. The emoluments of the remaining three (2024: four) individuals were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, allowances and other benefits	2,378	1,257
Discretionary bonuses	545	1,680
Contributions to retirement benefits scheme	195	253
	3,118	3,190

Their emoluments were within the following band:

	2025 <i>Number of individuals</i>	2024 <i>Number of individuals</i>
Nil to HK\$1,000,000 (2025: Nil to RMB914,000 and 2024: Nil to RMB910,000)	1	3
HK\$1,000,001 to HK\$2,000,000 (2025: RMB914,001 to RMB1,828,000 and 2024: RMB910,001 to RMB1,820,000)	2	1

No emoluments were paid by the Group to any of the five highest paid individuals of the Group including the directors of the Company as an incentive payment for joining the Group or as compensation for loss of office for both years.

13. DIVIDEND

No dividend has been paid or declared during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

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14. EARNINGS PER SHARE

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

	2025 RMB'000	2024 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	5,115	69,275
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	786,872	780,000

For the year ended 31 December 2025, the weighted average number of ordinary shares had been adjusted for the effect of the repurchase of shares for share award scheme and placing offering, as stated in Notes 31(iii) and 30 respectively.

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.

15. PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in buildings <i>RMB'000</i>	Computer and office equipment <i>RMB'000</i>	Furniture and fittings <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
COST						
At 1 January 2024	15,820	5,485	7,319	13,439	7,079	49,142
Additions	—	1,615	353	1,167	1,810	4,945
Disposals	—	(711)	(1,667)	(1,309)	—	(3,687)
At 31 December 2024 and 1 January 2025	15,820	6,389	6,005	13,297	8,889	50,400
Additions	—	328	44	1,197	860	2,429
Disposals	—	(367)	(2)	(573)	—	(942)
At 31 December 2025	15,820	6,350	6,047	13,921	9,749	51,887
ACCUMULATED DEPRECIATION						
At 1 January 2024	1,646	3,211	3,704	10,751	5,673	24,985
Provided for the year	526	936	1,031	1,108	1,316	4,917
Disposals	—	(629)	(1,317)	(1,148)	—	(3,094)
At 31 December 2024 and 1 January 2025	2,172	3,518	3,418	10,711	6,989	26,808
Provided for the year	526	1,896	49	906	1,158	4,535
Disposals	—	(153)	(2)	(544)	—	(699)
At 31 December 2025	2,698	5,261	3,465	11,073	8,147	30,644
NET CARRYING AMOUNTS						
At 31 December 2025	13,122	1,089	2,582	2,848	1,602	21,243
At 31 December 2024	13,648	2,871	2,587	2,586	1,900	23,592

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	Over the terms of the leases
Computer and office equipment	3–10 years
Furniture and fittings	3–10 years
Motor vehicles	3–5 years
Leasehold improvements	5 years or over lease term whichever is shorter

The Group has pledged ownership interest in buildings with a net carrying amount of approximately RMB2,210,000 (2024: RMB2,557,000) to secure the bank borrowings granted to the Group, as stated in Note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	2025 RMB'000	2024 RMB'000
Buildings	35,948	8,880

The Group has lease agreements for buildings and the lease terms are in general 1 to 5 years.

Additions of the right-of-use assets for the year ended 31 December 2025 amounted to approximately RMB38,051,000 (2024: RMB5,476,000) through renewal of existing leases and new leases of buildings.

During the year ended 31 December 2025, the Group has early terminated a lease and de-recognised right-of-use assets with net carrying value of approximately RMB81,000 (31 December 2024: RMB2,924,000) in the form of mutual agreement.

(ii) Lease liabilities

	2025 RMB'000	2024 RMB'000
Current	10,846	5,607
Non-current	26,649	3,717
	37,495	9,324

	2025 RMB'000	2024 RMB'000
Amount payable under lease liabilities:		
Within one year	10,846	5,607
After one year but within two years	7,305	3,076
After two years but within five years	19,344	641
	37,495	9,324

During the year ended 31 December 2025, the Group entered into renewal of existing and new lease agreements in respect of buildings and recognised lease liabilities of approximately RMB36,536,000 (2024: RMB5,476,000). The Group early terminated several leases and de-recognised lease liabilities of approximately RMB56,000 (2024: RMB2,930,000) as stated in Note (i) above.

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)**(iii) Amounts recognised in profit or loss**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation expenses on right-of-use assets	10,902	10,353
Loss (gain) on termination of a lease (included in other income, gains and losses, net)	25	(6)
Interest expenses on lease liabilities (included in finance costs)	1,811	733
Expenses relating to short-term leases (included in administrative and other expenses)	2,309	1,764
Expenses relating to leases of low value assets (included in administrative and other expenses)	92	155

The Group had no expenses relating to variable lease payments not included in the measurement of the lease liability for both years. All leases payments are fixed payments.

(iv) Others

During the year ended 31 December 2025, total cash outflows for leases amounted to approximately RMB12,521,000 (2024: RMB13,208,000).

17. GOODWILL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	144,680	144,680
Less: Impairment during the year	(18,099)	—
At 31 December	126,581	144,680

Goodwill resulting from the business combinations has been allocated to Shenzhen Global Link Logistics Services Limited* 深圳市匯通天下物流有限公司 (“**Shenzhen Global Link**”) as a single cash-generating unit (“**CGU**”) (“**CGU Shenzhen Global Link**”). The management of the Group assessed the impairment on goodwill at the CGU Shenzhen Global Link, which represents the lowest level within the Group at which the goodwill is monitored for impairment assessment. For the impairment testing of goodwill for both years, the recoverable amounts of the CGU have been determined based on value-in-use calculations. The impairment assessment of goodwill is performed by the management of the Group with reference to the valuation prepared by an independent professional valuer and the value-in-use calculations have been determined using a discounted cash flows model, which is based on financial budgets approved by the management of the Group covering a 5-year period. Forecasted cash inflows/outflows have been taken into account of past performance and management’s expectations for the market development including revenue growth rate and gross margins. The future cash flows are also highly dependent on the unobservable inputs of forecast volumes and forecast prices.

