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Janco Holdings Limited

駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8035)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF THE TARGET COMPANY INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE**

THE ACQUISITION

The Board is pleased to announce that on 10 June 2021 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor and the Company, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing in total of 100% of the entire issued share capital of the Target Company at the Consideration of HK\$33,600,000, which shall be fully settled at Completion by allotment and issue of the Consideration Shares at the Issue Price of HK\$0.28 per Consideration Share.

The Consideration Shares will be allotted and issued pursuant to the General Mandate and is not subject to the approval of the Shareholders. The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

An aggregate of 120,000,000 Consideration Shares will be allotted and issued to the Vendor as set out in the paragraph headed “Consideration” below, which represent 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the Consideration Shares, assuming that there is no change in total issued share capital of the Company other than the allotment and issue of all Consideration Shares from the date of this announcement up to and including the date of allotment and issue of the Consideration Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser. As such, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

GEM LISTING RULES IMPLICATIONS

As one or more application percentage ratio (as defined by Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, and the Consideration will be satisfied by the allotment and issue of the Consideration Shares issued under the General Mandate, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the Completion of the Acquisition is subject to the fulfilment (or waiver, if applicable) of certain conditions precedent under the Sale and Purchase Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 10 June 2021 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor and the Company, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing in total of 100% of the entire issued share capital of the Target Company at the Consideration of HK\$33,600,000, which shall be fully settled at Completion by allotment and issue of the Consideration Shares at the Issue Price of HK\$0.28 per Consideration Share.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 10 June 2021 (after trading hours)

Parties:

- (1) Reitar Capital Partners Limited as the Vendor;
- (2) Sunset Edge Limited, an indirectly wholly-owned subsidiary of the Company, as the Purchaser; and
- (3) The Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is beneficially owned by Mr. Chan Kin Chung (陳建中) and Mr. Chung Hau Lim (鍾孝廉) as to 50% and 50%, respectively, and each of the Vendor, its shareholder and its ultimate beneficial owners is an Independent Third Party.

Assets to be acquired

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The Consideration, in the sum of HK\$33,600,000, shall be fully settled at Completion by the Company's allotment and issue of 120,000,000 Consideration Shares under the General Mandate at the Issue Price of HK\$0.28 per Consideration Share to the Vendor.

Basis of Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms, without limitation, with reference to (i) the business and development for the future prospects of the Target Company; (ii) the net asset value of the Target Company as at 31 May 2021; (iii) the valuation made in the Valuation Report; (iv) the Reporting Accountants' review of the Valuation Report and its agreement with the conclusion of the Valuation Report upon reviewing the methodology, assumptions and basis of the valuation; and (v) the reasons and benefits of the Acquisition as described under the paragraph headed "Reasons for and benefits of the Acquisition". For further information in relation to the valuation of the Target Company, please refer to the paragraph headed "Valuation of the Target Company" below.

Consideration Shares

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, credited as fully paid, and shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Completion and will be issued free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date of the Sale and Purchase Agreement. The allotment and issue of the Consideration Shares under the General Mandate is not subject to the approval of the Shareholders.

An aggregate of 120,000,000 Consideration Shares will be allotted and issued to the Vendor as set out in the paragraph headed "Consideration" above, which represent 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the Consideration Shares, assuming that there is no change in total issued share capital of the Company other than the allotment and issue of all Consideration Shares from the date of this announcement up to and including the date of allotment and issue of the Consideration Shares.

The issue price of each Consideration Share is HK\$0.28, which represents:

- (1) a premium of approximately 1.82% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (2) a premium of approximately 4.09% to the average closing price of HK\$0.269 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

- (3) a premium of approximately 2.38% to the average closing price of HK\$0.2735 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to the prevailing market price of the Shares. The Directors consider the Issue Price to be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Conditions Precedent

Completion shall be subject to the following conditions precedent having been satisfied or fulfilled:

