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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)**

**PRELIMINARY ANNOUNCEMENT OF  
UNAUDITED ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG  
LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (collectively the “**Directors**” or individually a “**Director**”) of Janco Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

## FINANCIAL HIGHLIGHTS

- The revenue of the Group amounted to approximately HK\$566.0 million (unaudited) for the year ended 31 December 2021 (2020: approximately HK\$487.6 million (audited)), representing an increase of approximately 16.1% as compared with the year ended 31 December 2020.
- The profit for the year attributable to owners of the Company is approximately HK\$17.4 million (unaudited) for the year ended 31 December 2021 (2020: approximately HK\$11.2 million (audited)), representing an increase of approximately 55.4% as compared with the year ended 31 December 2020. The increase in profit for the year attributable to owners of the Company was mainly due to the increase in gross profit for E-commerce fulfillment and logistics business for the year ended 31 December 2021.

## ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited consolidated financial results of the Group for the year ended 31 December 2021 (the “**Year**” or “**FY2021**”), together with the audited comparative figures for the year ended 31 December 2020 (“**FY2020**”).

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

*For the year ended 31 December 2021*

		Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
	Notes		
<b>Revenue</b>	3	<b>566,002</b>	487,641
Cost of sales		<u>(489,827)</u>	<u>(422,918)</u>
Gross profit		<b>76,175</b>	64,723
Interest income		<b>2,881</b>	2,010
Other income		<b>135</b>	9,051
Other gains and losses, net		<b>6,958</b>	(2,328)
Administrative expenses		<b>(58,857)</b>	(42,257)
Impairment loss made on allowance for trade receivables		<b>(2,000)</b>	(11,320)
Share-based payment expenses		<u><b>(619)</b></u>	<u>(493)</u>
<b>Profit from operations</b>		<b>24,673</b>	19,386
Finance costs		<b>(4,654)</b>	(5,904)
Share of profit/(losses) of joint venture		<u><b>192</b></u>	<u>(73)</u>
<b>Profit before tax</b>		<b>20,211</b>	13,409
Income tax expense	4	<u><b>(2,427)</b></u>	<u>(1,389)</u>
<b>Profit for the year</b>	5	<b>17,784</b>	12,020
<b>Other comprehensive income after tax:</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translating foreign operations		<u><b>(206)</b></u>	<u>(564)</u>
<b>Total comprehensive income for the year</b>		<u><b>17,578</b></u>	<u>11,456</u>

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>Unaudited 2021 HK\$'000</b>	<b>Audited 2020 HK\$'000</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>17,448</b>	11,170
Non-controlling interests		<b>336</b>	850
		<u><b>17,784</b></u>	<u>12,020</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>17,242</b>	10,606
Non-controlling interests		<b>336</b>	850
		<u><b>17,578</b></u>	<u>11,456</u>
<b>Earning per share</b>	<i>7</i>		
Basic (HK cents)		<b>2.91</b>	1.86
Diluted (HK cents)		<b>2.90</b>	N/A

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

		Unaudited As at 31 December 2021 HK\$'000	Audited As at 31 December 2020 HK\$'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		11,389	9,247
Computer software		210	113
Deposits placed in life insurance policies	8	114,650	111,769
Right-of-use assets		47,834	24,646
Interest in an associate	9	–	–
Interest in a joint venture	10	1,087	624
Goodwill		61	61
Rental deposits	11	4,913	5,848
		<u>180,144</u>	<u>152,308</u>
<b>Current assets</b>			
Inventories		370	445
Trade receivables	11	129,892	114,800
Other receivables, deposit and prepayments	11	7,941	7,456
Tax recoverable		902	–
Pledged bank deposits		17,438	17,422
Bank balance and cash		14,949	8,225
		<u>171,492</u>	<u>148,348</u>
<b>Current liabilities</b>			
Trade payables	12	61,015	48,658
Other payables and accruals	12	29,942	21,975
Due to the controlling shareholder		–	3,246
Due to non-controlling interests		656	656
Contract liabilities		941	393
Bank borrowings		133,337	143,652
Lease liabilities		26,567	12,899
Tax payable		–	884
		<u>252,458</u>	<u>232,363</u>
<b>Net current liabilities</b>		<u>(80,966)</u>	<u>(84,015)</u>
<b>Total assets less current liabilities</b>		<u>99,178</u>	<u>68,293</u>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONTINUED)**

*At 31 December 2021*

		<b>Unaudited</b>	<b>Audited</b>
		<b>As at</b>	<b>As at</b>
		<b>31 December</b>	<b>31 December</b>
		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>20,427</b>	9,976
Deferred tax liabilities		<b>2,924</b>	687
		<u><b>23,351</b></u>	<u>10,663</u>
<b>NET ASSETS</b>		<u><b>75,827</b></u>	<u><b>57,630</b></u>
<b>Capital and reserves</b>			
Share capital	13	<b>6,000</b>	6,000
Reserves		<u><b>68,380</b></u>	<u>50,519</u>
Equity attributable to owners of the Company		<b>74,380</b>	56,519
Non-controlling interests		<u><b>1,447</b></u>	<u>1,111</u>
<b>TOTAL EQUITY</b>		<u><b>75,827</b></u>	<u><b>57,630</b></u>