* for identification purpose only

17. GOODWILL (Continued)

During the year ended 31 December 2025, the Company recognised an impairment loss on goodwill of RMB18,099,000 due to a decrease in demand for logistics services from customers of Shenzhen Global Link following the imposition of U.S. tariffs. Management considers that these conditions are expected to continue in the near term and will continue to closely monitor the situation in assessing whether any further impairment of goodwill is required.

The key parameters for the value-in-use calculations, which are based on either the past experience or management's expectation for the market development, are as follows:

	2025	2024
Pre-tax discount rate	19.8%	21.1%
Revenue growth rate within 5-year period	2%	2%
Terminal growth rate	2%	2%

Although a growth rate of 2% was previously assumed for FY2024, actual results were affected by adverse market conditions. In preparing the cash flow projections for FY2025, management has continued to adopt a conservative growth rate of 2%, taking into account that the market had adjusted to the change and have stabilised. While the same five-year compound annual growth rate assumed for the market size of cross-border e-commerce would suggest a higher growth rate, management has applied a more cautious assumption. Nevertheless, management will continue to closely monitor market conditions and assess whether any additional impairment of goodwill is required. Cash flows beyond the forecast period are extrapolated using an estimated weighted average growth rate of 2%.

As at 31 December 2025, the recoverable amounts of the CGU Shenzhen Global Link were close to its carrying amount whereas as at 31 December 2024, the recoverable amount exceeded the carrying amounts by approximately RMB37,320,000.

As a result of the impairment testing on goodwill, the management of the Group is of the view that there was no impairment on the goodwill for the year ended 31 December 2024.

In addition, the management of the Group performed the sensitivity analysis based on changes of the abovementioned key parameters and inputs.

For the year ended 31 December 2024, if the pre-tax discount rate was increased by 5% independently or if the revenue growth rate within 5-year period decreased by 5% independently or if the terminal growth rate decreased by 5% independently, while other parameters remained constant, the excess of recoverable amounts of the CGU Shenzhen Global Link over its carrying amounts would decrease to approximately RMB29,320,000, RMB28,320,000 and RMB36,320,000 respectively.

17. GOODWILL (Continued)

For the year ended 31 December 2025, if the pre-tax discount rate was increased by 5% independently while other parameters remained constant, the carrying amount of the CGU Shenzhen Global Link would exceed its recoverable amount by approximately RMB3,581,000. If the pre-tax discount rate was increased by 2.4%, the recoverable amount would be equal to its carrying amount.

If the revenue growth rate within 5-year period decreased by 5% independently while other parameters remained constant, the carrying amount of the CGU Shenzhen Global Link would exceed its recoverable amount by approximately RMB3,581,000. If the revenue growth rate within 5-year period decreased by 2.3%, the recoverable amount would be equal to its carrying amount.

If the terminal growth rate decreased by 5% independently while other parameters remained constant, the excess of recoverable amounts of the CGU Shenzhen Global Link over its carrying amounts would be approximately RMB3,419,000.

18. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Costs of investments in associates	8,136	—
Share of post-acquisition loss and other comprehensive losses, net	(555)	—
	7,581	—
Less: Disposal at investment cost of an associate (note 1)	(4,541)	—
Gain on disposal of an associate (note 1)	191	—
Gain on deemed disposal of an associate (note 2)	386	—
Transfer to financial assets at fair value through profit or loss (note 2)	(3,617)	—
	—	—

18. INVESTMENTS IN ASSOCIATES (Continued)

Note 1:

On 3 January 2025, Ingrun Holdings Limited, an indirect wholly-owned subsidiary of the Company (the "**Subsidiary**"), acquired a 30% equity interest in Advanced Logistics Solutions LLC ("**ALS**") from two existing shareholders of the associate (the "**Original Shareholders**") at a consideration of US\$635,318 (equivalent to approximately RMB4,541,000) (the "**Original Transaction**"). Details of the acquisition were disclosed in the relevant announcement of the Group dated 6 January 2025. Only the initial payment of US\$317,659 (equivalent to approximately RMB2,271,000) has been paid.

ALS's principal business relates to the provision of logistics services for low-value cross-border shipments processed under the U.S. Customs and Border Protection Entry Type 86 ("**T86**") programme. Following the cancellation of the T86 mechanism in April 2025, the regulatory change had an irreversible adverse impact on ALS's core operations. As a result, its financial performance did not meet management's expectations, and the Subsidiary passed a resolution on 30 September 2025 to enter into an agreement with the Original Shareholders to rescind and unwind the Original Transaction (the "**Rescission**").

The Rescission was completed and fully settled on 24 November 2025 and as a result, each party was restored, as nearly as practicable, to its respective position immediately prior to the completion of the acquisition.

During the period from 3 January 2025 to 30 September 2025, the Group recognised its share of loss of ALS of approximately RMB191,000. Upon completion of the Rescission, the Group recognised a gain on disposal of an associate of approximately RMB191,000.

Note 2:

On 1 January 2025, the Subsidiary acquired a 5% equity interest in AC Carrier Technologies Inc. ("**AC Carrier**") at a consideration of US\$500,000 (equivalent to approximately RMB3,595,000). The Subsidiary was entitled to appoint one director to the board of AC Carrier, which comprised of three directors. Accordingly, the Subsidiary was able to exercise significant influence over AC Carrier, and the Group classified the investment as an associate.

As the financial performance of AC Carrier did not meet management's expectations and the Group was dissatisfied with the service quality provided by AC Carrier as a supplier of airfreight services, AC Carrier refused to provide financial and operational information to the Subsidiary from 1 November 2025 onwards.

Due to the loss of access to financial information and the inability to participate in relevant operating decisions, the Group concluded that it no longer had significant influence over AC Carrier on 1 November 2025 and therefore ceased applying the equity method from that date. Accordingly, the Group reclassified the investment from an interest in an associate to financial assets at fair value through profit or loss. At the same time, the Group was reviewing the possibility of disposing of its interest in AC Carrier and subsequently passed a resolution in December 2025 to proceed with the disposal.

The Group recognised its share of loss of AC Carrier of approximately RMB364,000 for the period from 1 January 2025 to 31 October 2025 and its carrying value was approximately RMB3,231,000 at the date of reclassification. Upon reclassification, the investment in AC Carrier was recognised as a financial asset at fair value through profit and loss at its estimated fair value of US\$5,110,000 (equivalent to RMB3,617,000) and the difference between the fair value and the carrying value of the investment in AC Carrier of RMB386,000 was recognised as a gain on deemed disposal of an associate.

19. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 <i>RMB'000</i>
Trade receivables	608,647	696,121
Bills receivable	200	—
Less: allowance for impairment loss of trade receivables	(51,658)	(35,712)
	557,189	660,409

As at 31 December 2025 the gross amount of trade receivables arising from contracts with customers amounted to RMB608,647,000 (2024: RMB696,121,000).

As at 31 December 2025 trade receivables with approximately RMB174,766,000 (2024: RMB494,171,000) were pledged to secure the bank borrowings granted to the Group, as stated in Note 26.

The gross carrying amount of the Group's trade and bills receivables denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2025 RMB'000	2024 <i>RMB'000</i>
United States dollar ("USD")	283,608	38,512
HK\$	3,597	620
Great Britain Pound ("GBP")	5	86
Canadian dollar ("CAD")	—	—
Euro ("EUR")	409	409

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

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

	2025 RMB'000	2024 <i>RMB'000</i>
Within 3 months	438,037	527,224
4–12 months	117,479	128,561
1–2 years	1,673	4,624
	557,189	660,409

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19. TRADE AND BILLS RECEIVABLES (Continued)

Before accepting any new customers, the Group uses internal credit approval procedures to assess the potential customer's credit quality and defines credit limits for each customer.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables is estimated by using a provision matrix by reference to historical credit loss experience of the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The estimated loss rates are estimated based on historical loss experience and adjusted for forward-looking information which reflect the general economic conditions of the industry in which the debtors operate that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

The Group recognised lifetime ECL for trade receivables with gross carrying amount of approximately RMB608,647,000 (2024: RMB696,121,000) as at 31 December 2025, by applying a weighted average expected credit loss rate of 8.5% (2024: 5.1%). Impairment losses of approximately RMB16,365,000 (2024: RMB15,713,000) was recognised during the year ended 31 December 2025.

The movement in the impairment losses of trade receivables is as follows:

	Impairment loss of trade receivables RMB'000
Balance as at 1 January 2024	23,285
Written off	(3,286)
Impairment losses recognised	15,713
Balance as at 31 December 2024 and 1 January 2025	35,712
Written off	(419)
Impairment losses recognised	16,365
Balance as at 31 December 2025	51,658

There has been no change in the estimation techniques or significant assumptions made in assessing the loss allowance for trade receivables for both years.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 <i>RMB'000</i>
Unlisted equity investment, at fair value	3,617	—
Unlisted investment funds	<u>—</u>	<u>60,030</u>
	3,617	60,030

Included in the above investments are the following amounts denominated in a currency other than the functional currency of the relevant group entities:

	2025 RMB'000	2024 <i>RMB'000</i>
US\$	3,617	—
HK\$	<u>—</u>	<u>60,030</u>

During the year ended 31 December 2025, the financial assets at fair value through profit or loss were disposed of for total consideration of approximately HK\$66,676,000 (equivalent to approximately RMB60,748,000), resulting in the recognition of a fair value gain of approximately RMB718,000.

As at 31 December 2025, an unlisted equity investment with a carrying amount of approximately RMB3,231,000 was transferred from investments in associates following the loss of significant influence, as disclosed in Note 18, effective from 1 November 2025. The fair value of the investment at the date of transfer was estimated at approximately RMB3,617,000.

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21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Deposits paid to suppliers	27,978	36,514
Deposits paid for purchase of PPE	51,885	4,000
Other deposits paid (<i>Note i</i>)	5,221	2,466
Prepayments	47,726	72,614
Value added tax recoverable	1,143	1,095
Other receivables (<i>Note ii</i>)	68,184	5,005
	202,137	121,694
Less: Impairment losses of deposits and other receivables	(6,793)	(3,308)
	195,344	118,386
Represented by:		
Non-current portion	56,287	5,754
Current portion	139,057	112,632
	195,344	118,386

Notes:

- The amount of the Group's deposits expected to be recovered after one year from the end of the reporting of report is rental deposits of RMB4,402,000 (2024: RMB1,754,000).
- Included proceeds from the disposal of unlisted investment funds of approximately RMB60,748,000 as at 31 December 2025, the amount was fully settled in 2026.

The movement in the impairment losses of deposits and other receivables is as follows:

	Impairment losses of deposits and other receivables RMB'000
Balance as at 1 January 2024	580
Impairment losses recognised	2,728
Balance as at 31 December 2024 and 1 January 2025	3,308
Written off	(18)
Impairment losses recognised	3,503
Balance as at 31 December 2025	6,793

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The Group measures the impairment for deposits and other receivables at either to 12-month ECL or lifetime ECL. The ECL on deposits and other receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

There has been no change in the estimation techniques or significant assumptions made during the year in assessing the loss allowance for deposits and other receivables.

22. TIME DEPOSIT/BANK BALANCES AND CASH**(i) Time deposits**

	2025 RMB'000	2024 <i>RMB'000</i>
Current:		
Time deposits with original maturity over three months	61,405	249,856

As at 31 December 2025, the time deposits are denominated in RMB except for a time deposit amounting to RMB6,405,000 (2024: RMB4,856,000) denominated in HK\$.

The Group has pledged time deposits of approximately RMB55,000,000 (2024: RMB245,000,000) to secure the bank borrowings granted to the Group, as stated in Note 26.

(ii) Bank balances and cash

Cash and bank balances included demand deposits and short-term bank deposits for the purpose of meeting the Group's short-term cash commitment. Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Included in the bank balances and cash is the following amounts denominated in currencies other than the functional currency of relevant group entities:

	2025 RMB'000	2024 <i>RMB'000</i>
USD	104,717	7,297
HK\$	85,696	48,150
GBP	813	630
EUR	526	451
SGD	168	—
Australian dollar (" AUD ")	1	1

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23. TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	92,770	83,252

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

	2025 RMB'000	2024 RMB'000
Within 3 months	84,949	73,507
4–12 months	4,646	7,562
1–2 years	1,165	1,339
2–3 years	2,010	844
	92,770	83,252

The 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.

