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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

- Revenue of the Group amounted to approximately HK\$265.6 million for the year ended 31 December 2023 (2022: approximately HK\$512.7 million), representing a decrease of approximately 48.2% as compared with the year ended 31 December 2022.
- Loss for the year attributable to owners of the Company is approximately HK\$18.2 million for the year ended 31 December 2023, as comparing with profit for the year attributable to owners of the Company of approximately HK\$4.5 million for FY2022. The loss attributable to owners of the Company for FY2023 was mainly resulted from the (i) decrease in gross profit from air and ocean freight forwarding services as the recovery of air freight tonnage and ocean freight shipment volume, which was previously affected by the outbreak of COVID-19 pandemic and economic downturn, was slower than anticipated, which led to a decrease in freight rates charged to the Group's customers; (ii) decrease in gross profit and gross profit margin from logistics and warehousing services due to the completion of the Group's engagement to distribute the anti-epidemic service bags and electronic wristbands by the Hong Kong Government in January 2023; (iii) loss on surrender of life insurance policies; and (iv) absence of the subsidies granted by the Hong Kong Government under the Employment Support Scheme under the Antiepidemic Fund for FY2023.

Notwithstanding the above, the Group recorded (i) an increase in gross profit from ecommerce fulfillment services; and (ii) a decrease in administrative and selling expenses, which is primarily due to the decrease in legal and professional fees for the FY2023 as there were no longer any professional fees paid or payable for on-going litigation for FY2023, and decrease in salaries and allowances due to the decrease in the number of employees for FY2023.

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2023 (the “**Year**” or “**FY2023**”), together with the comparative figures for the year ended 31 December 2022 (“**FY2022**”). The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Revenue	3	265,640	512,672
Cost of sales		<u>(238,517)</u>	<u>(439,184)</u>
Gross profit		27,123	73,488
Other income		2,908	7,846
Other gains and (losses), net		(619)	1,841
Administrative and selling expenses		(41,189)	(69,216)
Impairment loss on trade receivables		(1,473)	(1,575)
Share-based payment expenses		<u>–</u>	<u>(144)</u>
(Loss)/profit from operations		(13,250)	12,240
Finance costs		(5,013)	(5,827)
Share of (loss)/profit of a joint venture		<u>(480)</u>	<u>713</u>
(Loss)/profit before tax	4	(18,743)	7,126
Income tax credit/(expense)	5	<u>230</u>	<u>(1,783)</u>
(Loss)/profit for the year		(18,513)	5,343
Other comprehensive (loss)/income, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(5)</u>	<u>193</u>
Total comprehensive (loss)/income for the year		<u>(18,518)</u>	<u>5,536</u>

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

For the year ended 31 December 2023

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(18,173)	4,452
Non-controlling interests		<u>(340)</u>	<u>891</u>
		<u>(18,513)</u>	<u>5,343</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(18,178)	4,645
Non-controlling interests		<u>(340)</u>	<u>891</u>
		<u>(18,518)</u>	<u>5,536</u>
(Loss)/earnings per share			
	7		
Basic (HK cents)		<u>(3.03)</u>	<u>0.74</u>
Diluted (HK cents)		<u>(3.03)</u>	<u>0.74</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		7,580	9,143
Computer software		191	267
Deposits placed in life insurance policies	8	–	5,352
Right-of-use assets		20,989	46,570
Interest in an associate		–	–
Interest in a joint venture		1,049	1,529
Deferred tax assets		616	171
Goodwill		–	61
Rental and other deposits	9	5,990	1,275
		<hr/> 36,415	<hr/> 64,368
Current assets			
Inventories		857	–
Trade receivables	9	54,778	125,942
Other receivables, deposits and prepayments	9	8,392	17,027
Amount due from a joint venture	9	1,665	884
Deposits placed in a life insurance policies	8	–	115,037
Income tax recoverable		106	–
Pledged bank deposits		16,000	17,446
Bank and cash balances		11,699	10,131
		<hr/> 93,497	<hr/> 286,467

