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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)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2022**

### **CHARACTERISTICS OF GEM OF 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 (the “**Directors**” or individually a “**Director**”) of Janco Holdings Limited (the “**Company**”) 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 and its subsidiaries (collectively referred to as the “**Group**”, “**we**”, “**our**” or “**us**”). 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.*

## FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce that the unaudited financial results of the Group for the three months ended 31 March 2022 (the “**Period**”), together with the corresponding comparative figures, are as follows. The financial results has been approved by the Board.

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

For the three months ended 31 March 2022

		Three months ended 31 March	
	Notes	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	135,033	130,070
Cost of sales		(116,506)	(110,449)
Gross profit		18,527	19,621
Interest income		721	720
Other income		4	1
Other gains		—	58
Administrative expenses		(13,034)	(12,312)
Finance costs		(1,190)	(1,286)
Impairment loss made on allowance for trade receivables		—	(125)
Share-based payment expenses		(79)	(232)
Share of losses of joint venture		(182)	(100)
Profit before taxation		4,767	6,345
Income tax expense	5	(721)	(753)
Profit for the period		4,046	5,592
Other comprehensive expenses after tax:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(37)	(49)
Total comprehensive income for the period		4,009	5,543
Profit for the period attributable to:			
Owners of the Company		4,487	5,438
Non-controlling interests		(441)	154
		4,046	5,592
Total comprehensive income for the period attributable to:			
Owners of the Company		4,450	5,389
Non-controlling interests		(441)	154
		4,009	5,543
Earnings per share — basic (HK cents)	6	0.75	0.91
Earnings per share — diluted (HK cents)	6	0.75	0.91

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	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	(Accumulated losses)/ Retained profits HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2022 (audited)	6,000	47,755	17,659	4,658	(627)	1,112	(2,287)	74,270	1,886	76,156
Total comprehensive income for the period	-	-	-	-	(37)	-	4,487	4,450	(441)	4,009
Equity-settled share options arrangement	-	-	-	-	-	79	-	79	-	79
Lapse of share options	-	-	-	-	-	(170)	170	-	-	-
At 31 March 2022 (unaudited)	6,000	47,755	17,659	4,658	(664)	1,021	2,370	78,799	1,445	80,244
At 1 January 2021 (audited)	6,000	47,755	17,659	4,658	(421)	493	(19,625)	56,519	1,111	57,630
Total comprehensive expenses for the period	-	-	-	-	(49)	-	5,438	5,389	154	5,543
Equity-settled share options arrangement	-	-	-	-	-	232	-	232	-	232
At 31 March 2021 (unaudited)	6,000	47,755	17,659	4,658	(470)	725	(14,187)	62,140	1,265	63,405

## Notes:

- (i) Capital reserve comprises 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 Group, Mr. Cheng Hon Yat ("Mr. Cheng"), before the transfer of such business to Janco Global Logistics Limited, a wholly owned subsidiary of the Company, 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 represents an amount due to Mr. Cheng, being a former controlling shareholder of the Group 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2022*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 November 2015 as an exempted company with limited liability. 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 in Hong Kong is Unit 1608, 16th Floor, Tower A, Manulife Financial Centre, No. 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. The shares of the Company (the “**Shares**”) were listed on GEM of the Stock Exchange since 7 October 2016 (the “**Listing Date**”).

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in (i) the provision of freight forwarding services through purchasing cargo space from airlines, shipping liners, other freight forwarders or general sales agents (“**GSAs**”) and either sell it to direct shippers or on-sell it to other freight forwarders who act on behalf of their shipper customers; (ii) the provision of ancillary logistics services; and (iii) E-commerce Services which include trading of consumables through an online platform and provision of fulfillment services.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Group.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The accounting policies and method of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2022 are consistent with those used in the annual report for the year ended 31 December 2021.

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022 have been prepared under the historical cost convention.

The unaudited consolidated financial statements have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2022. HKFRSs comprise Hong Kong Financial Reporting Standards; 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 period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

### 4. REVENUE

	Three months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Air freight forwarding services income	35,787	38,200
Ocean freight forwarding services income	39,103	27,211
Logistics services income	32,987	31,322
E-commerce trading services income	32	227
E-commerce fulfillment services income	27,124	33,110
	<b>135,033</b>	<b>130,070</b>

### 5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax:		
Current tax	721	753

During the Period, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% (2021: Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the period).

## 6. EARNINGS PER SHARE

The calculation of basic earnings per share for the relevant periods is based on the unaudited profit attributable to owners of the Company for the relevant periods and on 600,000,000 (2021: 600,000,000) Shares in issue during the relevant periods.

