



Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035

INTERIM REPORT 2024



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*This report, 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 report 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 report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors (NEDs)

Mr. Tam Tsz Yeung Alan (*Chairman*)
Mr. Liang Yuxi
Ms. Cheung Man Yee Kara
(resigned on 1 March 2024)

Executive Directors (EDs)

Mr. Heung Ka Lok
(*Financial Controller*)
Mr. Lai Chung Wing
Mr. Lo Wai Wah
(appointed on 1 March 2024)
Mr. Cheng Tak Yuen
(resigned on 1 March 2024)

Independent Non-Executive Directors (INEDs)

Mr. Chan William
Mr. Moy Yee Wo Matthew
Mr. Yu Kwok Fai

COMPANY SECRETARY

Mr. Chung Kiu Pan

COMPLIANCE OFFICER

Mr. Cheng Tak Yuen
(resigned on 1 March 2024)

AUTHORISED REPRESENTATIVES

Mr. Heung Ka Lok
(appointed on 1 March 2024)
Mr. Chung Kiu Pan
Mr. Cheng Tak Yuen
(resigned on 1 March 2024)

BOARD COMMITTEES

Audit Committee

Mr. Moy Yee Wo Matthew (*Chairman*)
Mr. Chan William
Mr. Yu Kwok Fai

Remuneration Committee

Mr. Yu Kwok Fai (*Chairman*)
Mr. Chan William
Mr. Moy Yee Wo Matthew

Nomination Committee

Mr. Chan William (*Chairman*)
Mr. Moy Yee Wo Matthew
Mr. Yu Kwok Fai

REGISTERED OFFICE

Cricket Square,
Hutchins Drive,
PO Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1608, 16th Floor,
Tower A, Manulife Financial Centre,
No. 223 Wai Yip Street,
Kwun Tong, Kowloon,
Hong Kong

HONG KONG LEGAL ADVISER

ONC Lawyers
19th Floor, Three Exchange Square,
8 Connaught Place,
Central,
Hong Kong

AUDITOR

McMillan Woods (Hong Kong) CPA
Limited
Certified Public Accountants
24/F., Siu On Centre,
188 Lockhart Road,
Wanchai,
Hong Kong

COMPANY'S WEBSITE

www.jancofreight.com

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman)
Limited
Cricket Square,
Hutchins Drive,
PO Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited
1 Queen's Road Central,
Hong Kong

The Bank of East Asia, Limited
38th Floor, BEA Tower,
Millennium City 5,
418 Kwun Tong Road,
Kowloon,
Hong Kong

STOCK CODE

8035

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present that the unaudited financial results of the Group for the six months ended 30 June 2024 (the “**Period**”), together with the corresponding comparative figures, as follows. The financial results have been approved by the Board.

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

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Notes</i>	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	4	125,692	131,430
Cost of sales		(114,440)	(118,872)
Gross profit		11,252	12,558
Other income		364	1,777
Other gains and (losses), net		147	(97)
Administrative and selling expenses		(17,946)	(19,695)
Impairment loss on trade receivables		–	(91)
Finance costs		(1,952)	(3,362)
Share of loss of a joint venture		(124)	(151)
Loss before tax		(8,259)	(9,061)
Income tax	5	261	(257)
Loss for the period		(7,998)	(9,318)
Other comprehensive loss:			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		(35)	(7)
Total comprehensive loss for the period		(8,033)	(9,325)

		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Notes			
	(Loss)/profit for the period attributable to:		
	owners of the Company	(7,999)	(9,115)
	non-controlling interests	1	(203)
		(7,998)	(9,318)
	Total comprehensive (loss)/income for the period attributable to:		
	owners of the Company	(8,034)	(9,122)
	non-controlling interests	1	(203)
		(8,033)	(9,325)
	Loss per share:		
	— basic (HK cents)	(1.33)	(1.52)
	— diluted (HK cents)	(1.33)	(1.52)
		8	
		8	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	6,047	7,580
Computer software	9	166	191
Right-of-use assets	10	58,102	20,989
Interest in an associate		–	–
Interest in a joint venture		926	1,049
Deferred tax assets		616	616
Rental and other deposits	11	7,522	5,990
		73,379	36,415
Current assets			
Inventories		536	857
Trade receivables	11	48,765	54,778
Other receivables, deposits and prepayments	11	7,748	8,392
Amount due from a joint venture	11	1,743	1,665
Income tax recoverable		–	106
Pledged bank deposits	12	17,329	16,000
Bank and cash balances		10,458	11,699
		86,579	93,497
Current liabilities			
Trade payables	13	20,949	24,923
Other payables and accruals	13	17,542	16,687
Bank borrowings	14	8,200	3,000
Lease liabilities		27,990	13,773
Income tax payable		1,536	2,566
		76,217	60,949
Net current assets		10,362	32,548
Total assets less current liabilities		83,741	68,963