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current liabilities			
Trade payables	<i>10</i>	24,923	55,264
Other payables and accruals	<i>10</i>	16,687	31,205
Loan from a substantial shareholder	<i>11</i>	–	10,000
Amount due to non-controlling interests		–	656
Contract liabilities		–	1,206
Bank borrowings and overdrafts		3,000	113,748
Other borrowings		–	7,070
Lease liabilities		13,773	30,488
Income tax payable		2,566	2,626
		<u>60,949</u>	<u>252,263</u>
Net current assets		<u>32,548</u>	<u>34,204</u>
Total assets less current liabilities		<u>68,963</u>	<u>98,572</u>
Non-current liabilities			
Lease liabilities		7,676	16,103
Deferred tax liabilities		40	633
		<u>7,716</u>	<u>16,736</u>
NET ASSETS		<u><u>61,247</u></u>	<u><u>81,836</u></u>
Capital and reserves			
Share capital		6,000	6,000
Reserves		54,881	73,059
		<u>60,881</u>	<u>79,059</u>
Equity attributable to owners of the Company		60,881	79,059
Non-controlling interests		366	2,777
		<u>61,247</u>	<u>81,836</u>
TOTAL EQUITY		<u><u>61,247</u></u>	<u><u>81,836</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company						(Accumulated losses)/ retained profits	Total	Non- controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share option reserve				
	HK\$'000	HK\$'000 (Note (i))	HK\$'000 (Note (ii))	HK\$'000 (Note (iii))	HK\$'000 (Note (iv))	HK\$'000 (Note (v))	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022	6,000	47,755	17,659	4,658	(627)	1,112	(2,287)	74,270	1,886	76,156
Profit for the year	-	-	-	-	-	-	4,452	4,452	891	5,343
Other comprehensive income for the year	-	-	-	-	193	-	-	193	-	193
Total comprehensive income for the year	-	-	-	-	193	-	4,452	4,645	891	5,536
Equity-settled share option arrangements	-	-	-	-	-	144	-	144	-	144
Share option lapsed	-	-	-	-	-	(894)	894	-	-	-
	-	-	-	-	-	(750)	894	144	-	144
At 31 December 2022 and 1 January 2023	6,000	47,755	17,659	4,658	(434)	362	3,059	79,059	2,777	81,836
Loss for the year	-	-	-	-	-	-	(18,173)	(18,173)	(340)	(18,513)
Other comprehensive loss for the year	-	-	-	-	(5)	-	-	(5)	-	(5)
Total comprehensive loss for the year	-	-	-	-	(5)	-	(18,173)	(18,178)	(340)	(18,518)
Dividend declared to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,886)	(1,886)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(195)	(195)
Capital contributed by a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	10	10
	-	-	-	-	-	-	-	-	(2,071)	(2,071)
At 31 December 2023	<u>6,000</u>	<u>47,755</u>	<u>17,659</u>	<u>4,658</u>	<u>(439)</u>	<u>362</u>	<u>(15,114)</u>	<u>60,881</u>	<u>366</u>	<u>61,247</u>

Notes:

- (i) Under the Companies Law of the Cayman Islands, share premium of the Company are available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.
- (ii) 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 Group and a former director 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.
- (iii) Other reserve represented an amount due to Mr. Cheng, being the 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.
- (iv) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (v) Share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors/employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments.

NOTES

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 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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. **HKFRSs** comprise Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and amendments to **HKFRSs** that are first effective or available for early adoption for the current accounting period of the Group. The paragraphs below provide information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(a) **New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRs 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) **Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”**

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

(c) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism**

In June 2022, the Government of the Hong Kong Special Administrative Region (the “**Hong Kong Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will come into effect from 1st May, 2025 (the “**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The Amendment Ordinance has no material impact on the Group’s LSP liability and staff cost.

(d) **New and amendments to HKFRSs issued but not yet effective**

The Group has not early applied any amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2023. The amendments to standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 — Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 — Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“ HK Int 5 (Revised) ”)	1 January 2024
Amendments to HKAS 7 and HKFRS 7 — Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Directors anticipate that the application of the above amendments to HKFRSs will not have 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 ocean freight forwarding services
- (ii) Logistics and warehousing — provision of warehousing and other ancillary logistics services
- (iii) E-commerce — provision of fulfillment services and trading of consumables through online platform