The significant change in trade payables was mainly due to change in credit terms with suppliers. More suppliers required payment in advance, or no credit terms were granted and with upfront deposits required.

The gross carrying amount of the Group's trade payables is denominated in currencies other the functional currency of the relevant group entity is set out below:

	2025 RMB'000	2024 RMB'000
USD	42,136	49,714
HK\$	8,869	8,085
GBP	68	105
EUR	192	196
AUD	123	37
Japanese Yen	—	10
CAD	9	—

24. ACCRUALS AND OTHER PAYABLES

	2025	2024
	RMB'000	RMB'000
Salaries payable	28,407	29,415
Accrued expenses	80	244
Interest payable	457	1,154
Deposits received from customers	8,049	3,718
Other payables	2,071	3,266
Other tax payables	262	13
	39,326	37,810

25. CONTRACT LIABILITIES

	2025	2024
	RMB'000	RMB'000
Contract liabilities	19,390	3,924

Contract liabilities represent advances received from customers related to delivery services.

Revenue recognised during the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year is approximately RMB3,924,000 (2024: RMB7,278,000) in respect of delivery services. There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

26. BORROWINGS

	2025	2024
	RMB'000	RMB'000
Bank borrowings		
— Secured and guaranteed	160,000	444,750
— Guaranteed	326,882	204,941
— Unsecured	105,600	207,700
	592,482	857,391

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26. BORROWINGS (Continued)

As at 31 December 2025, secured and guaranteed bank borrowings with carrying amount of approximately RMB160,000,000 (2024: RMB444,750,000) were pledged by trade receivables with carrying amount of approximately RMB174,766,000 (2024: RMB494,171,000); ownership interest in buildings with carrying amount of approximately RMB2,210,000 (2024: RMB2,557,000); time deposits with carrying amount of approximately RMB55,000,000 (2024: RMB245,000,000) and guaranteed by certain subsidiaries in the PRC.

As at 31 December 2025, guaranteed bank borrowings with carrying amount of approximately RMB326,882,000 (2024: RMB204,941,000) were guaranteed by certain subsidiaries in the PRC.

As at 31 December 2025, bank borrowings carried fixed interest from 0.66% to 4.05% (2024: 0.90% to 4.55%) per annum.

During the current year, the Group borrowed unsecured bank loans of approximately RMB176,700,000 (2024: RMB742,500,000), guaranteed bank loans of approximately RMB366,882,000 (2024: RMB244,941,000) and secured and guaranteed bank loans of approximately RMB449,750,000 (2024: RMB628,380,000) from banks. These loans are repayable in full within a year and bear interest rates from 0.66% to 4.05% (2024: 0.90% to 5.23%) per annum. The proceeds were used for daily operations.

The bank borrowings are all repayable within one year based on scheduled repayment dates set out in the loan agreements and contain no repayable on demand clause.

27. PROVISION ON LITIGATION

On 19 December 2025, the board of directors of the Group became aware that the Group received a summons dated 18 December 2025 from the Intermediate People's Court of Hangzhou, Zhejiang Province, directing Hangzhou FAR International Logistics Shareholding Co. Ltd* (杭州泛遠國際物流股份有限公司), a subsidiary of the Company, and two of its employees (one of whom has resigned) to respond to a charge of smuggling ordinary goods. Details are disclosed in the Company's announcement dated 22 December 2025.

As at the date of this report, the legal proceeding against the Company have not been concluded and no final judgment has been rendered. The Company has recognised a provision of RMB2,500,000 in respect of this litigation, based on a legal opinion obtained from the Company's PRC legal adviser. The provision was estimated with reference to similar cases and the currently applicable laws and regulations.

28. RETIREMENT BENEFITS PLAN

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by the Company's directors and employees. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees of the Group in Mainland China are members of stated-managed retirement benefit schemes operated by the relevant governments. The Group is required to contribute a certain percentage of payroll costs to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is make the specified contributions. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

The total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately RMB10,617,000 (2024: RMB9,637,000) represents contributions payable to these schemes by the Group for the year ended 31 December 2025.

29. DEFERRED TAXATION

The following is the analysis of the deferred tax asset (liabilities) for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	11,769	7,865
Deferred tax liabilities	(10)	(19)
	11,759	7,846

The followings are the deferred tax assets (liabilities) recognised and movements thereon:

	Impairment losses on trade, deposits and other receivables RMB'000	Tax losses RMB'000	Property, plant and equipment RMB'000	Total RMB'000
At 1 January 2024	3,118	1,143	(29)	4,232
Credited (charged) to profit or loss	3,780	(176)	10	3,614
At 31 December 2024 and 1 January 2025	6,898	967	(19)	7,846
Credited (charged) to profit or loss	4,771	(867)	9	3,913
At 31 December 2025	11,669	100	(10)	11,759

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29. DEFERRED TAXATION (Continued)

As at 31 December 2025, the Group had estimated unused tax losses of approximately RMB25,012,000 (2024: RMB29,591,000), available for offset against future profits, among which approximately RMB669,000 (2024: RMB6,447,000) of unused tax losses were recognised as deferred tax assets. No deferred tax asset has been recognised in relation to the remaining tax losses amounting to RMB24,343,000 (2024: RMB23,144,000) as at 31 December 2025 due to the unpredictability of future profit streams. As at 31 December 2025, tax losses of approximately RMB19,694,000 incurred by subsidiaries in the PRC (2024: RMB25,463,000) will expire in the next five years and tax loss of RMB6,932,585 (2024: nil) have expired during the year. The remaining amount of tax losses can be carried forward indefinitely.

30. PAID-IN CAPITAL/SHARE CAPITAL

Ordinary shares, issued and fully paid:

	31 December 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid	8,496	7,075

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

	Number of shares	Amount HK\$	Amount RMB	Shown in consolidated financial statements RMB'000
Issued and fully paid ordinary shares at HK\$0.01 per share:				
At 1 January 2024, 31 December 2024 and 1 January 2025	780,000,000	7,800,000	7,075,214	7,075
Issue with placement of the offering	156,000,000	1,560,000	1,420,599	1,421
At 31 December 2025	936,000,000	9,360,000	8,495,813	8,496

On 20 December 2025, the Company placed a total of 156,000,000 shares to placees at a price of HK\$0.455 per share, raising total net proceeds of HK\$69,620,000 or approximately RMB63,668,000, of which approximately RMB1,421,000 was credited to share capital and approximately RMB62,247,000 was credited to share premium.