	At 30 June 2024	At 31 December 2023
<i>Notes</i>	HK\$'000 (unaudited)	<i>HK\$'000 (audited)</i>
Non-current liabilities		
Lease liabilities	30,487	7,676
Deferred tax liabilities	40	40
	30,527	7,716
NET ASSETS		
	53,214	61,247
Capital and reserves		
Share capital	6,000	6,000
Reserves	46,847	54,881
Equity attributable to owners of the Company	52,847	60,881
Non-controlling interests	367	366
TOTAL EQUITY	53,214	61,247

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share option reserve	(Accumulated losses)/retained profits	Total	Non-controlling interest	Total equity
	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 2024 (audited)	6,000	47,755	17,659	4,658	(439)	362	(15,114)	60,881	366	61,247
Total comprehensive (loss)/income for the period	-	-	-	-	(35)	-	(7,999)	(8,034)	1	(8,033)
At 30 June 2024 (unaudited)	6,000	47,755	17,659	4,658	(474)	362	(23,113)	52,847	367	53,214
At 1 January 2023 (audited)	6,000	47,755	17,659	4,658	(434)	362	3,059	79,059	2,777	81,836
Total comprehensive loss for the period	-	-	-	-	(7)	-	(9,115)	(9,122)	(203)	(9,325)
At 30 June 2023 (unaudited)	6,000	47,755	17,659	4,658	(441)	362	(6,056)	69,937	2,574	72,511

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 comprises (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.
- (iii) 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.
- (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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	10,468	21,573
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(1,779)	8,030
NET CASH USED IN FINANCING ACTIVITIES	(9,895)	(27,594)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,206)	2,009
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(35)	(7)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	11,699	10,131
CASH AND CASH EQUIVALENTS AT 30 JUNE	10,458	12,133
Analysis of cash and cash equivalents: Bank balances and cash	10,458	12,133

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on GEM of the Stock Exchange by way of placing on 7 October 2016.

The Company is an investment holding company. The principal activities of its subsidiaries include (i) provision of air and ocean freight forwarding services; (ii) provision of logistics and warehousing services; and (iii) provision of e-commerce fulfillment services and others.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of this interim report.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

For the Period, 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 Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

4. 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, for the purposes of allocating resources and assessing performance.

Specifically, the Group’s reportable and 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.

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:

For the six months ended 30 June 2024 (unaudited)

	Freight forwarding		Logistics and warehousing HK\$'000	E-commerce HK\$'000	Elimination HK\$'000	Total HK\$'000
	Air freight HK\$'000	Ocean freight HK\$'000				
Segment revenue						
External sales	43,979	14,658	42,771	24,284	-	125,692
Inter-segment sales	371	58	12,772	-	(13,201)	-
	44,350	14,716	55,543	24,284	(13,201)	125,692
Segment results	3,304	1,189	5,079	1,680	-	11,252
Other income						364
Other gains and (losses), net						147
Administrative and selling expenses						(17,946)
Finance costs						(1,952)
Share of loss of a joint venture						(124)
Loss before tax						(8,259)

For the six months ended 30 June 2023 (unaudited)

	Freight forwarding		Logistics and warehousing HK\$'000	E-commerce HK\$'000	Elimination HK\$'000	Total HK\$'000
	Air freight HK\$'000	Ocean freight HK\$'000				
Segment revenue						
External sales	33,941	12,170	42,674	42,645	-	131,430
Inter-segment sales	480	56	32,918	86	(33,540)	-
	34,421	12,226	75,592	42,731	(33,540)	131,430
Segment results	1,683	1,354	4,351	5,170	-	12,558
Other income						1,777
Other gains and (losses), net						(97)
Impairment loss on trade receivables						(91)
Administrative and selling expenses						(19,695)
Finance costs						(3,362)
Share of loss of a joint venture						(151)
Loss before tax						(9,061)