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		Logistics and	E-Commerce	Elimination	Total
	Air Freight	Ocean Freight	warehousing			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31 December 2023						
Segment revenue						
External sales	77,559	23,150	81,542	83,389	-	265,640
Inter-segment sales	1,025	127	53,875	89	(55,116)	-
	<u>78,584</u>	<u>23,277</u>	<u>135,417</u>	<u>83,478</u>	<u>(55,116)</u>	<u>265,640</u>
Segment results	<u><u>3,767</u></u>	<u><u>1,806</u></u>	<u><u>10,474</u></u>	<u><u>11,076</u></u>	<u><u>-</u></u>	<u><u>27,123</u></u>
Other income						2,908
Other gains and losses, net						(619)
Administrative and selling expenses						(41,189)
Impairment loss on trade receivables						(1,473)
Share of loss of a joint venture						(480)
Finance costs						(5,013)
Loss before tax						<u><u>(18,743)</u></u>
For the year ended 31 December 2022						
Segment revenue						
External sales	120,291	93,119	158,818	140,444	-	512,672
Inter-segment sales	2,465	1,453	75,273	28,688	(107,879)	-
	<u>122,756</u>	<u>94,572</u>	<u>234,091</u>	<u>169,132</u>	<u>(107,879)</u>	<u>512,672</u>
Segment results	<u><u>12,666</u></u>	<u><u>14,967</u></u>	<u><u>36,818</u></u>	<u><u>9,037</u></u>	<u><u>-</u></u>	<u><u>73,488</u></u>
Other income						7,846
Other gains and losses, net						1,841
Administrative and selling expenses						(69,216)
Impairment loss on trade receivables						(1,575)
Share-based payment expenses						(144)
Share of profit of a joint venture						713
Finance costs						(5,827)
Profit before tax						<u><u>7,126</u></u>

Segment results mainly represented (loss)/profit before tax earned by each segment without allocation of other income, net other gains and losses, administrative and selling expenses, share-based payment expenses, impairment loss on trade receivables, share of (loss)/profit of a joint venture and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

The Group's operations are substantially located in Hong Kong and the Group's assets and liabilities are substantially located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax has been arrived at after charging the following:

	2023	2022
	HK\$'000	HK\$'000
Auditor's remuneration		
— Audit services	845	850
— Non-audit services	50	—
Amortisation of computer software	80	149
Depreciation of property, plant and equipment	3,832	4,127
Depreciation of right-of-use assets	31,627	35,169
Cost of inventories sold	29	20
Expenses relating to short-term lease	3,243	6,259
Impairment loss on trade receivables	1,473	1,575
Impairment loss on inventories	—	350
Directors' remuneration	4,355	6,862
Other staff costs		
Salaries, bonus and allowances	42,706	51,457
Retirement benefits scheme contributions	1,846	2,144
Share-based payment expenses	—	78
	<hr/>	<hr/>
Total staff costs	48,907	60,541
	<hr/> <hr/>	<hr/> <hr/>

5. INCOME TAX (CREDIT)/EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax		
— Current tax	40	2,702
— Under/(over)-provision in prior years	233	(601)
	<u>273</u>	<u>2,101</u>
Deferred tax	(503)	(318)
	<u>(230)</u>	<u>1,783</u>

Under the two-tiered Hong Kong Profits Tax regime, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Hong Kong Profits Tax regime will continue to be taxed at a rate of 16.5%.

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 applicable tax rate of the group entities established in the PRC is 25%. No provision for taxation for group entities established in the PRC has been made in the consolidated financial statements as the Group did not generate any assessable income in the PRC for both years.

6. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for both years, nor has any dividend been proposed since the end of the reporting period.

7. (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of the basic (loss)/earnings per share is based on the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings attribute to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(18,173)	4,452
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>600,000</u>	<u>600,000</u>

(b) Diluted

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Company's outstanding share options for the years ended 31 December 2023 and 2022 did not give rise to any dilution effect to the basic (loss)/earnings per share.

8. DEPOSITS PLACED IN LIFE INSURANCE POLICIES

Reconciliation of the movement for deposits placed in life insurance policies:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At 1 January	120,389	114,650
Accrued interest earned during the year	1,703	2,953
Surrendered during the year	(122,092)	–
Change arising from change of cash flow estimates	–	2,786
	<hr/>	<hr/>
At 31 December	–	120,389
	<hr/>	<hr/>
Represents:		
Non-current portion	–	5,352
Current portion	–	115,037
	<hr/>	<hr/>
	–	120,389
	<hr/> <hr/>	<hr/> <hr/>

Two deposits were placed in life insurances policies with principal amounts of HK\$100,000,000 (“**Insurance policy A**”) and US\$644,000 (“**Insurance policy B**”) respectively. 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 Insurance policy A and 15th policy year for Insurance policy B.

The effective interest rates of Insurance policy A and Insurance policy B are 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.