31. RESERVES

(i) Other reserves

The other reserves of the Group arose as a result of (i) the acquisition of subsidiaries under common control and represented the difference between the consideration paid for the acquisition and the amount of share capital of subsidiaries; and (ii) the capital contribution paid by the pre-IPO investors of the subsidiary in excess of its paid-in capital prior to the Reorganisation.

(ii) Statutory surplus reserves

According to the PRC Company Law, the subsidiary in the PRC is required to transfer 10% of their respective after-tax profits, calculated in accordance with the relevant accounting principles and financial regulations applicable to entities established in the PRC, to the statutory surplus reserves until the reserves balance reaches 50% of the registered capital. The statutory surplus reserves can be utilised, upon approval of the relevant authorities, to offset accumulated losses or to increase registered capital of these companies, provided that such fund is maintained at a minimum of 25% of the registered capital. The statutory surplus reserves are not distributable as cash dividends and appropriations must be transferred from retained earnings to the statutory surplus reserves before distribution of dividend to equity owners.

(iii) Share award scheme

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 9 April 2025 (“**Adoption Date**”), under which the shares of the Company may be awarded to directors and employees of the Company or its subsidiaries and directors and employees of its holding company, fellow subsidiaries or 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 attract suitable personnel for the further development of the Group.

The maximum number of shares that may be awarded under the Share Award Scheme shall not exceed 78,000,000 Shares, representing 10 per cent of the issued share capital of the Company as at the Adoption Date. The maximum number of awarded shares that may be granted to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

All share-based employee compensation will be settled in equity. During the year ended 31 December 2025, no shares were granted under the Share Award Scheme.

During the year ended 31 December 2025, 15,980,000 shares, with an average purchase price of RMB0.86 per share, were acquired by an independent trustee appointed by the Company. Since the Adoption Date up to 31 December 2025, 15,980,000 (2024: nil) shares were acquired by an independent trustee appointed by the Company for the Share Award Scheme with no awarded shares had been awarded to any Eligible Participants.

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32. NON-CONTROLLING INTERESTS

	2025 RMB'000	2024 RMB'000
At the beginning of the year	(418)	(354)
Capital contribution by non-controlling interests	344	—
Share of loss for the year	(2,089)	(64)
At the end of the year	(2,163)	(418)

None of the subsidiaries have non-controlling interests that are material to the Group for both years.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remained unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in Note 26, net of cash and cash equivalents disclosed in Note 22 and equity attributable to owners of the Company, comprising paid-in capital/issued share capital and reserves.

The directors of the Company regularly review and manage the Group's capital structure. As part of this review, the directors of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues as well as the raise of additional borrowings as additional finance or the redemption of existing borrowings.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	1,264,341	1,399,575
Financial assets at FVTPL	3,617	60,030
	<u>1,267,958</u>	<u>1,459,605</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>724,316</u>	<u>978,440</u>

34. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies**

The Group's major financial instruments include financial assets at FVTPL, trade receivables, deposits and other receivables, time deposit, cash and cash equivalents, trade payables, accruals and other payables and borrowings.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments included credit risk, market risk (i.e. currency risk and interest rate risk) and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk**(i) Currency risk**

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of the respective group entity.

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, financial assets at FVTPL, payables and bank and cash balances that are denominated in foreign currencies. The currencies giving rise to this risk are primarily USD and HK\$.

The following table demonstrates the sensitivity of the Group's profit for the year and the Group's equity as at 31 December 2025 and 2024 due to 5% change in the USD and HK\$ exchange rate against the respective functional currencies of the Group's entities, with all other variables held constant.

	At 31 December 2025		At 31 December 2024	
	Change in foreign exchange rate	(Decrease) increase on profit after tax and equity RMB'000	Change in foreign exchange rate	(Decrease) increase on profit after tax and equity RMB'000
USD	+5%	13,945	+5%	(325)
	-5%	(13,945)	-5%	325
HK\$	+5%	2,576	+5%	4,033
	-5%	(2,576)	-5%	(4,033)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) *Currency risk* (Continued)

The 5% movement represents management's assessment of a reasonably possible change in foreign exchange rates over the period until the next annual reporting period.

The Group does not carry out hedging activities against its foreign currencies' exposures. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) *Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed rate time deposit (Note 22) and borrowings (Note 26). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is exposed to cash flow interest rate risk in relation to variable rate bank balances (Note 22). The management considers the Group's exposure of the bank balances to cash flow interest rate risk is not significant as the management does not anticipate significant fluctuation in interest rate on bank balances due to their short-term maturities. Hence, no sensitivity analysis is presented.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2025 and 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from trade receivables, deposits and other receivables, amount due from a related company, time deposit and cash and cash equivalents. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

For trade receivables, the Group has applied the simplified approach under HKFRS 9 “Financial Instruments” (“**HKFRS 9**”) to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a provision matrix with appropriate grouping based on shared credit risk characteristics, estimated reference to historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group’s credit risk is significantly reduced.

In order to minimise the credit risk of other financial assets, the Group has assessed that the expected credit loss rates for these receivables based on past experience. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group’s credit risk is significantly reduced.