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to owners of the Company						Retained profits/ (Accumulated loss)		Non-controlling interests	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (note i)	Other reserve HK\$'000 (note ii)	Translation reserve HK\$'000	Share option reserve HK\$'000	HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
At 1 January 2020 (audited)	6,000	47,755	17,659	4,658	143	–	(30,795)	45,420	261	45,681
Profit and total comprehensive income for the year	–	–	–	–	(564)	–	11,170	10,606	850	11,456
Establishment of a non-wholly-owned subsidiary (note iii)	–	–	–	–	–	–	–	–	–	–
Equity-settled share option arrangements	–	–	–	–	–	493	–	493	–	493
At 31 December 2020 (audited)	<u>6,000</u>	<u>47,755</u>	<u>17,659</u>	<u>4,658</u>	<u>(421)</u>	<u>493</u>	<u>(19,625)</u>	<u>56,519</u>	<u>1,111</u>	<u>57,630</u>
At 1 January 2021 (audited)	6,000	47,755	17,659	4,658	(421)	493	(19,625)	56,519	1,111	57,630
Profit and total comprehensive income for the year	–	–	–	–	(206)	–	17,448	17,242	336	17,578
Equity-settled share option arrangements	–	–	–	–	–	619	–	619	–	619
At 31 December 2021 (unaudited)	<u>6,000</u>	<u>47,755</u>	<u>17,659</u>	<u>4,658</u>	<u>(627)</u>	<u>1,112</u>	<u>(2,177)</u>	<u>74,380</u>	<u>1,447</u>	<u>75,827</u>

## Notes:

- (i) Capital reserve is comprised of (i) the profits derived from the provision of air and ocean freight forwarding services in Hong Kong prior to 1 July 2015 carried out by JFX Limited, a company previously wholly owned by the former controlling shareholder of the Company, Mr. Cheng Hon Yat (“**Mr. Cheng**”) before the transfer of such business to Janco Global Logistics Limited, a wholly owned subsidiary of the Group, as they legally belonged to JFX Limited and are non-distributable profits of the Group; and (ii) the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Company upon the group reorganisation completed on 29 December 2015 and the nominal value of the Company’s shares issued.
- (ii) Other reserve represented an amount due to Mr. Cheng, being the former controlling shareholder of the Company and a former director of the Company, amounting to HK\$4,658,000 which was settled by capitalisation of the same amount as deemed contribution in the year ended 31 December 2016.
- (iii) Nil amount presented as non-controlling interests at acquisition is less than HK\$1,000.

## NOTES

*For the year ended 31 December 2021*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Unit 1608, 16th Floor, Tower A, Manulife Financial Centre, No. 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

### 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS AND HONG KONG ACCOUNTING STANDARDS

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has adopted the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2021 as mentioned below. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phrase 2
Amendments to HKFRS 16	COVID-19 Related Rent Concessions

The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policy, presentation of the Group’s financial statements and amounts reported for the current year and prior years.



## New and amendments to HKFRSs but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective which may be relevant to the Company:

Amendments to HKFRS 3	Business Combination — Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKAS 16	Property Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 — 2020 cycle <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Making Materiality Judgements — Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Income Taxes — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction <sup>1</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 April 2021.

The directors anticipate that the application of these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “**CODM**”), being the executive directors of the Company, for the purposes of allocating resources and assessing performance.

Specifically, the Group’s reportable and operating segments under HKFRS 8 “Operating Segments” are as follows:

- (i) Freight forwarding — provision of air freight and sea freight forwarding services
- (ii) Logistics — provision of warehousing and other ancillary logistics services
- (iii) E-Commerce — trading of consumables through an online platform and provision for fulfillment services