Insurance policy A

The Group originally intended to hold the Insurance policy A until the end of its expected life of 15 years. During the year ended 31 December 2022, the management of the Group resolved to surrender Insurance policy A within 12 months after the end of the reporting period. The decision is in response to the increase in interest rate and the Group’s borrowings costs due to recent changes in global environment, of which could result a less favorable position for the Group to hold the Insurance policy A until the end of its expected life, and is also decided on the basis that this arrangement would optimise the capital structure through liquidity management. The management regards that such plan is still consistent with the business model for holding financial assets to receive contractual cash flows as an objective. Therefore, there is no change in the business model in respect of the Insurance policy A and the classification of the deposits placed for life insurance policies as financial assets at amortised costs is still appropriate as at 31 December 2022.

During the year ended 31 December 2023, the Group has surrendered the Insurance policies A and a gain of approximately HK\$21,000 is recognised as “Other gains and losses, net” in the profit or loss.

Insurance policy B

During FY2023, the Group further resolved to surrender the Insurance policy B as a result of deterioration in global environment. Upon the surrender of the Insurance policy B, the Group has recognised a loss of approximately HK\$904,000 as “Other gains and losses, net” in the profit or loss for the year ended 31 December 2023.

The deposits placed in life insurances policies of approximately HK\$120,389,000 were secured for the bank borrowings and overdrafts of the Group as at 31 December 2022 and was released during FY2023.

9. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	64,995	143,712
Less: Impairment loss on trade receivables	<u>(10,217)</u>	<u>(17,770)</u>
	<u>54,778</u>	<u>125,942</u>
Other receivables		
Amount due from a joint venture*	1,665	884
Rental deposits	7,615	8,556
Other prepayments and deposits	<u>6,767</u>	<u>9,746</u>
	<u>16,047</u>	<u>19,186</u>
Trade and other receivables	<u>70,825</u>	<u>145,128</u>
Analysed as:		
Current assets:		
Trade receivables	54,778	125,942
Amount due from a joint venture*	1,665	884
Other receivables, deposits and prepayments	<u>8,392</u>	<u>17,027</u>
	<u>64,835</u>	<u>143,853</u>
Non-current assets:		
Rental and other deposits	<u>5,990</u>	<u>1,275</u>
	<u>70,825</u>	<u>145,128</u>

* Amount due from a joint venture is unsecured, interest-free and repayable on demand.

The Group allows a credit period ranging from 15 to 90 days (2022: 15 to 90 days) to its air and ocean freight forwarding customers, and a credit period of 30 days (2022: 30 days) to its logistics and warehousing customers and e-commerce customers for its trade receivables.

The following is an aging analysis of trade receivables (net of allowance) presented based on invoice dates at the end of each reporting period:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 30 days	21,670	47,795
31 to 60 days	15,782	26,812
61 to 90 days	1,463	12,653
91 to 365 days	4,005	9,876
Over 365 days	11,858	28,806
	<u>54,778</u>	<u>125,942</u>

10. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	<u>24,923</u>	<u>55,264</u>
Other payables	4,895	7,337
Accruals	<u>11,792</u>	<u>23,868</u>
	<u>16,687</u>	<u>31,205</u>
Trade and other payables	<u>41,610</u>	<u>86,469</u>

The credit period on trade payables is 15 to 30 days for the years ended 31 December 2023 and 2022.

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	13,044	21,719
31 to 60 days	6,102	14,516
61 to 90 days	1,719	3,587
Over 90 days	4,058	15,442
	<u>24,923</u>	<u>55,264</u>

As at 31 December 2023 and 2022, certain banks have given performance guarantees covering the Group for payment to their major suppliers.

11. LOAN FROM A SUBSTANTIAL SHAREHOLDER

On 14 November 2022, the Company entered into a loan agreement with Million Venture Holdings Limited, a substantial shareholder of the Company, pursuant to which a substantial shareholder agreed to lend and the Company agreed to borrow an aggregated principal amount of HK\$10,000,000.

As at 31 December 2022, the loan from a substantial shareholder was secured by corporate guarantee given by certain Hong Kong subsidiaries of the Company, carries interest at 10% per annum, and was repaid in full during the year ended 31 December 2023.

BUSINESS REVIEW

Established in 1990 in Hong Kong, our Group has made significant strides in the logistics industry. As a highly regarded freight forwarding and one-stop logistics service provider, our core business revolves around offering exceptional freight forwarding services. We secure cargo space from airlines, shipping liners, general sales agents (“GSA”), and then sell it to either direct shippers or other freight forwarders who act on behalf of their shipper clients. While the majority of our customers are direct shippers, we cater to their requirements by exporting their goods from Hong Kong to various global destinations through our air and ocean freight services. We have particularly excelled in serving destinations in Asia, including Bangladesh, India, Sri Lanka, and countries along the Mekong River, such as Vietnam. In the previous year, our freight forwarding services, encompassing air and ocean freight, accounted for approximately 37.9% of our total revenue.