For amount due from a related company, in order to minimise the credit risk, directors continuously monitor the settlement status and the level of exposure to ensure that follow-up action is taken to recover overdue debts. In determining the 12-month ECL for amount due from a related company, the management of the Group has taken into account the historical default experience and forward-looking information, available without undue cost or effort as appropriate.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 39% (2024: 73%) of the total trade receivables was due from the Group’s largest customer as at 31 December 2025 and 77% (2024: 87%) of the total trade receivables was due from the Group’s five largest customers as at 31 December 2025.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group’s credit risk grading to categories exposures according to their degree of risk of default. The management uses the Group’s own trading records to rate its major customers and other debtors. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL — not credit-impaired
Default	Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

34. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies** (Continued)**Credit risk** (Continued)

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades:

				At 31 December 2025		
	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	19	(i)	Lifetime ECLs (not credit impaired) and simplified approach	608,647	(51,658)	556,989
Bills receivable	19	Performing	12-month ECL	200	—	200
Financial assets included	21	Performing	12-month ECL	98,572	(3,982)	94,590
in deposits and other receivables	21	Default	Lifetime ECL — credit impaired	2,811	(2,811)	—
Time deposit	22	Performing	12-month ECL	61,405	—	61,405
Cash and cash equivalents	22	Performing	12-month ECL	551,157	—	551,157

				At 31 December 2024		
	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	19	(i)	Lifetime ECLs (not credit impaired) and simplified approach	696,121	(35,712)	660,409
Financial assets included	21	Performing	12-month ECL	41,174	(497)	40,677
in deposits and other receivables	21	Default	Lifetime ECL — credit impaired	2,811	(2,811)	—
Time deposit	22	Performing	12-month ECL	249,856	—	249,856
Cash and cash equivalents	22	Performing	12-month ECL	448,633	—	448,633

Note:

- (i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the Group relies on bank and other borrowings as a significant source of liquidity and the management monitors the utilisation of bank borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for its financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	At 31 December 2025			
	Less than 1 year or on demand RMB'000	One to five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
Trade payables	92,770	—	92,770	92,770
Accruals and other payables	39,064	—	39,064	39,064
Borrowings	592,939	—	592,939	592,482
	<u>724,773</u>	<u>—</u>	<u>724,773</u>	<u>724,316</u>
Lease liabilities	<u>13,505</u>	<u>31,175</u>	<u>44,680</u>	<u>37,495</u>
At 31 December 2024				
	Less than 1 year or on demand RMB'000	One to five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
Trade payables	83,252	—	83,252	83,252
Accruals and other payables	37,797	—	37,797	37,797
Borrowings	858,545	—	858,545	857,391
	<u>979,594</u>	<u>—</u>	<u>979,594</u>	<u>978,440</u>
Lease liabilities	<u>6,028</u>	<u>3,890</u>	<u>9,918</u>	<u>9,324</u>

34. FINANCIAL INSTRUMENTS (Continued)**(c) Fair values of financial instruments**

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values due to their short-term maturities or due to insignificant impact of discounting.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The valuation techniques and inputs used in the fair value measurements of each financial instruments on a recurring basis are set out below:

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique and key input	Significant unobservable input(s)	Relationship of key inputs and significant unobservable input to fair value
	31 December 2025 RMB'000	31 December 2024 RMB'000				
Financial assets at FVTPL						
Unlisted investment funds	—	60,030	2	Quoted prices from financial institutions (Note 1)	N/A	N/A
Unlisted Equity investment	3,617	—	3	Market approach (Note 2)	size-adjusted enterprise value/sales and discount for lack of marketability	Note 2

Note 1: The fair value of unlisted investment funds was determined with reference to the fair value of underlying investments of the funds which are provided by the counterparty financial institutions.

During the year, the unlisted investment funds under financial assets at fair value through profit or loss were fully disposed of, as disclosed in Note 20.

Note 2: The fair value of the unlisted equity investment was determined using a market approach, with reference to the sales-to-value multiples of listed comparable companies, adjusted to reflect differences in size, risk profile and marketability. There were two key unobservable inputs, including size-adjusted enterprise value/sales ("EV/S") and discount for lack of marketability as set out below:

Size-adjusted EV/S	2.5x
Discount for lack of marketability	42.9%

Fair value is positively correlated with the size-adjusted EV/S and negatively correlated with the discount for lack of marketability. Increases in the size-adjusted EV/S would increase the fair value, while increases in the discount for lack of marketability would decrease the fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties.

(a) Compensation of key management personnel

The remuneration of directors of the Company during the year is disclosed in Note 11.

(b) The Group entered into transactions with a related party with details as follows:

Names	Nature of transactions	2025 RMB'000	2024 RMB'000
Related parties:			
Shenzhen Yidatong Supply Chain Service Co., Ltd.*			
(深圳市一達通供應鏈服務有限公司) ("Yidatong")			
	Delivery services rendered	130,040	137,258
	Delivery services received	—	92

* for identification purpose only

Note: Before Reorganisation, Alibaba (China) Network Technology Co., Ltd., which is a subsidiary of Alibaba Group Holding Limited ("**Alibaba Holding**"), subscribed shares of the subsidiary now comprising the Group and becomes a shareholder of that subsidiary and appointed Mr. Wang Tiantian, to act as the director of that subsidiary.

On 11 May 2023, after the completion of the Reorganisation, Taobao China Holding Limited ("**Taobao China**") entered into a share subscription agreement with the Company, pursuant to which Taobao China was granted the right to appoint one non-executive director ("**NED**") to the board of the Company. Subsequently, the shares held by Taobao China were transferred to AIDC SI PTE. LTD. ("**ASPL**"). Following the transfer, ASPL became a shareholder of the Company and retained the right to appoint one NED. Accordingly, ASPL appointed Ms. YI Yun as a NED to the board of directors of the Company.

To the best knowledge and understanding of the directors, both ASPL and Taobao China are under the common control of Alibaba Group. Yidatong is a subsidiary of Taobao China and therefore, constitutes a related party of the Group.

(c) Other than disclosed somewhere in these consolidated financial statements, the following balances were outstanding at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Yidatong		
Trade receivables	16,091	9,660
Deposit paid	200	500

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the end of the reporting period, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of the principal subsidiaries are set out below:

Name of subsidiaries	Principal place of operation and incorporation, date of incorporation	Paid-up capital/issued and registered ordinary share capital		Percentage of effective equity interest attributable to the Group		Principal activities
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Indirectly held:						
Hangzhou FAR	The PRC, 26 August 2004, as a company with limited liability	RMB45,740,412	RMB45,740,412	100%	100%	Investment holdings and delivery services
浙江竟遠供應鏈管理有限公司 (Zhejiang Jingyuan Supply Chain Management Co., Ltd.*)	The PRC, 22 February 2017, as a company with limited liability	RMB10,000,000	RMB10,000,000	100%	100%	Investment holdings and delivery services
杭州愛遠供應鏈管理有限公司 (Hangzhou Aiyuan Supply Chain Management Co., Ltd.*).	The PRC, 7 August 2015, as a company with limited liability	RMB1,000,000	RMB1,000,000	100%	100%	Investment holdings and delivery services
杭州泛遠進出口有限公司 (Hangzhou FAR Import & Export Co., Ltd.*)	The PRC, 13 October 2008, as a company with limited liability	RMB4,000,000	RMB4,000,000	100%	100%	Delivery services
杭州勤添科技發展有限公司 (HangZhou Qintian Technology Development Co., Ltd.*)	The PRC, 13 August 2009, as a company with limited liability	RMB3,000,000	RMB3,000,000	100%	100%	Delivery services
四川匯通天下物流有限公司 (Sichuan Global Link Logistics Co. Ltd.*)	The PRC, 30 October 2017, as a company with limited liability	RMB5,000,000	RMB5,000,000	100%	100%	Delivery services
Shenzhen Global Link	The PRC, 27 June 2016, as a company with limited liability	RMB20,000,000	RMB20,000,000	100%	100%	Investment holdings and delivery services
浙江蔓草電子商務有限公司 (Zhejiang Mancao E-commerce Co., Ltd.*)	The PRC, 28 March 2019, as a company with limited liability	RMB10,000	RMB10,000	100%	100%	Delivery services
四川泛遠國際物流有限公司 (Sichuan FAR International Logistics Co. Ltd.*)	The PRC, 24 February 2025, as a company with limited liability	RMB5,000,000	N/A	100%	N/A	Delivery services
Global Link Logistics Services Limited	Hong Kong, 20 June 2016	HK\$10,000	HK\$10,000	100%	100%	Delivery services
ZY Logistics Company Limited	Hong Kong, 10 November 2017	USD100,000	USD100,000	100%	100%	Investment holdings
HK FAR Logistics Investment Limited	Hong Kong, 21 April 2017	HK\$5,520,480	HK\$5,520,480	100%	100%	Investment holdings and delivery services
World Speed Access Ltd.	The United States of America, 4 March 2025	US\$835,000	N/A	51%	N/A	Delivery services

* for identification purpose only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	127	219
Right-of-use assets	1,295	2,291
Deposits	270	317
Investment in a subsidiary	142,140	141,409
	<u>143,832</u>	<u>144,236</u>
Current assets		
Amounts due from subsidiaries (note (i))	65,643	55,676
Other receivable	62,969	—
Financial assets at fair value through profit or loss	—	60,030
Cash and cash equivalents	65,078	37,249
	<u>193,690</u>	<u>152,955</u>
Current liabilities		
Accruals	1,040	1,681
Lease liabilities	982	979
Amount due to a subsidiary (note (i))	41,446	40,378
	<u>43,468</u>	<u>43,038</u>
Net current assets	<u>150,222</u>	<u>109,917</u>
Total assets less current liabilities	<u>294,054</u>	<u>254,153</u>
Non-current liability		
Lease liabilities	457	1,438
Net assets	<u>293,597</u>	<u>252,715</u>
Capital and reserves		
Share capital (note 30)	8,496	7,075
Reserves (note (ii))	285,101	245,640
Total equity	<u>293,597</u>	<u>252,715</u>

Note (i):

Amounts due from/to subsidiaries are non-interest bearing, unsecured, repayable on demand and non-trade in nature.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note (ii): Movements in reserves

	Share premium RMB'000	Other reserves RMB'000	Share held for share scheme RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	95,221	192,237	—	(40,013)	247,445
Loss and total comprehensive expense for the year	—	—	—	(1,805)	(1,805)
At 31 December 2024 and 1 January 2025	95,221	192,237	—	(41,818)	245,640
Loss and total comprehensive expense for the year	—	—	—	(9,108)	(9,108)
Repurchase of shares for share award scheme (Note 31)	—	—	(13,678)	—	(13,678)
Issue of shares (Note 30)	62,247	—	—	—	62,247
At 31 December 2025	157,468	192,237	(13,678)	(50,911)	285,101

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**(a) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for what cash flow were, or future cash flow will be, classified in the consolidated statement of cash flow as cash flow from financing activities.

	Lease liabilities RMB'000 (Note 16)	Borrowings RMB'000 (Note 26)	Interest payables RMB'000	Total RMB'000
At 1 January 2024	17,334	252,200	260	269,794
Cash flows in	—	1,615,821	—	1,615,821
Cash flows out	(11,289)	(1,010,630)	(17,727)	(1,039,646)
Finance costs incurred (Note 8)	733	—	18,621	19,354
Non-cash movement	2,546	—	—	2,546
At 31 December 2024 and 1 January 2025	9,324	857,391	1,154	867,869
Cash flows in	—	993,332	—	993,332
Cash flows out	(10,120)	(1,258,241)	(17,269)	(1,285,630)
Finance costs incurred (Note 8)	1,811	—	16,572	18,383
Non-cash movement	36,480	—	—	36,480
At 31 December 2025	37,495	592,482	457	630,434

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Continued)

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	2,401	1,919
Within financing cash flows	10,120	11,289
Total cash outflows for leases	12,521	13,208

39. MAJOR NON-CASH TRANSACTION

Save as disclosed in Note 16, the Group had no other non-cash transactions for both years.

40. EVENTS AFTER THE REPORTING PERIOD

On 20 January 2026, the Company entered into an agreement with Mr. Qingguo Zheng, Ms. Wen An and the Zhenith Family Trust (collectively as the “**Sellers**”) whom are third parties independent of the Group, pursuant to which the Company has conditionally agreed to acquire all shares in COPE Holding Limited (“**COPE Holding**”) from the Zhenith Family Trust and subscribe for 690 new common shares in COPE Services Incorporated (“**COPE**”) and acquire all shares in Hyperlining Holding Limited (“**Hyperlining Holding**”) from Ms. Wen An. The total consideration for the transaction shall be US\$15,777,006 (approximately RMB108,861,000). Immediately after completion, the Group will become the sole shareholder of COPE Holding and Hyperlining Holding, will hold 44.55% of COPE through COPE Holding and Hyperlining Holding, and FAR Luxembourg Holdings Sarl, a wholly-owned subsidiary of the Company will hold 6.45% of COPE directly. In aggregate, the Company will hold 51% of COPE and 51% of Hyperlining LLC through Hyperlining Holding. The Target Companies will become subsidiaries of the Group. Details please refer to announcement dated 20 January 2026.