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

### *Disaggregation of revenue from contracts with customers*

	Freight forwarding			E-Commerce			
	Air	Ocean		Trading	Fulfillment	Elimination	Total
	Freight	Freight	Logistics	Trading	Fulfillment	Elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>For the year ended</b>							
<b>31 December 2021 (unaudited)</b>							
Segment revenue							
External sales	182,469	109,743	95,097	307	178,386	–	566,002
Inter-segment sales	56,406	2,571	43,763	–	55,081	(157,821)	–
	<u>238,875</u>	<u>112,314</u>	<u>138,860</u>	<u>307</u>	<u>233,467</u>	<u>(157,821)</u>	<u>566,002</u>
Segment results	<u>20,835</u>	<u>10,648</u>	<u>24,691</u>	<u>21</u>	<u>19,980</u>	<u>–</u>	<u>76,175</u>
Interest revenue							2,881
Other income							135
Other gains and losses, net							6,958
Administrative expenses							(58,857)
Impairment loss made on allowance for trade receivables							(2,000)
Share-based payment expenses							(619)
Share of profit of joint venture							192
Finance costs							(4,654)
Profit before tax							<u>20,211</u>
<b>For the year ended</b>							
<b>31 December 2020 (audited)</b>							
Segment revenue							
External sales	201,569	75,473	105,327	4,280	100,992	–	487,641
Inter-segment sales	44,338	2,866	16,172	–	33,237	(96,613)	–
	<u>245,907</u>	<u>78,339</u>	<u>121,499</u>	<u>4,280</u>	<u>134,229</u>	<u>(96,613)</u>	<u>487,641</u>
Segment results	<u>18,231</u>	<u>7,577</u>	<u>19,090</u>	<u>371</u>	<u>19,454</u>	<u>–</u>	<u>64,723</u>
Interest revenue							2,010
Other income							9,051
Other gains and losses, net							(2,328)
Administrative expenses							(42,257)
Impairment loss made on allowance for trade receivables							(11,320)
Share-based payment expenses							(493)
Share of losses of joint venture							(73)
Finance costs							(5,904)
Profit before tax							<u>13,409</u>

Segment results mainly represented profit before taxation earned by each segment without allocation of interest revenue, other income, other gains and losses, administrative expenses, impairment loss made on allowance for trade receivables, share-based payment expenses, share of results of joint venture and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

*Timing of revenue recognition*

	Freight forwarding		E-Commerce			
	Air	Ocean	Logistics	Trading	Fulfillment	Total
	Freight	Freight				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>For the year ended 31 December 2021</b>						
<b>(unaudited)</b>						
At a point in time	–	–	–	307	–	307
Over time	<u>182,469</u>	<u>109,743</u>	<u>95,097</u>	<u>–</u>	<u>178,386</u>	<u>565,695</u>
	<u><u>182,469</u></u>	<u><u>109,743</u></u>	<u><u>95,097</u></u>	<u><u>307</u></u>	<u><u>178,386</u></u>	<u><u>566,002</u></u>
<b>For the year ended 31 December 2020</b>						
<b>(audited)</b>						
At a point in time	–	–	–	4,280	–	4,280
Over time	<u>201,569</u>	<u>75,473</u>	<u>105,327</u>	<u>–</u>	<u>100,992</u>	<u>483,361</u>
	<u><u>201,569</u></u>	<u><u>75,473</u></u>	<u><u>105,327</u></u>	<u><u>4,280</u></u>	<u><u>100,992</u></u>	<u><u>487,641</u></u>

*Geographical information*

The Group's operations are substantially located in Hong Kong.

*Information about major customers*

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
Customer A		
— revenue generated in E-Commerce fulfillment segment	78,286	*35,280
Customer B		
— revenue generated in air freight, ocean freight and logistics segment	<u>73,946</u>	<u>72,951</u>

\* Revenue from the customer did not exceed 10% of total revenue in the respective year. The amounts were shown for comparative purpose.

### **Air freight, ocean freight, logistics service and fulfillment service income**

The Group provides air freight, ocean freight, logistics services and fulfillment services to the customers. Air freight, ocean freight, logistics services and fulfillment service income are recognised when the air freight, ocean freight, logistics services and fulfillment services are rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the services.

### **E-commerce — trading of consumables through an online platform**

The Group sells consumables to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 days.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

## **4. INCOME TAX EXPENSE**

	<b>Unaudited 2021 HK\$'000</b>	<b>Audited 2020 HK\$'000</b>
Hong Kong Profits Tax		
— current tax	<b>1,092</b>	882
— over provision for the previous year	<b>(902)</b>	(83)
	<b>190</b>	799
Deferred tax	<b>2,237</b>	590
	<b>2,427</b>	1,389

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the two years ended 31 December 2021 and 2020.

Under the Law of People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the two years ended 31 December 2021 and 2020. No provision for taxation in the PRC has been made as all the Group's income arises in Hong Kong.

## 5. PROFIT FOR THE YEAR

The Group's profit for the year has been arrived at after charging the following:

	<b>Unaudited</b>	<b>Audited</b>
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Auditor's remuneration	<b>798</b>	660
Amortisation of computer software	<b>85</b>	77
Depreciation of property, plant and equipment	<b>4,830</b>	4,096
Depreciation of right-of-use assets	<b>33,616</b>	33,716
Cost of inventories sold	<b>286</b>	3,909
Impairment loss made on allowance of trade receivables	<b>2,000</b>	11,320
Directors' remuneration	<b>6,737</b>	4,122
Other staff costs		
Salaries, bonus and allowances	<b>57,056</b>	42,534
Retirement benefits scheme contributions	<b>2,148</b>	1,843
Equity-settled share option expenses	<b>354</b>	282
Total staff costs	<b>59,558</b>	48,781

## 6. DIVIDENDS

The Board has not yet made any decision on the recommendation or payment of a dividend for the Year as at the date hereof (2020: NIL). Further announcement will be made by the Company upon the finalization and release of the announcement of the audited consolidated financial results of the Group for the Year.