- (a) the GEM Listing Committee granting the listing of, and permission to deal in, the Consideration Shares;
- (b) the Purchaser being reasonably satisfied with the results of the Due Diligence Enquiry;
- (c) the Vendor shall have proved that the Vendor has a good title and being the registered, legal and beneficial owner of the Sale Shares free from all Encumbrances;
- (d) the delivery to the Purchaser of the Valuation Report, in form and substance satisfactory to the Purchaser, confirming that the value of the Target Company;
- (e) each of the Vendor's warranties, representations and undertakings are true and correct and not misleading in all respects on and as of the Completion Date;
- (f) all requisite consents, confirmations, authorisations and approvals (or, as the case may be, the relevant waiver) (including those from the relevant government, regulatory bodies, authorities or third parties) in connection with the entering into or performance of the terms of the Sale and Purchase Agreement having been obtained; and
- (g) the consummation of the transactions contemplated pursuant to the Sale and Purchase Agreement shall not have been restrained, enjoined or otherwise prohibited by any applicable laws, including any order, injunction, decree or judgment of any court or other government.

The Purchaser may waive any of the conditions precedent as set out in (b) to (g) above at any time before the Long Stop Date by giving written notice to the Vendor.

If the conditions precedent shall not have been fulfilled or waived on or before the Long Stop Date, then the Sale and Purchase Agreement shall terminate and be of no further effect and all rights and obligations of the parties under the Sale and Purchase Agreement will cease and lapse, in which event the parties under the Sale and Purchase Agreement shall be released from all their obligations hereunder without liability (without prejudice to the rights of any parties in respect of the continuing provisions or any antecedent breach of the Sale and Purchase Agreement).

Completion

Subject to the fulfilment and satisfaction of the conditions precedent set out in the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

CHANGES IN THE SHAREHOLDING OF THE TARGET COMPANY

Upon Completion, the Target Company will be owned as to 100% by the Purchaser. As such, the Target Company will become an indirect wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares (Note 1)	
	Number of Shares	Approximately	Number of Shares	Approximately
Million Venture Holdings Limited	156,000,000	26.00%	156,000,000	21.67%
Chan Chun Shing Otto	60,000,000	10.00%	60,000,000	8.33%
Yuen Ching Bor Stephen (“Mr. Yuen”) (Note 2)	980,000	0.16%	980,000	0.14%
The Vendor	—	—	120,000,000	16.67%
Other Shareholders	383,020,000	63.84%	383,020,000	53.19%
Total	600,000,000	100.00%	720,000,000	100.00%

Notes:

- (1) Assuming that there is no change in total issued share capital of the Company other than the allotment and issue of all Consideration Shares from the date of this announcement up to and including the date of allotment and issue of the Consideration Shares.
- (2) Mr. Yuen is an independent non-executive Director of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated under the laws of Hong Kong on 3 June 2020 and is a logistics technology and services platform providing services to logistics property investors and logistics operators, and providing professional logistics solutions.

Set out below is the audited financial information of the Target Company as at 31 March 2021 and the current asset of the Target Company as at 31 March 2021:

	For the period ended 31 March 2021 <i>Approximately HK\$'000</i>
Loss before taxation	11
Loss after taxation	11
	For the period ended 31 March 2021 <i>Approximately HK\$'000</i>
Current assets	3,789

VALUATION OF THE TARGET COMPANY

According to the Valuation Report dated 10 June 2021 issued by the Valuer, in preparing the valuation on the Target Company, the Valuer applied the discounted cash flow method under the income approach and based on certain assumptions in the valuation to appraise the value of the Target Company, which constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules and the requirements of Rules 19.60A and 19.62 of the GEM Listing Rules are therefore applicable.

General assumptions

The general assumptions used in the Valuation Report are set out as below:

- The Target Company is capable of being freely traded and the Target Company will obtain or renew all relevant legal approvals, business certificates, or licenses required to operate its business;
- The Target Company conforms with all required laws and regulations, and the current laws and regulations affecting the Target Company will have no material change;
- The current financial, economic, taxation, technological, political and general market conditions which prevail in the region in which the Target Company operates will have no material change;
- Inflation, interest rates, and tax rates will have no material change from the rates prevailing as at the Valuation Date;

- The market conditions under which the Target Company operates, which are material to revenue and costs of the businesses, will have no material change;
- Competent management, key personnel and technical staff of the Target Company will be retained to support the ongoing operation of the Target Company; and
- The information regarding the Target Company provided by the management of the Target Company is true, accurate, complete, updated and appropriate for the purposes of the valuation.