The calculation of the diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those outstanding options was higher than the average market price for shares for the three months ended 31 March 2022. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, 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 for the comparison period for the three months ended 31 March 2021. The calculations of basic and diluted earnings per share are based on:

	<b>Three months ended 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company used in the basic and diluted earnings per share calculation	<b>4,487</b>	5,438
	<hr/>	
	<b>Number of shares</b>	
	<b>2022</b>	2021
<b>Shares</b>		
Weighted average number of shares during the period used in the basic earnings per share calculation	<b>600,000,000</b>	600,000,000
Effect of dilution — weighted average number of shares: Share option	—	97,347
	<hr/>	
Weighted average number of shares during the period used in the diluted earnings per share calculation	<b>600,000,000</b>	600,097,347
	<hr/>	

## 7. DIVIDENDS

No dividends were paid, declared or proposed during the three months ended 31 March 2022 (2021: Nil). The Directors resolved not to pay an interim dividend for the three months ended 31 March 2022 (2021: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group was founded in the year 1990 in Hong Kong and has been developing earnestly in the Logistics Industry for over 30 years. 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 was 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.

## **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. The key products include:

**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 is committed to establishing Logistical Funding Resources to provide it with the flexibility and capability for 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.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group increased by approximately 3.8% from approximately HK\$130.1 million for the three months ended 31 March 2021 to approximately HK\$135.0 million for the three months ended 31 March 2022. The increase in revenue for the three months ended 31 March 2022 was due to the increase in revenue generated from ocean freight forwarding services by approximately HK\$11.9 million and increase in revenue generated from ancillary logistics services by approximately HK\$1.7 million, which was partially offset by the decrease in revenue generated from air freight forwarding services by approximately HK\$2.4 million and the decrease in revenue generated from e-commerce fulfillment services by approximately HK\$6.0 million for the three months ended 31 March 2022.

Revenue from ocean freight forwarding services increased for the three months ended 31 March 2022. It was mainly due to the increase in shipment volume under the orders placed by both of our existing and new customers during the three months ended 31 March 2022.

The decrease in revenue from e-commerce fulfillment services was mainly due to the decrease in orders placed by our existing customers during the three months ended 31 March 2022.

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

Cost of sales increased by approximately 5.5% from approximately HK\$110.4 million for the three months ended 31 March 2021 to approximately HK\$116.5 million for the three months ended 31 March 2022. The increase in cost of sales was mainly attributable to the rise in ocean freight costs of approximately HK\$6.7 million and warehouse direct costs by approximately HK\$2.1 million, which was partially offset by the decrease in air freight costs of approximately HK\$2.6 million for the three months ended 31 March 2022.

Gross profit decreased by approximately 5.6% from approximately HK\$19.6 million for the three months ended 31 March 2021 to approximately HK\$18.5 million for the three months ended 31 March 2022. Gross profit margin decreased from approximately 15.1% for the three months ended 31 March 2021 to approximately 13.7% for the three months ended 31 March 2022.

The decrease in gross profit and gross profit margin was mainly due to a drop in e-commerce fulfillment services income while there was no decrease in e-commerce fulfillment services costs.

## **Administrative expenses**

Administrative expenses increased by approximately 5.7% from approximately HK\$12.3 million for the three months ended 31 March 2021 to approximately HK\$13.0 million for the three months ended 31 March 2022. The increase in administrative expenses was mainly due to the increase in legal and professional fees for the three months ended 31 March 2022.

## **Profit attributable to owners**

The Group recorded a profit attributable to owners of the Company of approximately HK\$4.5 million for the three months ended 31 March 2022 as compared to the profit attributable to owners of the Company of approximately HK\$5.4 million for the three months ended 31 March 2021. The decrease in profit attributable to owners was mainly due to the decrease in gross profit for our e-commerce fulfillment for the three months ended 31 March 2022.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the three months ended 31 March 2022 (2021: Nil).

### MATERIAL ACQUISITIONS AND DISPOSALS

During the three months ended 31 March 2022, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

### PURCHASE, SALE OR REDEMPTION

During the three months ended 31 March 2022, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the listed securities of the Company.

### 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 three months ended 31 March 2022.

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 dealings by the Model Code as if he/she was a Director.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interests in the Company

#### *Long position in the Shares*

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding (Note 2)
Mr. YUEN Ching Bor Stephen (Note 1)	Beneficial owner	980,000	0.16%
Mr. Po Kam Hi John	Beneficial owner	1,510,000	0.25%

#### *Notes:*

1. Mr. Yuen Ching Bor Stephen resigned as independent non-executive Director on 20 April 2022.
2. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 31 March 2022 and does not take into account any Shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to any share options granted by the Company.