In addition to our core freight forwarding services, we strategically offer ancillary logistics and warehousing services, primarily at our warehouses, to meet the growing demand for customized value-added logistics solutions from our customers. Our ancillary logistics services encompass warehousing, repacking, labeling, palletizing, and local delivery within Hong Kong. By integrating these services with our core freight forwarding offerings, we have created a unique corporate identity that resonates with our shipper customers.

Since 2019, we have expanded our operations to include e-commerce fulfillment services. Through cutting-edge mobile applications, we have established a cross-border logistics platform to cater to the increasing demand for e-commerce services from the People’s Republic of China (“**PRC**”) and international clients in the United States, Europe, Canada, and Australia. This venture has grown to include procurement activities, local distribution, and fulfillment services, particularly for pharmaceutical and medical products.

Drawing on our successful and competitive experience in the logistics industry since the 1990s, our Group has steadily evolved, aiming to extend our services and seize new business opportunities by leveraging our strengths, capabilities, and business connections. We are committed to strengthening our relationships with long-term suppliers, customers from all sectors, as well as network and technology providers. With our comprehensive product portfolios and extensive cargo knowledge, we strive to foster new and prosperous business opportunities for the Group.

OUTLOOK

The economic recovery of Hong Kong faces significant challenges due to the tense geopolitical situation, high interest rates, and weak global demand. These factors have contributed to a slow recovery in the region, and uncertainties surrounding consumer demand, interest rates, and the global economy have further dampened expectations for overall demand in the first half of the year 2024.

In addition to these challenges, navigating risks such as trade protectionism, international conflicts, and forthcoming elections add complexity to the situation. However, amidst these challenges, there are also opportunities for growth and development. The Greater Bay Area (“**GBA**”) initiative has facilitated the integration of transport networks, encompassing air cargo, ground transportation, and warehousing services. This integration has resulted in rapid growth in air cargo logistics not just in Hong Kong but also in neighboring airports within the GBA. Service providers now have the opportunity to collaborate more closely and establish a strategic cooperation platform for air transport.

Moreover, the rise of online retail indicates significant potential for e-commerce to drive growth in the sector. Currently, online retail accounts for less than 20% of total retail sales worldwide, which indicates substantial room for expansion. This trend underscores the importance of adapting to the demand for integrated and specialized logistics solutions.

In line with these market dynamics, we have renewed our focus on local transportation services and warehousing management in 2024. The Group recognizes the need to adopt new technologies such as transport and warehouse management systems, big data, and analytics to enhance competitiveness in the evolving landscape. Additionally, our management remains committed to strict cost control measures and implementing pricing adjustments to increase profitability.

While the overall outlook may pose challenges, the integration of transport networks, the potential of e-commerce, and the emphasis on specialized logistics solutions offer opportunities for growth and development. We are well-positioned to navigate these dynamics and capitalize on emerging trends to drive success in 2024. The management will continuously review its business strategies, improve operational efficiency, and strive for sustainable growth to create long-term value for shareholders and investors.

FINANCIAL REVIEW

Overview

Our revenue was predominately generated from our freight forwarding services, logistics and warehousing services, and e-commerce for FY2023 and FY2022. For FY2023, our aggregated amount of revenue was approximately HK\$265.6 million, as comparing with HK\$512.7 million for FY2022. Our loss attributable to owners of the Company (the “Shareholders”) amounted to approximately HK\$18.2 million for FY2023, as comparing with profit attributable to the Shareholders of approximately HK\$4.5 million for FY2022.

Revenue and costs of sales

We generate revenue from the provision of our core freight forwarding services and our logistics and warehousing 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 decreased by 48.2% from HK\$512.7 million for FY2022 to HK\$265.6 million for FY2023, representing a decrease in revenue from various operating segments.

Revenue from air freight forwarding services decreased by HK\$42.7 million from HK\$120.3 million for FY2022 to HK\$77.6 million for FY2023, which is primarily due to the decrease in freight rates charged to our customers and air freight tonnage handled by the Group for FY2023.