Special assumptions

The special assumptions used in the Valuation Report are set out as below:

- The Target Company will renew the cold storage facility service agreement with a service provider for additional 5 years till 30 September 2030 at the existing monthly service fee for the services;
- The Target Company will renew the cold storage facility user agreements with a customer for additional 5 years till 30 September 2030, and the Target Company is able to increase the service fee by 8% at the 6th year of the term for the services;
- The Target Company will enter into the cold storage facility service agreement with a service provider for the term from 1 September 2021 to 30 September 2030 at monthly service fee as estimated on the Financial Projection;
- The Target Company will enter into the cold storage facility user agreements with the potential customer for the term from 1 September 2021 to 30 September 2030 at monthly service fee as estimated on the Financial Projection; and
- The Financial Projection from 2 June 2021 to 30 September 2030 is prepared by the management of the Target Company based on the committed and potential cold storage facility service agreement and cold storage facility user agreements.

Confirmation

The Reporting Accountants have reported to the Directors in respect of its examination of the calculations of the discounted cash flows on which the Valuation Report was prepared in accordance with the bases and assumptions as set out in the Valuation Report, and are of the opinion that, so far as the calculations are concerned, the discounted cash flows have been properly compiled in all material aspects in accordance with the bases and assumptions as set out in the Valuation Report. The text of the letter from the Reporting Accountants is set out in Appendix I to this announcement for the purpose under Rule 19.62(2) of the GEM Listing Rules.

The Board confirmed that the valuation which constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules has been made after due and careful enquiry by the Board. The text of the letter from the Board dated 10 June 2021 is set out in Appendix II to this announcement for the purpose under Rule 19.62(3) of the GEM Listing Rules.

Experts and consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualifications
Colliers International (Hong Kong) Limited McM (HK) CPA Limited	Independent professional valuer Certified Public Accountants

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Colliers International (Hong Kong) Limited and McM (HK) CPA Limited is an Independent Third Party and as at the date of this announcement:

- (a) None of them has any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for the securities of any member of the Group.
- (b) None of them has any interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020 (being the date to which the latest published audited annual statements of the Company were made up).

Each of the experts stated above has given and has not withdrawn its written consent as at the date of this announcement in relation to the publication of this announcement with the inclusion of its letter and/or references to its name (including its qualifications) as well as its advice as set out in this announcement in the form and context in which it is included.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group is a well-established freight forwarding and logistics one-stop service provider. The Group principally engages in (i) the provision of freight forwarding services; and (ii) the provision of ancillary logistics services which include e-commerce and fulfillment services for cross border e-commerce traffic from overseas as well as outbound traffic from China to worldwide. In particular, the Group strategically offers ancillary logistics services primarily at its warehouses in response to the rising demand from customers who require customised value-added logistics services. The ancillary logistics services the Group offers include warehousing, repacking, labelling, palletising and local delivery within Hong Kong, and the Group has been integrating its ancillary logistics services into its core freight forwarding services to strategically create a distinct corporate identity among our shipper customers.

The Group has been actively considering and exploring opportunities in the logistics industry to further enhance its presence and increase its market shares in not only the freight forwarding but also the logistic industries.