*Long position in the underlying shares or equity derivatives of the Company*

Under the share option scheme of the Company as mentioned in the section headed “Share Option Scheme” below, share options were granted to the following Directors which entitled them to subscribe for Shares. Details of the share options of the Company held by them as at 31 March 2022 were as follows:

Name of Director	Date of grant	Vesting date	Exercise period	Number of Shares over which options are exercisable	Exercise price per Share (HK\$)	Approximate percentage of interest in the issued Shares as at
				as at 31 March 2022		31 March 2022
Mr. Ng Chin Hung	24 June 2020	24/06/2021	24/06/2021– 23/06/2030	1,500,000	0.2066	0.5%
		24/06/2022	24/06/2022– 23/06/2030	1,500,000		
Mr. Cheng Tak Yuen	24 June 2020	24/06/2021	24/06/2021– 23/06/2030	750,000	0.2066	0.25%
		24/06/2022	24/06/2022– 23/06/2030	750,000		

Save as disclosed above, as at 31 March 2022, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which are taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 March 2022, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares, the underlying Shares or the debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

### *Long position in the Shares*

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding (Note 3)
Million Venture Holdings Limited ("Million Venture")	Beneficial owner	156,000,000	26%
Ms. Tai Choi Wan, Noel	Interest in a controlled corporation (Note 1)	156,000,000	26%
Mr. Cheng Hon Yat	Interest of spouse (Note 2)	156,000,000	26%
Mr. Chan Chun Shing, Otto	Beneficial owner	60,000,000	10%

#### *Notes:*

1. These Shares are held by Million Venture, which is wholly-owned by Ms. Tai Choi Wan, Noel ("**Ms. Tai**"). By virtue of the SFO, Ms. Tai is deemed to be interested in all the Shares held by Million Venture.
2. Mr. Cheng Hon Yat is the spouse of Ms. Tai and is deemed, or taken to be, interested in all the Shares in which Ms. Tai is interested under the SFO.
3. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 31 March 2022 and does not take into account any Shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to any share options granted by the Company.

Save as disclosed above, as at 31 March 2022, the Company has not been notified of any other persons (other than the Directors or the chief executive of the Company) or entities who had or deemed or taken to have an interest or a short position in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 23 September 2016. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The principal terms of the Share Option Scheme are summarised in the 2021 annual report of the Company.

Under the Share Option Scheme, the Company may issue share options (the “**Options**”) to subscribe for up to 60,000,000 Shares, representing 10% of the total number of Shares in issue as at 7 October 2016 (being the Listing Date of the Company on GEM of the Stock Exchange). As at 31 March 2022, a total of 9,000,000 Options granted under the Share Option Scheme were outstanding.

Movement of the Options, which were granted under the Share Option Scheme, during the three months ended 31 March 2022 are listed below:

Category	Date of grant	Vesting date (Note)	Number of Options					Outstanding as at 31/03/2022	Exercise price HK\$	Exercise period
			Outstanding as at 01/01/2022	Granted	Exercised	Cancelled	Lapsed			
1. Directors										
Ng Chin Hung	24/06/2020	24/06/2021 (50%)	1,500,000	-	-	-	-	1,500,000	0.2066	24/06/2021–23/06/2030
	24/06/2020	24/06/2022 (50%)	1,500,000	-	-	-	-	1,500,000	0.2066	24/06/2022–23/06/2030
Cheng Tak Yuen	24/06/2020	24/06/2021 (50%)	750,000	-	-	-	-	750,000	0.2066	24/06/2021–23/06/2030
	24/06/2020	24/06/2022 (50%)	750,000	-	-	-	-	750,000	0.2066	24/06/2022–23/06/2030
2. Employees	24/06/2020	24/06/2021 (50%)	3,000,000	-	-	-	750,000	2,250,000	0.2066	24/06/2021–23/06/2030
	24/06/2020	24/06/2022 (50%)	3,000,000	-	-	-	750,000	2,250,000	0.2066	24/06/2022–23/06/2030
<b>Total:</b>			<b>10,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,000,000</b>		

Note: For the vesting schedule of the Options, 50% of the Options was vested on the respective grantees on 24 June 2021; and the remaining 50% of the Options will be vested on the respective grantees on 24 June 2022.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the three months ended 31 March 2022 and up to the date of this announcement was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' MATERIAL INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of 31 March 2022 or at any time during the three months ended 31 March 2022.

## COMPETING INTEREST

For the three months ended 31 March 2022, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, directly or indirectly, with the business of the Group and/or any other conflict of interest which any such person has or may have with the Group.