Revenue from ocean freight forwarding services decreased by HK\$70.0 million from HK\$93.1 million for FY2022 to HK\$23.1 million for FY2023, which is due to the (i) recovery of shipment volume affected by the outbreak of COVID-19 pandemic and the expected economic recovery are slower than anticipated; and (ii) significant decrease in freight rates charged to customers comparing with FY2022, of which the supply from freight carriers was insufficient.

Revenue from logistics and warehousing services decreased by HK\$77.3 million from HK\$158.8 million for FY2022 to HK\$81.5 million for FY2023, due to the completion of our engagement by the Hong Kong Government to distribute anti-epidemic service bags and electronic wristbands in January 2023.

Revenue from e-commerce decreased by HK\$57.0 million from HK\$140.4 million for FY2022 to HK\$83.4 million for FY2023, which was due to a change of operating model with certain major customers of the Group of this segment.

Cost of sales and gross profit

Cost of sales decreased by 45.7% from HK\$439.2 million for FY2022 to HK\$238.5 million for FY2023. The decrease was mainly due to reduction of (i) direct costs due to decrease in shipment volume and number of orders received in each of our core segments; and (ii) control of temporary workers costs due to improvement of production efficiency of our warehouse staff.

Gross profit and gross profit margin by business segment

Gross profit decreased by 63.1% from HK\$73.5 million for FY2022 to HK\$27.1 million for FY2023 due to the decreased in revenue and the decrease in gross profit margin from various operating segments.

Gross profit margin decreased by 4.1% from 14.3% for FY2022 to 10.2% for FY2023.

Gross profit from freight forwarding services decreased by 79.8% from HK\$27.6 million for FY2022 to HK\$5.6 million for FY2023. The decrease in gross profit from freight forwarding services was resulted from the (i) decrease in air freight tonnage and ocean freight shipment volume as the recovery of these shipments volume, which was previously affected by the outbreak of COVID-19 pandemic and economic downturn, was slower than anticipated; (ii) decrease in freight rates charged to customers; and (iii) decrease in gross profit margin due to the increase in direct costs, including fuels and other forwarding costs.

Gross profit from logistics and warehousing services decreased by 71.6% from HK\$36.8 million for FY2022 to HK\$10.5 million for FY2023. The decrease in gross profit from logistics and warehousing services was mainly due to the completion of the Group's engagement to distribute the anti-epidemic service bags and electronic wristbands by the Hong Kong Government in January 2023.

Despite the above, the gross profit from e-commerce fulfillment services increased by 22.6% from HK\$9.0 million for FY2022 to HK\$11.1 million for FY2023, which is contributed from our improved customers mix with higher margin and improvement in our rates charged to customers.

Other gains and losses, net

Net other gains and losses mainly comprised loss on surrender of life insurance policies of HK\$0.9 million and net exchange loss of HK\$0.6 million, which outweighs a gain from disposal of right-of-use assets of HK\$0.8 million for FY2023.

Administrative and selling expenses

Administrative and selling expenses decreased by approximately HK\$28.0 million from HK\$69.2 million for FY2022 to HK\$41.2 million for FY2023. The decrease in administrative expenses was primarily due to the (i) decrease in legal and professional fees for FY2023 due to the absence of the professional fees for on-going litigation for FY2023; (ii) decrease in staff salaries and allowances due to the decrease in the number of employees for FY2023; and (iii) decrease in overall spending through cost control initiatives.

(Loss)/profit attributable to owners

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of HK\$18.2 million for FY2023, as compared to a profit attributable to the owners of the Company of HK\$4.5 million for FY2022.

The loss attributable to owners of the Company for FY2023 was mainly resulted from the (i) decrease in gross profit from air and ocean freight forwarding services as the recovery of air freight tonnage and ocean freight shipment volume, which was previously affected by the outbreak of COVID-19 pandemic and economic downturn, was slower than anticipated, which led to a decrease in freight rates charged to the Group's customers; (ii) decrease in gross profit and gross profit margin from logistics and warehousing services due to the completion of the Group's engagement to distribute the anti-epidemic service bags and electronic wristbands by the Hong Kong Government in January 2023; (iii) loss on surrender of life insurance policies; and (iv) absence of the subsidies granted by the Hong Kong Government under the Employment Support Scheme under the Antiepidemic Fund for FY2023.

Notwithstanding the above, the Group recorded (i) an increase in gross profit from ecommerce fulfillment services; and (ii) a decrease in administrative and selling expenses, which is primarily due to the decrease in legal and professional fees for the FY2023 as there were no longer any professional fees paid or payable for on-going litigation, and the decrease in salaries and allowances due to the decrease in the number of employees for FY2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group operates a conservative set of funding and treasury policies to preserve the value of the Group's assets and ensure that no unnecessary risk is taken with respect to the Group's assets. No financial instruments other than bank deposits were held by the Group during FY2023.