As disclosed in the First Quarterly Report, the Group has been seeking opportunities to expand its logistics business in Asia and it intends to become a major logistics service provider across the region. The Target Company is a logistics technology and services platform providing services to logistic operators. The Target Company has entered into a

cold storage facility service agreement with a service provider which allows it to provide cold storage space at certain cold storage facilities and would be able to provide the related management, consulting and logistics services to its users. In view of the rising cold storage demand and the limited availability of cold storage space in Hong Kong, the Directors are of the view that there is substantial business growth potential in the cold storage sub-sector within the industry. Further, the Target Company has the capability to provide fully-automated logistic services by employing robots and artificial intelligence, which is not common among other existing logistic service providers in Hong Kong, which, in the opinion of the Company, gives a technological edge to the Target Company when comparing with other peers. As the Group currently does not possess the relevant automation technology, the Acquisition provides an opportunity for the Group to gain the relevant know-how and exploit the fully-automated logistic services offered by the Target Company and thus to bring synergy and to reduce operations costs and enhance efficiency of the Group. As disclosed above, although the Target Company was incorporated on 3 June 2020 and it is still in its initial stages of business, the Directors consider that this presents an attractive opportunity for the Group to acquire the Target Company given the unique capabilities of offering fully automated logistics solutions which the Target Company can offer. As such, the Acquisition represents a valuable opportunity for the Group to further expand its business in the provision of ancillary logistics services and e-commerce business as envisioned and in light of the rising demand from customers as mentioned above. Having considered the above reasons, the Directors are of the view that the Acquisition is in line with the overall business plans of the Group.

The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and are in the best interest of the Company and its Shareholders.

GENERAL MANDATE

The Consideration Shares will be issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot, issue and deal with the unissued Shares for an aggregate number not exceeding 20% of the then issued shares of the Company on the date of the 2020 AGM and the issue of the Consideration Shares will fully utilise the General Mandate. Up to the date of this announcement, no Share has been allotted or issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval of the Shareholders.

APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank *pari passu* among themselves and with all Shares in issue on the Completion Date.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more applicable percentage ratio (as defined by Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25% and the Consideration will be satisfied by the allotment and issue of the Consideration Shares issued

under the General Mandate, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the Completion of the Acquisition is subject to the fulfilment (or waiver, if applicable) of certain conditions precedent under the Sale and Purchase Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used herein shall have the following meanings:

“2020 AGM”	the annual general meeting of the Company held on 8 May 2020
“Accounts”	together the Management Accounts and the Completion Accounts
“Accounts Date”	31 May 2021
“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Auditors”	means Kam Wai Leong Andrew CPA, the auditor of the Target Company, or such other firm of Hong Kong certified public accountants as shall be agreed upon by the Purchaser in writing
“Board”	the board of Directors
“Business Day”	a day (except any Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“Company”	Janco Holdings Limited (駿高控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on GEM of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement

“Completion Accounts”	the relevant audited balance sheet of the Target Company as at the Completion Date and the relevant audited profit and loss account of the Target Company (together with the breakdown, notes, statements, lists, ledgers, accounts and records attached thereto) for the period from the date of incorporation and ended on the Completion Date (but immediately before the Completion), prepared and certified with an unqualified report by the Auditors
“Completion Date”	the third (3rd) Business Day after the last outstanding condition precedent shall have been fulfilled or waived (or such other date as the Purchaser and the Vendor shall agree in writing) on which Completion is to take place
“Consideration”	the sum of HK\$33,600,000 to be paid by the Purchaser, to the Vendor for the Sale Shares
“Consideration Share(s)”	the 120,000,000 new Share(s) to be allotted and issued by the Company at the Issue Price to the Vendor as the Consideration pursuant to the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Due Diligence Enquiry”	the document for due diligence enquiry made, conducted and completed in accordance with the Sale and Purchase Agreement
“Encumbrance”	any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect or any agreement to create any of the above
“Financial Projection”	Financial projection from 2 June 2021 to 30 September 2030 of the Target Company
“First Quarterly Report”	the first quarterly report dated 7 May 2021 of the Company
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted by the Shareholders to the Directors, pursuant to the resolution passed on the 2020 AGM to allot, issue and deal with the unissued Shares for an aggregate number not exceeding 20% of the then issued shares of the Company, which was 120,000,000 Shares
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Issue Price”	the issue price of HK\$0.28 per Consideration Share
“Long Stop Date”	2 July 2021 or such other date as the parties to the Sale and Purchase Agreement may agree
“Management Accounts”	the unaudited balance sheet of the Target Company as at the Accounts Date and the unaudited profit and loss account of the Target Company (together with the breakdown, notes, statements, lists, ledgers, accounts and records attached thereto) for the period from the date of incorporation and ended on the Accounts Date and certified as true and correct by a director of the Target Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Sunset Edge Limited, a company incorporated in British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
“Reporting Accountants”	McM (HK) CPA Limited, the auditor of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 June 2021 entered into among the Purchaser, the Vendor and the Company in relation to the Acquisition
“Sale Shares”	100 ordinary shares in the share capital of the Target Company, representing the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Reitar Logtech Group Limited (域塔物流科技集團有限公司), a company incorporated and existing under the laws of Hong Kong and owned as to 100% by the Vendor as at the date of this announcement
“Valuation Date”	1 June 2021
“Valuation Report”	the valuation report on the Target Company issued by the Valuer
“Valuer”	Colliers International (Hong Kong) Limited, an independent valuer engaged by the Company in relation to the valuation of the Target Company
“Vendor”	Reitar Capital Partners Limited, a company incorporated in the British Virgin Islands with limited liability, which is an Independent Third Party
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Janco Holdings Limited
Ng Chin Hung
Chairman and Executive Director