## 7. EARNING PER SHARE

### Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$17,448,000 (unaudited) (2020: profit for the year attributable to owners of the Company of approximately HK\$11,170,000 (audited)) and the weighted average number of ordinary shares of 600,000,000 (2020: 600,000,000) in issue during the year.

## Diluted earning per share

The calculation of the diluted earnings per share amounts is based on the unaudited consolidated profit for FY2021 attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of the Share Option Scheme. The calculations of basic and diluted earnings per share are based on:

	<b>2021</b> <b>HK\$'000</b> <b>(unaudited)</b>
<b>Earnings</b>	
Profit attributable to owners of the Company, used in the basic earnings per share calculation	<b>17,448</b>
	<b>Number of shares</b> <b>2021</b>
<b>Shares</b>	
Weighted average number of shares during the year used in the basic earnings per share calculation	<b>600,000,000</b>
Effect of dilution — weighted average number of shares: Share option	<b>1,574,773</b>
	<b>601,574,773</b>

No dilution effect for FY2020 because the exercise price of those options was higher than the average market price for the Shares.

## 8. DEPOSITS PLACED IN LIFE INSURANCE POLICIES

	<b>Unaudited</b> <b>2021</b> <b>HK\$'000</b>	<b>Audited</b> <b>2020</b> <b>HK\$'000</b>
Deposits placed in life insurance policies	<b>114,650</b>	<b>111,769</b>
Reconciliation of the movement for deposit in life insurance policies:		
	<b>Unaudited</b> <b>2021</b> <b>HK\$'000</b>	<b>Audited</b> <b>2020</b> <b>HK\$'000</b>
At 1 January	<b>111,769</b>	109,770
Accrued interest earned during the year	<b>2,881</b>	2,010
Exchange realignment	<b>—</b>	(11)
At 31 December	<b>114,650</b>	<b>111,769</b>

Two deposits placed in life insurances policies amounting to HK\$100,000,000 (“**Insurances policy A**”) and US\$644,000 (“**Insurances policy B**”). The Group can terminate the policies at any time and receive cash refund based on the cash value of the policies at the date of withdrawal, which is determined by the upfront payment plus accumulated interest earned and minus the expense charged at inception, the accumulated insurance charge and policy expense charge. A surrender charge would also be required if the withdrawal is made before the 5th policy year for Insurances policy A and 15th policy year for Insurances policy B.

The effective interest rate of Insurances policy A and Insurances policy B is 2.64% per annum and 1.31% per annum, respectively, which is determined on initial recognition by discounting the estimated future cash receipts over the expected life of policies of 15 years.

## 9. INTEREST IN AN ASSOCIATE

During the year ended 31 December 2017, the Group subscribed for 20 ordinary shares in a newly incorporated company in Hong Kong, which represents 20% of equity interest in that company, at a cash consideration of HK\$20 for the purpose of expanding the Group’s freight forwarding business. This investment is accounted for as an associate given the Group has a board seat in that company. At the end of the reporting period and up to the date of issue of these consolidated financial statements, the associate remains inactive.

## 10. INTEREST IN A JOINT VENTURE

The following table shows, in aggregate, the Group’s share of the amounts of all individually immaterial joint venture that is accounted for using the equity method:

	Unaudited 2021 HK\$’000	Audited 2020 HK\$’000
Unlisted investments overseas		
Share of net assets	1,087	624
Advance to a joint venture	—	—
	<u>1,087</u>	<u>624</u>
	<u>1,087</u>	<u>624</u>

As at 31 December 2021, the unlisted investments overseas represented the 70% equity interest in Janco E-commerce Solutions (USA) Inc (“**JEC USA**”).

On 1 January 2020, Janco Global Logistics Limited, a wholly-owned subsidiary of the Company, entered into an agreement with two individual third parties. Pursuant to the agreement, Janco Global Logistics Limited was required to contribute US\$70,000 (equivalent to approximately HK\$543,000) for 7,000 shares in JEC USA, representing 70% of the ordinary shares of JEC USA and has 70% profit sharing in JEC USA. However, the decisions about the relevant activities of JEC USA should be unanimously approved by Janco Global Logistics Limited and the other two venturers. Therefore, JEC USA is regarded as a joint venture of the Group. During the year ended 31 December 2021, the share of profits in JEC USA of approximately HK\$192,000 (unaudited) was recognised in the share of profit of joint venture.

# 11. TRADE AND OTHER RECEIVABLES

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
Trade receivables	145,912	128,820
Less: Allowance for trade receivables	(16,020)	(14,020)
	<u>129,892</u>	<u>114,800</u>
Rental deposits	7,876	7,968
Other prepayments and deposits	3,578	5,336
	<u>142,746</u>	<u>128,104</u>
Total trade and other receivables	<u>142,746</u>	<u>128,104</u>
Analysed as:		
Current assets:		
Trade receivables	129,892	114,800
Other receivables, prepayments and deposits	7,941	7,456
	<u>137,833</u>	<u>122,256</u>
Non-current assets:		
Rental deposits	4,913	5,848
	<u>142,746</u>	<u>128,104</u>

The Group allows a credit period ranging from 15 to 90 days (2020: 15 to 90 days) to its air and ocean freight forwarding and logistics customers and a credit period of 30 days (2020: 30 days) to its E-Commerce customers for its trade receivables.