As at 31 December 2023, the Group had cash and cash equivalents, which consists of bank and cash balances, net with bank overdrafts, of approximately HK\$11.7 million (2022: approximately HK\$8.4 million). Most of the Group's cash and bank deposits were denominated in HK\$ and USD. The current ratio of the Group as at 31 December 2023 was 1.53 times as compared to that of 1.14 times as at 31 December 2022, which is due to our improvement in working capital management for FY2023.

The gearing ratio of the Group, which is calculated based on the total obligations under bank borrowings and overdrafts, other borrowing, and loan from a substantial shareholder divided by total equity at the end of the year and multiplied by 100%, has decreased to 4.9% as at 31 December 2023 from 159.9% as at 31 December 2022. The decrease is mainly due to repayment of bank borrowings of approximately HK\$110.7 million after surrendering our life insurance policies, as well as repayments of loan from a substantial shareholder and other borrowings during FY2023. With available bank balances, bank and cash, and credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL COMMITMENT

As at 31 December 2023, the Group did not have any material capital commitment (2022: Nil).

CAPITAL STRUCTURE

There had been no change in the Company's capital structure during FY2023. 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.

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

The total interest-bearing bank borrowings and overdrafts of the Group amounted to approximately HK\$3.0 million as at 31 December 2023 (2022: approximately HK\$113.7 million). All bank borrowings and overdrafts made by the Group were denominated in HK\$ and none of the bank borrowings were at a fixed interest rate. As at 31 December 2023, all bank borrowings of the Group were at floating interest rates with reference to the Hong Kong Interbank Offered Rate (HIBOR). The maturity profile of the bank borrowings and overdrafts of the Group is as follows:

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
Within one year or on demand	3,000	113,748

As at 31 December 2023, the Group had certain charges on assets which included bank deposits of HK\$16.0 million pledged as collateral for the Group's bank borrowings and facilities.

As at 31 December 2022, 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 to a bank for an amount of approximately HK\$120.4 million pledged as collateral for the Group's bank borrowings and facilities.

The Group had no material contingent liabilities as at 31 December 2023 (2022: nil).

MATERIAL ACQUISITIONS AND DISPOSAL

During FY2023, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in HK\$ and USD, and the Directors consider the impact of foreign exchange exposure to the Group is minimal since HK\$ is pegged to USD. The Group currently does not have a foreign currency hedging policy. The management will consider hedging significant currency exposure should the need arise. As at 31 December 2023, the Group did not have any financial instruments for hedging purposes or any foreign currency investments which were hedged by currency borrowings and other hedging instruments. However, the management monitors foreign exchange exposure closely to keep the net exposure at an acceptable level.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group employed 138 (31 December 2022: 179) full time employees. The staff costs, including the Directors' emoluments, of the Group were HK\$48.9 million for FY2023 (FY2022: HK\$60.5 million), which represents a decrease of 19.2% compared with FY2022. The decrease is primary due to decrease in number of staff as compared with FY2022. The employee's remuneration is determined based on factors such as their performance, qualification, position, duty, contributions, years of experience and local market conditions, which is normally reviewed on an annual basis. Apart from salary payments, staff are also entitled to other staff benefits such as continuing education subsidies, provident fund contributions, medical insurance coverage, annual leave, discretionary bonus and share options which may be granted under the share option scheme adopted by the Company. The Group also provides induction and other on-the-job trainings to employees on a regular basis.

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the investment in its subsidiaries by the Company, the Group did not have any significant investments held as at 31 December 2023. The Group did not have any plans for material investments or capital assets as at 31 December 2023.

During FY2023, the Group had the following significant investment:

Insurance

In July 2018, Janco Global Logistics Limited ("**Janco Global**"), a wholly-owned 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. For the background and key terms of the China Taiping Insurance, please refer to the Company's announcement dated 3 January 2020.

On 13 September 2023, the Company has surrendered the China Taiping Insurance. For details, please refer to the Company's announcement dated 14 September 2023. Upon the surrender of the China Taiping Insurance, the Company recorded a realised loss of approximately HK\$0.8 million on the value of the China Taiping Insurance.