Hong Kong, 10 June 2021

As at the date of this announcement, the executive Directors are Mr. Ng Chin Hung and Mr. Cheng Tak Yuen; and the independent non-executive Directors are Mr. Lee Kwong Chak, Bonnie, Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM’s website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.jancofreight.com.

Appendix I — Letter from the Reporting Accountant
Comfort Letter on Business Valuation (cash flow forecast)

McM (HK) CPA Limited
Certified Public Accountants
3/F., Parklane Building
233 Queen's Road Central, Hong Kong

10 June 2021

The Board of Directors
Janco Holdings Limited
Unit 1608, 16th Floor, Tower A,
Manulife Financial Centre, No. 223 Wai Yip Street,
Kwun Tong, Kowloon, Hong Kong

Dear Sirs,

We have examined the calculations of the discounted cash flow forecast (the “**Forecast**”) underlying the valuation (the “**Valuation**”) of Reitar Logtech Group Limited (the “**Target Company**”) performed by Colliers International (Hong Kong) Limited (the “**Valuer**”) in respect of the appraisal of the fair value of 100% equity interest of the Target Company as at the reference date of 1 June 2021 in connection with the announcement of Janco Holdings Limited (the “**Company**”) dated 10 June 2021 (the “**Announcement**”). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited

Directors’ Responsibilities

The directors of the Company are solely responsible for the preparation of the Forecast and the reasonableness and validity of the assumptions based on which the Forecast is prepared (the “**Assumptions**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the calculations of the Forecast based on our procedures and to report our opinion solely to you, as a body, solely for the purpose in connection with the Announcement and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Forecast in accordance with the Assumptions adopted by the directors and as to whether the Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The Assumptions include hypothetical assumptions about future events and management actions that may or may not necessarily be expected to occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Accordingly we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express opinion whatsoever thereon.

The Valuer has adopted the income approach in determining the fair value of 100% equity interest of the Target Company.

Because the Forecast relates to cash flows, no accounting policies of the Company have been adopted in its preparation.

Opinion

In our opinion, so far as the calculations are concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the directors as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

Yours faithfully,

McM (HK) CPA Limited

Certified Public Accountant

Hong Kong

Appendix II — Letter from the Board

The Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

10 June 2021

Dear Sirs/Madams

We refer to the announcement (the “**Announcement**”) of the Company of even date. Unless otherwise stated, capitalised terms used in this letter shall have the same meaning as ascribed to them in the Announcement.

The valuation method as stated in the Valuation Report adopts the income approach, which falls under the definition of profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”). Pursuant to Rule 19.62(3) of the GEM Listing Rules, the board of directors of Company hereby confirms that the forecast contained in the Valuation Report has been made after due and careful enquiry.

Yours faithfully

For and on behalf of
Janco Holdings Limited
駿高控股有限公司
Ng Chin Hung
Executive director