The following is an aged analysis of trade receivables (net of allowance) presented based on invoice dates, which approximate the revenue recognition dates, at the end of each reporting period:

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
0 to 30 days	48,526	52,051
31 to 60 days	49,780	44,529
61 to 90 days	14,916	11,293
91 to 365 days	16,670	6,927
Over 365 days	—	—
	<u>129,892</u>	<u>114,800</u>

Reconciliation of loss allowance for trade receivables:

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
At 1 January	14,020	5,972
Amounts written off during the year	—	(3,272)
Increase in loss allowance for the year	2,000	11,320
	<u>16,020</u>	<u>14,020</u>
At 31 December	<u>16,020</u>	<u>14,020</u>



## 12. TRADE PAYABLES/OTHER PAYABLES AND ACCRUALS

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
Trade payables	61,015	48,658
Other payables	6,120	10,956
Accruals	<u>23,822</u>	<u>11,019</u>
Total trade payables and other payables and accruals	<u><u>90,957</u></u>	<u><u>70,633</u></u>

In general, the credit period on trade payables is 15 to 30 days.

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period.

	Unaudited 2021 HK\$'000	Audited 2020 HK\$'000
0 to 30 days	33,193	29,253
31 to 60 days	16,650	11,718
61 to 90 days	3,033	4,317
Over 90 days	<u>8,139</u>	<u>3,370</u>
	<u><u>61,015</u></u>	<u><u>48,658</u></u>

As at 31 December 2021 and 2020, certain banks have given performance guarantees covering the Group for payment to their major suppliers.

## 13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 (2020: HK\$0.01) each		
At 31 December 2020 (audited) and 2021 (unaudited)	<u>1,500,000,000</u>	<u>15,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 (2020: HK\$0.01) each		
At 31 December 2020 (audited) and 2021 (unaudited)	<u>600,000,000</u>	<u>6,000</u>

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes bank borrowings, due to the former controlling shareholder, due to non-controlling interests and leases liabilities, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, issue of new shares, issue of new debts or redemption of existing debts.

	<b>Unaudited 2021 HK\$'000</b>	Audited 2020 HK\$'000
Total debt	<b>180,987</b>	170,429
Less: cash and cash equivalents	<b>(14,949)</b>	(8,225)
Net debt	<b>166,038</b>	162,204
Total equity	<b>75,827</b>	57,630
Debt-to-adjusted capital ratio	<b>219%</b>	281%

The decrease in the debt-to-adjusted capital ratio during the year ended 31 December 2021 resulted primarily from increase of cash and cash equivalents.

## BUSINESS REVIEW

The Group has been developing earnestly in the Logistics Industry for over 30 years, founded in the year 1990 in Hong Kong. In the early years with the successful establishment in providing freight forwarding services to clients with needs in Air Freights and Sea Freights, this forms the forerunning core business of the Group. A gradual expansion drives the Group into providing the second arm in the logistics needs where ancillary warehousing was created. With solid support and market drives the third business unit in e-Commerce and Fulfilment business, engaging into product sourcing and distributing opportunities were also established in the recent three years.

The established core **Freight Forwarding Services**, always known as providing a one-stop service to clients and competitive co-loading industry partners over the years, makes Janco one of the important players in the industry. The provision in acquiring cargo spaces from Airline and Shipping Liner operators; cooperating GSA's — General Sales Agents, as well as freight forwarding partners, are the products and services we offer to customers, where we solve their needs in goods exporting from Hong Kong to worldwide destinations, by air and by sea. We are particularly successful in the Asian destinations for example, Bangladesh, Sri Lanka, and along the Mekong River countries of Thailand, Cambodia, and Vietnam. Additional revenue also comes from trading of the cargo spaces bought at shortage seasons to those cooperating freight forwarders in the market.

The second logistics business has been triggered by clients who import goods and products from overseas, for sales and distributions in Hong Kong and neighboring cities. It was a logical thinking to extend services after freight and cargo handling, to provide extension of **Logistics and Warehousing Services** to warehousing and custom-made processes, including storage, re-packaging, sorting, labelling, and palletizing. The next process that follows are local deliveries that require breakdown into optimum packages the customers would design, to serve the last mile of the logistics chain. The Logistics Services integrate perfectly with the Freight Forwarding Services and complimenting each other.

We have grown further into a new service area extending **e-Commerce Fulfillment** business from the year 2019. We have set up and been running a Fulfillment Service base on up-to-date mobile Apps to provide cross-border logistics activities, in response to the increasing demand for e-commerce from international clients in the USA, European countries, Canada and Australia. The operation successfully grows into providing procurement activities, local distribution and fulfillment services, for example for the much needed pharmaceutical and medical products.