The following table sets forth the movements of the China Taiping Insurance during FY2023:

	Carrying amount as at 1 January 2023 <i>HK\$'000</i>	Accrued interest earned during the year <i>HK\$'000</i>	Surrendered during the year <i>HK\$'000</i>	Carrying amount as at 31 December 2023 <i>HK\$'000</i>	Percentage to the Group's total assets as at 31 December 2023
China Taiping Insurance	<u>115,037</u>	<u>1,703</u>	<u>(116,740)</u>	<u>–</u>	<u>N/A</u>

After the surrender of the China Taiping Insurance the Group had no insurance policy which would classify as material investments.

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 C1 (formerly 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 the Audit Committee, the Nomination Committee and the Remuneration Committee with specific written terms of reference. During FY2023, the Company had complied with all the code provisions of the CG Code.

CORPORATE CULTURE

The Group recognises that a good corporate culture is vital to its corporate governance and has gradually developed a pragmatic and prudent corporate culture since its establishment, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group. The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. In order to establish a healthy corporate culture and promote high ethical standards within the Group, the Group has established an anti-corruption policy and an whistle-blowing policy, which set outs, including but not limited to, (i) the types of breaches and conduct issues, and the personnel to which the policies apply; (ii) declaration of conflicting interests mechanisms; (iii) responsibilities of the relevant department(s) of the Group; (iv) consequences for breaching the relevant policies; and (v) whistle-blowing policy, with an aim to encourage our employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policy, laws, rules, regulations, general practice of financial reporting and internal control.

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 FY2023.

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 FY2023, 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.

DISSEMINATION OF CORPORATE COMMUNICATIONS

Pursuant to new Rule 16.04A of the GEM Listing Rules and the articles of association of the company (“**Articles**”), the Company has adopted the arrangements to disseminate the future Corporate Communications (as defined under the GEM Listing Rules) of the Company to the Shareholders electronically and only send corporate communications in printed form to the Shareholders upon request. In this connection, the following arrangements have become effective from 31 December 2023:

1. Actionable Corporation Communications

The Company will send the Actionable Corporate Communications (as defined under the GEM Listing Rules) to Shareholders individually in electronic form by email. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will send the Actionable Corporate Communication in printed form together with a request form for soliciting the Shareholder’s functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

2. Corporate Communications

The Company will make the Corporate Communications available on its website (www.jancofreight.com) and the Stock Exchange’s website (www.hkexnews.hk).

A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Corporate Communications.

For those Shareholders who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company’s website, the Company will, upon receipt of request in writing by the Shareholder to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to 8035-ecom@hk.tricorglobal.com, send future Corporate Communications and/or the relevant Actionable Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

Shareholders are encouraged to provide their up-to-date contact details (including electronic contact details) to the Hong Kong branch share registrar of the Company in order to facilitate timely and effective communications.

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

During FY2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

DIVIDEND

The Board resolved not to declare any final dividend for FY2023. No dividend was paid or proposed for Shareholders of the Company for FY2023 (2022: Nil), nor has any dividend been proposed since the end of the reporting period.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the “**2024 AGM**”) of the Company is scheduled to be held on Friday, 21 June 2024. A notice convening the 2024 AGM will be issued and despatched to the Shareholders according to the Articles.

The register of members of the Company will be closed from Tuesday, 18 June 2024 to Friday, 21 June 2024 (both dates inclusive), the period during which no transfer of shares may be effected for the purpose of determining the Shareholders who are entitled to attend and vote at the 2024 AGM. In order to be eligible to attend and vote at the 2024 AGM, all transfer forms accompanied by the relevant share certificate(s) should be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 17 June 2024.

REVIEW BY 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. Chan William, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai, with Mr. Moy Yee Wo Matthew being the chairman. The Audit Committee has reviewed the audited consolidated financial statements of the Group for FY2023 and is of the view that the preparation of such financial statements complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"), to the amounts set out in the Group's audited consolidated financial statements for FY2023. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2023 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.jancofreight.com) and the website of the Stock Exchange (www.hkexnews.hk). The 2023 annual report of the Company will be issued and made available on the above websites according to the GEM Listing Rules by April 2024.

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 FY2023.

By order of the Board
Janco Holdings Limited
Tam Tsz Yeung Alan
Chairman

Hong Kong, 22 March 2024

As at the date of this announcement, the executive Directors are Mr. Heung Ka Lok, Mr. Lai Chung Wing and Mr. Lo Wai Wah, the non-executive Directors are Mr. Tam Tsz Yeung Alan (Chairman), and Mr. Liang Yuxi, and the independent non-executive Directors are Mr. Chan William, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai.

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

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