Financial Summary

The summary of the consolidated results of the Group for each of the years ended 31 December 2021 and 2022 and the summary of the consolidated assets and liabilities of the Group as at 31 December 2021 and 2022 have been extracted from “Appendix I — Accountant’s Report” of the Prospectus in connection with the Listing on the Listing Date. For the basis of preparation, please refer to note 2 “Basis of preparation” under “Appendix I — Accountant’s Report” of the Prospectus for details. The summary below does not form part of the audited financial statements.

	For the year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	1,353,686	1,251,983	2,045,883	2,982,719	1,992,648
Cost of sales	(1,253,830)	(1,147,318)	(1,888,921)	(2,767,916)	(1,838,337)
Gross profit	99,856	104,665	156,962	214,803	154,311
Other income, gains and losses, net	4,927	4,764	1,087	(9,767)	(6,821)
Share of losses of associates	—	—	—	—	(555)
Selling expenses	(5,750)	(7,218)	(10,026)	(15,414)	(14,714)
Administrative and other expenses	(51,586)	(66,026)	(96,991)	(71,039)	(66,414)
(Impairment loss) reversal of impairment loss on trade and other receivables	1,424	622	(8,777)	(18,441)	(19,868)
Impairment loss on goodwill	—	—	—	—	(18,099)
Finance costs	(843)	(913)	(4,472)	(19,354)	(18,383)
Profit before tax	48,028	35,894	37,783	80,788	9,457
Income tax expenses	(11,136)	(10,097)	(10,833)	(11,577)	(6,431)
Profit for the year	36,892	25,797	26,950	69,211	3,026
Other comprehensive (expense) income for the year:					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference arising on translating foreign operations	(282)	3,186	736	1,441	(1,127)
Total comprehensive income for the year	36,610	28,983	27,686	70,652	1,899
Profit (loss) attributable to:					
— Owners of the Company	36,932	25,766	27,349	69,275	5,115
— Non-controlling interests	(40)	31	(399)	(64)	(2,089)
	36,892	25,797	26,950	69,211	3,026
Total comprehensive income (expense) attributable to:					
— Owners of the Company	36,650	28,952	28,085	70,716	3,988
— Non-controlling interests	(40)	31	(399)	(64)	(2,089)
	36,610	28,983	27,686	70,652	1,899

Financial Summary

	As at 31 December				2025
	2021	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	182,131	187,380	189,779	190,771	251,828
Current assets	492,461	426,903	1,017,335	1,531,560	1,312,425
Total assets	674,592	614,283	1,207,114	1,722,331	1,564,253
Non-current liabilities	11,464	7,556	6,977	3,736	26,659
Current liabilities	112,653	97,922	548,494	996,300	763,066
Total liabilities	124,117	105,478	555,471	1,000,036	789,725
Total equity	550,475	508,805	651,643	722,295	774,528

“AGM”	the annual general meeting of the Company
“Alibaba China”	Alibaba (China) Network Technology Co., Ltd.* (阿里巴巴(中國)網絡技術有限公司), a company established under the laws of the PRC with limited liability
“Alibaba Holding”	Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988)
“Alibaba Group”	refers to Alibaba Holding and its subsidiaries (including Alibaba China)
“Articles of Association”	the amended and restated articles of association of the Company conditionally adopted on 1 December 2023 and effective on the Listing Date, as amended or supplemented from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Cayman Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Chairman”	chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“China” or “PRC”	the People’s Republic of China, which for the purpose of this annual report only and except where the context requires otherwise, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan region
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules

“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Company”	FAR International Holdings Group Company Limited 泛遠國際控股集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 24 November 2022, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2516)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and in the case of the Company, means Mr. Wang Quan, Zi Yue, Gensis FAR Holdings Limited and Hangzhou Aiyuan L.P.
“Deed of Non-Competition”	the deed of non-competition dated 1 December 2023 executed by the Controlling Shareholders in favour of the Company (for itself and as trustee for and on behalf of its subsidiaries), particulars of which are set out in the section headed “Relationship with controlling shareholders — Non-competition undertakings” in the Prospectus
“Director(s)”	the director(s) of the Company
“Global Link”	Global Link Logistics Services Limited (航港物流有限公司), a company incorporated in Hong Kong with limited liability on 20 November 2006 and an indirect wholly-owned subsidiary of the Company
“Group”, “our”, “we”, “us” or “our Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the business operated by such subsidiaries
“Hangzhou Aiyuan”	Hangzhou Aiyuan Supply Chain Management Co., Ltd.* (杭州愛遠供應鏈管理有限公司), a company established in the PRC with limited liability on 7 August 2015 and an indirectly wholly-owned subsidiary of the Company
“Hangzhou Aiyuan L.P.”	Hangzhou Aiyuan Investment Management Partnership (Limited Partnership)* (杭州愛遠投資管理合夥企業(有限合夥)), a limited partnership established in the PRC
“Hangzhou FAR”	Hangzhou FAR International Logistics Co., Ltd.* (杭州泛遠國際物流有限公司), formerly known as Hangzhou FAR International Logistics Shareholding Co. Ltd.* (杭州泛遠國際物流股份有限公司), a company established in the PRC with limited liability on 26 August 2004 and an indirectly wholly-owned subsidiary of the Company

“HK\$” or “Hong Kong dollars” or “HK dollars” or “HKD”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Investment Committee”	the investment committee of the Board
“Listing Date”	22 December 2023, on which trading in the Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes GEM of the Stock Exchange
“Memorandum”	the amended and restated memorandum of association of the Company conditionally adopted on 1 December 2023 and effective on the Listing Date, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 12 December 2023
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	for the year ended 31 December 2024
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of the Company with a par value of HKD0.01 each



Definitions

“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Global Link”	Shenzhen Global Link Logistics Services Limited* (深圳市匯通天下物流有限公司), a company established in the PRC with limited liability on 23 November 2006 and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance
“Substantial Shareholder(s)” or “substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Zi Yue”	Zi Yue Holdings Limited (子越控股有限公司), a limited liability company established under the laws of BVI on 8 June 2022 and wholly-owned by Mr. Wang Quan
“%”	per cent.

* For identification purposes only