With a successful and competitive experience since the 1990's in this mature and competitive service industry, Janco has set milestone of a steady growing company, with views to extend services and new business opportunities by utilizing the strengths and capabilities of the Group and its directors and business acquaintances. We are open to provide ourselves working with long term suppliers; customers from all sectors; network and technology providers; and to make the best use of our product portfolio and cargo knowledge to continue developing new and successful business for the Group.

## **FINANCIAL REVIEW**

### **Overview**

Our revenue was predominately generated from our freight forwarding services, logistics services, e-commerce and fulfillment services. For FY2020 and FY2021, our total revenue amounted to approximately HK\$487.6 million and HK\$566.0 million (unaudited), respectively. Our profit attributable to owners of the Company (the “**Shareholders**”) amounted to approximately HK\$17.4 million (unaudited) for FY2021, while our profit attributable to the Shareholders for FY2020 amounted to approximately HK\$11.2 million.

### **Revenue**

We generate revenue from the provision of our core freight forwarding services and our logistics services (including e-commerce business). The revenue recorded represents the fair value of the consideration received or receivable and represents amounts receivable for services provided in our normal course of business and net of discount.

Revenue of the Group increased by approximately 16.1% from approximately HK\$487.6 million for FY2020 to approximately HK\$566.0 million (unaudited) for FY2021. The increase in revenue was due to the increase in revenue generated from ocean freight forwarding services by approximately HK\$34.3 million and increase in revenue generated from e-commerce fulfillment services by approximately HK\$77.4 million, which was partially offset by decrease in revenue generated from air freight forwarding services by approximately HK\$19.1 million and decrease in revenue generated from ancillary logistics services by approximately HK\$10.2 million and decrease in revenue generated from e-commerce trading services by approximately HK\$4.0 million for FY2021.

The increase in revenue from ocean freight forwarding services for FY2021 was mainly due to a rebound of the shipment volume to normal after a significant drop due to COVID-19 during FY2020.

The increase in revenue from e-commerce fulfillment services was mainly contributed by the increase in orders placed by new customers and our existing customers during FY2021.

### **Cost of sales and gross profit**

Cost of sales increased by approximately 15.8% from approximately HK\$422.9 million for FY2020 to approximately HK\$489.8 million for FY2021. The increase in cost of sales was mainly attributable to the increase in ocean freight costs of approximately HK\$31.2 million, and increase in e-commerce fulfillment services costs of approximately HK\$76.9 million, which was partially offset by the decrease in air freight forwarding costs of approximately HK\$21.7 million and the decrease in warehouse direct costs of approximately HK\$15.8 million for FY2021.

Gross profit increased by approximately 17.8% from approximately HK\$64.7 million for FY2020 to approximately HK\$76.2 million for FY2021. Gross profit margin slightly increased from approximately 13.3% for FY2020 to approximately 13.5% for FY2021.

The increase in gross profit was mainly attributable to the increase in e-commerce courier services income which outweighed the increase in e-commerce courier services costs and the decrease in warehouse direct costs which outweighed the decrease in logistics service income.

### **Other income**

Other income decreased significantly by approximately HK\$9.0 million, or 98.9% from approximately HK\$9.1 million for FY2020 to approximately HK\$0.1 million for FY2021. The decrease in other income was mainly due to the absence of non-recurring government grant of HK\$8.3 million under the Employment Support Scheme provided by the Hong Kong SAR Government and recognized by the Group for FY2020.

### **Administrative expenses**

Administrative expenses increased by approximately 39.2% from approximately HK\$42.3 million for FY2020 to approximately HK\$58.9 million for FY2021. The increase in administrative expenses was mainly due to the increase in senior management staff cost, the increase in provision of management incentive and IT application and enhancement expense of approximately HK\$2.4 million, HK\$2.0 million and HK\$1.6 million respectively.

## **Income tax expense**

Income tax expense represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during FY2020 and FY2021, respectively. The income tax expense of the Group for FY2021 was HK\$2.4 million (2020: income tax expense of HK\$1.4 million).

## **Profit attributable to owners**

For FY2021, the Group recorded a profit attributable to owners of the Company of approximately HK\$17.4 million (unaudited) as compared to the profit attributable to owners of the Company of approximately HK\$11.2 million for FY2020. The increase in profit and total comprehensive income was mainly due to the increase in gross profit for our e-commerce fulfillment and logistics business for FY2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The current ratio of the Group as at 31 December 2021 was 0.68 times as compared to that of 0.64 times as at 31 December 2020. The increase was mainly due to increase in trade receivables and deposits. As at 31 December 2021, the Group had total bank balances and cash of approximately HK\$14.9 million (2020: approximately HK\$8.2 million). The gearing ratio, calculated based on the total obligations under bank borrowings divided by total equity at the end of the year and multiplied by 100%, decreased to approximately 175.8% as at 31 December 2021 (2020: approximately 249.3%). With available bank balances, cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

## **COMMITMENT**

As at 31 December 2021, the Group did not have any material capital commitment (2020: HK\$Nil).