## CORPORATE GOVERNANCE

During the Period, the Company had complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules, other than code provision C.2.1. CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. During the Period, Mr. Ng Chin Hung (“**Mr. Ng**”) was the chairman of the Board and the chief executive officer (“**CEO**”) of the Company. In view of Mr. Ng having worked in the freight forwarding, logistics and supply chain industries for more than 37 years, the Board considered that it was in the best interests of the Group to have Mr. Ng taking up both roles for effective management and business development. Further, the Board believed that the balance of power and authority was adequately ensured by the operations of the Board which comprised experienced and high-caliber individuals, with sufficient number of independent non-executive Directors. According, the Board was of the view that the deviation from the CG Code provision C.2.1 was appropriate or acceptable in such circumstances. With the separation of the roles of the chairman of the Board (being served by Mr. Po Kam Hi John, a non-executive Director) and CEO (continued to be served by Mr. Ng) with effect from 6 April 2022, the Company has since complied with CG Code provision C.2.1.



## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

### Changes in Directors and of important executive functions and responsibilities of members of the Board

With effect from 6 April 2022, (i) Mr. Ng Chin Hung has ceased to serve as the Chairman of the Board; (ii) Mr. Po Kam Hi John has been appointed as the new Chairman of the Board; (iii) Mr. Tsang Zee Ho Paul has been re-designated from non-executive Director to executive Director and since then served as the new Chief Financial Officer ("**CFO**") of the Company, the company secretary and authorised representative of the Company as required under Rule 24.05(2) of the GEM Listing Rules and under Part 16 of the Companies Ordinance; (iv) Mr. Cheng Hiu Tung Anthony's position as CFO has been re-designated to Financial Controller of the Company; and (v) Mr. Chan Heung Wing Anthony has resigned as company secretary of the Company and ceased to serve as authorised representative of the Company under Rule 24.05(2) of the GEM Listing Rules and under Part 16 of the Companies Ordinance.

With effect from 20 April 2022, (i) Mr. Yuen Ching Bor Stephen has resigned as independent non-executive Director and ceased to serve as the chairman of the remuneration committee, a member of the audit committee and the nomination committee of the Company; and (ii) Mr. Leung Ka Kui Johnny has been appointed as the chairman of the remuneration committee and a member of the audit committee of the Company.

### Litigations

On 21 April 2022, two subsidiaries of the Company each received a winding up petition by FC Bangladesh Limited ("**FCB**", being the petitioner) under the respective action nos. HCCW 119/2022 and HCCW 118/2022 arising from the alleged failure to settle outstanding amounts under certain statements of accounts (the "**Alleged Debts**"). On 3 May 2022, the two subsidiaries of the Company issued a writ of summons against FCB in the High Court of Hong Kong under action no. HCA 506/2022 seeking a declaration that they are not indebted to FCB for the Alleged Debts. Based on the legal advice of their legal advisers, the two subsidiaries have good grounds to oppose the petitions against them. The Board considers that the legal proceedings have no material impact on the business and normal operations of the Group. Please refer to the Company's announcements dated 22 April and 4 May 2022 for details.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2022 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company has established its Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to, among other things, assist the Board in overseeing the financial reporting and disclosure processes, risk management and internal control systems of the Group, nominate and monitor the external auditor regarding its review of the financial statements of the Group and provide independent views and/or recommendations to the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lee Kwong Chak Bonnio, Mr. Leung Ka Kui Johnny and Mr. Kwan Chi Hong. Mr. Lee Kwong Chak Bonnio is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022 and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

## **REVIEW OF QUARTERLY FINANCIAL INFORMATION BY THE AUDITOR**

The quarterly financial information of the Group for the Period is unaudited, but has been reviewed by MCM (HK) CPA Limited, the auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA, whose unmodified review report is included in the Company’s quarterly report for the three months ended 31 March 2022 to be sent to shareholders of the Company in accordance with the GEM Listing Rules in due course.

By Order of the Board  
**Janco Holdings Limited**  
**Po Kam Hi John**  
*Chairman*

Hong Kong, 7 May 2022

*As at the date of this announcement, the executive Directors are Mr. Ng Chin Hung (Chief Executive Officer), Mr. Cheng Tak Yuen, Mr. Cheng Hiu Tung Anthony and Mr. Tsang Zee Ho Paul, the non-executive Director is Mr. Po Kam Hi John (Chairman); and the independent non-executive Directors are Mr. Lee Kwong Chak Bonnio, Mr. Kwan Chi Hong and Mr. Leung Ka Kui Johnny.*

*This announcement will remain on GEM's website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at [www.jancofreight.com](http://www.jancofreight.com).*

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