## **CAPITAL STRUCTURE**

There had been no change in the Company's capital structure during the Year. The capital structure of the Group consists of equity attributable to the owners of the Company which comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of the review, the Directors would consider the cost of capital and the risks associated with each class of capital. The Group will adjust its overall capital structure through the payment of dividends, issuance of new shares as well as the repayment of borrowings.

## SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 3 to the consolidated financial statements in this announcement.

## CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2021, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$17.4 million and (ii) deposits placed in life insurance policies of approximately HK\$114.7 million pledged as collateral for the Group's bank borrowings and facilities.

The Group had no material contingent liabilities as at 31 December 2021.

## MATERIAL ACQUISITIONS AND DISPOSAL

During the Year, the Group did not have any material acquisition and disposal of subsidiaries, associate and joint ventures during the Year.

## DIVIDEND

The Board has not yet made any decision on the recommendation or payment of a dividend for the Year as at the date hereof (2020: NIL). Further announcement will be made by the Company upon the finalization and release of the audited consolidated financial results of the Group for the Year.

## FUTURE PLANS

The emerging technology and innovation applications have taken the Logistics Industry to ever challenging advances. The Group has taken steps in different stages developing appropriate products and services currently and for the near future. There are key products herewith described:

**8035 Tennichi Active Water** — for civilian hygiene and combating COVID-19. The Group invested in a proprietary conversion and packaging facilities to cater for the marketing and sales of 8035 Tennichi Active Water, which is already available in the market from spring 2022, and creating revenues to the Group.

**Cold Chain Logistics** — which is a high-end reliable temperature and environmental controlled movement and storage for pharmaceutical, comestible, and beauty care products. The solution and demand are hugely sought after, whereas the Group has started procuring the required technology.

**Fintech Logistics** — the Group has committed to establish a Logistical Funding Resources to be able to attach into new era of products, and to be prepared for Big Data Solutions; Artificial Intelligence Applications; and Blockchain Composites.

While being ready for the above, the Group is investing huge effort in further developing and securing a higher market share in the **e-Commerce and Fulfilment Services** division, where we see solid positive growth. Complementing the **Logistics and Warehousing Services**, we are always looking for investments into appropriate logistic hubs for the purpose. We are also constantly improving the selection of solutions, to cater for different needs, while improving efficiency and customer satisfaction ratings. Constant improvement and market attention will bring us to capture opportunities arising from cross border e-Commerce traffic from China and overseas; and this would be the cornerstone to build ourselves being the major Logistics Services Provider in the region.

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

As the Group's revenue generating operations are mainly transacted in HK\$ and USD, the Directors consider the impact of foreign exchange exposure to the Group is minimal. The management will consider hedging significant currency exposure should the need arise. As at 31 December 2021, the Group did not have any financial instruments for hedging purpose.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2021, the Group employed 188 (2020: 172) full time employees. We determine the employee's remuneration based on factors such as their performance, qualification, position, duty, contributions, years of experience and local market conditions. The Group would conduct review on the remuneration package of the employees regularly.

## **SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save for (a) investment in its subsidiaries by the Company and (b) a life insurance policy as disclosed below, the Group did not have any significant investments held as at 31 December 2021. The Group did not have any plans for material investments or capital assets as at 31 December 2021.

### **Insurance Policy**

In July 2018, Janco Global Logistics Limited, being a subsidiary of the Company, placed deposits amounting to HK\$100.0 million in a life insurance policy (the "**China Taiping Insurance**") purchased from China Taiping Life Insurance (Hong Kong) Company Limited for the main purpose of obtaining banking facilities from a bank. The background and key terms of the China Taiping Insurance are set out in the Company's announcement dated 3 January 2020. The Company intends to hold the China Taiping Insurance until the date of maturity.



The following table sets forth the movement of the China Taiping Insurance during FY2021:

	Carrying amount as at 31 December 2020 HK\$'000	Disposal during the year HK\$'000	Addition during the year HK\$'000	Accrued interest earned during the year HK\$'000	Carrying amount as at 31 December 2021 HK\$'000	Percentage to the Group's total assets as at 31 December 2021
China Taiping Insurance	106,555	–	–	2,813	109,368	31.1%

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help safeguarding the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner in accordance with the requirements of the GEM Listing Rules. The Board has established an audit committee (the “**Audit Committee**”), a nomination committee (the “**Nomination Committee**”) and a remuneration committee (the “**Remuneration Committee**”) with specific written terms of reference. During the period from 1 January 2021 to 31 December 2021 (the “**Reporting Period**”), the Company had complied with all the code provisions (other than code provisions A.2.1 and A.5.1) of the CG Code.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ng Chin Hung (“**Mr. Ng**”) is the chairman of the Board and the chief executive officer of the Company. In view of Mr. Ng has been working in freight forwarding, logistics and supply chain industries for more than 36 years, the Board believes that it is in the best interests of the Group to have Mr. Ng taking up both roles for effective management and business development of the Group. Further, the Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors. Accordingly, the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate and acceptable in such circumstance.

CG Code provision A.5.1 stipulates that a listed issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. As announced in the Company's announcement dated 5 May 2021, following the resignation of two independent non-executive Directors (namely Mr. Pang Chung Fai, Benny and Mr. Chan Fei Fei) on 5 May 2021 due to their other personal and business commitments (the **"Resignation of INEDs"**), the Company was not in strict compliance with the CG Code provision A.5.1. The non-compliance was promptly remedied by the Company following the appointment of Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong (the **"New INEDs"**) as new independent non-executive Directors on 7 May 2021. The Directors consider that the Company's corporate governance and any functions of the Board or the Board committees had not been compromised or negatively affected given the very short period of deviation from the CG Code provision A.5.1.

## **NON-COMPLIANCE WITH RULES 5.05(1) AND 5.28 OF THE GEM LISTING RULES**

Due to the Resignation of INEDs mentioned above, the Board had only one independent non-executive Director on 5 May 2021. As a result, the number of independent non-executive Directors fell below the minimum number required of the board of directors and of the audit committee of a listed issuer as required under Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules. As disclosed above and following the appointment of the two New INEDs on 7 May 2021, the Company has since fully complied with Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules accordingly.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the **"Model Code"**). The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the Year.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in the securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

## **COMPETING INTEREST**

For FY2021, the Directors were not aware of any business or interest of the Directors, the controlling Shareholders and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **INTERESTS OF THE COMPLIANCE ADVISER**

During the Year, Giraffe Capital Limited (“**Giraffe Capital**”) was appointed as the compliance adviser of the Company. Giraffe Capital has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Neither Giraffe Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **MATERIAL CHANGES**

Save as disclosed in this announcement, there have been no material changes in respect of any other matters since the publication of the Company’s annual report for FY2020.

## **REVIEW OF UNAUDITED ANNUAL RESULTS FOR FY2021**

The Company has appointed Messrs MCM (HK) CPA Limited (the “**Auditor**”) as its external auditor to conduct an audit on the consolidated financial statements of the Group for FY2021.

Due to the escalation of the COVID-19 pandemic and the interruptions arising from both the quarantine and/or work from home arrangements occurred in recent months, additional time is required for the Company and the Auditor to complete their review and audit of the financial information of the Group. Accordingly, the unaudited consolidated financial results of the Group for the Year contained herein have not been agreed with the Auditor as required under Rule 18.49 of the GEM Listing Rules, but have been reviewed by the Audit Committee established by the Company and approved by the Board.

Following completion of the auditing process by the Auditor, the Company expects to issue further announcement(s) in relation to, among other matters, the audited consolidated financial results of the Group for the Year as agreed with the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein, in or around mid-April 2022, and publish its annual report for the Year by the end of April 2022. In addition, the Company will issue further announcement(s) as and when necessary if there are any other material development in the completion of the auditing process and/or other related matters.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee on 23 September 2016, with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor and to review and supervise the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lee Kwong Chak Bonnio, Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong. Mr. Lee Kwong Chak Bonnio is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for FY2021 and is of the view that the preparation of such statements complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

## **EVENTS AFTER THE REPORTING PERIOD**

### **Appointment of Directors**

Mr. Po Kam Hi John and Mr. Tsang Zee Ho Paul have been appointed as non-executive Directors with effect from 15 March 2022. Please refer to the Company's announcement dated 15 March 2022 for details.

### **Impact of the COVID-19 pandemic**

The lingering of COVID-19 pandemic-related disruption continues to bring uncertainties in the global macroeconomic situation which may affect the Group's financial performance. Since the pandemic is a fluid and challenging situation facing all the industries globally, the degree of impact and the downside risks associated with it, such as tightened anti-pandemic measures, supply-chain challenges and inflationary pressure, could have far-reaching consequences on the recovery of the global economic activities. The Group will closely monitor the development of the pandemic and assess its impact on the financial position and operating results of the Group.

Other than the above, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2021 and up to the date of this announcement.

## **APPRECIATION**

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their utmost support to the Group. I would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the Year.

By order of the Board  
**Janco Holdings Limited**  
**Ng Chin Hung**  
Chairman

Hong Kong, 25 March 2022

*As at the date of this announcement, the executive Directors are Mr. Ng Chin Hung, Mr. Cheng Tak Yuen and Mr. Cheng Hiu Tung Anthony; the non-executive Directors are Mr. Po Kam Hi John and Mr. Tsang Zee Ho Paul and the independent non-executive Directors are Mr. Lee Kwong Chak Bonnie, Mr. Yuen Ching Bor Stephen, Mr. Kwan Chi Hong and Mr. Leung Ka Kui Johnny.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM’s website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website ([www.jancofreight.com](http://www.jancofreight.com)).*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*