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

Timing of revenue recognition

	Freight forwarding		Logistics and warehousing HK\$'000	E-Commerce HK\$'000	Total HK\$'000
	Air Freight HK\$'000	Ocean Freight HK\$'000			
For the six months ended 30 June 2024 (unaudited)					
At a point in time	-	-	-	11	11
Overtime	43,979	14,658	42,771	24,273	125,681
	43,979	14,658	42,771	24,284	125,692
For the six months ended 30 June 2023 (unaudited)					
At a point in time	-	-	-	81	81
Overtime	33,941	12,170	42,674	42,564	131,349
	33,941	12,170	42,674	42,645	131,430

5. INCOME TAX

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Hong Kong Profits Tax:		
Over/(under)-provisions in prior years	261	(231)
Deferred tax	-	(26)
	261	(257)

For the Period and six months ended 30 June 2023, Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, 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%.

No provisions for Hong Kong Profits Tax have been recognised in the unaudited condensed consolidated financial statements for the Period and six months ended 30 June 2023 as the Group did not generate any assessable profits in Hong Kong for both periods.

6. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Loss for the period has been arrived at after charging:		
Amortisation of computer software	33	74
Depreciation of property, plant and equipment	1,595	2,057
Depreciation of right-of-use assets	15,232	16,646
Loss on surrender of a life insurance policy	–	903
Directors' remuneration	2,081	2,003
Other staff costs		
Salaries, bonus and allowances	16,981	25,058
Retirement benefits scheme contributions	762	983
Total staff costs	19,824	28,044

7. DIVIDENDS

No dividends were paid, declared or proposed for the Period and six months ended 30 June 2023. The Directors have determined that no dividend will be paid in respect of the Period.

8. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Loss		
Loss for the period attributable to the owners of the Company	7,999	9,115
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	600,000,000	600,000,000

The effect of the Company's outstanding share options for the Period did not give rise to any dilution effect to the loss per share.

9. PROPERTY, PLANT AND EQUIPMENT AND COMPUTER SOFTWARE

During the Period, the Group recognised additions of property, plant and equipment and computer software with an aggregate amount of HK\$203,000 (six months ended 30 June 2023: HK\$2,451,000).

10. RIGHT-OF-USE ASSETS

During the Period, the Group entered into certain new lease agreements for use of properties for 2 to 3 years (six months ended 30 June 2023: 2 years). The Group is required to make fixed monthly payments.

On commencement of these leases, the Group recognised additions of right-of-use assets and lease liabilities with an aggregated amount of HK\$51,898,000 (six months ended 30 June 2023: HK\$8,411,000) each relating to these new leases.

During the Period, the Group also recognised additions of right-of-use assets and lease liabilities for use of motor vehicles of HK\$1,696,000 (six months ended 30 June 2023: nil).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Trade receivables	48,765	54,778
Other receivables		
Other receivables, deposits and prepayments	5,784	6,767
Rental deposits	9,486	7,615
Amount due from a joint venture*	1,743	1,665
	17,013	16,047
Trade and other receivables	65,778	70,825
Analysed as:		
Current assets:		
Trade receivables	48,765	54,778
Other receivables, prepayments and deposits	7,748	8,392
Amount due from a joint venture*	1,743	1,665
	58,256	64,835
Non-current assets:		
Rental and other deposits	7,522	5,990
	65,778	70,825

* 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 (31 December 2023: 15 to 90 days) to its air and ocean freight forwarding customers and a credit period of 30 days (31 December 2023: 30 days) to its logistics and warehousing and e-commerce customers.

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

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
0 to 30 days	18,877	21,670
31 to 60 days	9,258	15,782
61 to 90 days	3,811	1,463
91 to 365 days	4,712	4,005
Over 365 days	12,107	11,858
	48,765	54,778

12. PLEDGED BANK DEPOSITS

As at 30 June 2024 and 31 December 2023, the pledged bank deposits represented deposits pledged to banks to secure certain short-term banking facilities granted to the Group and were therefore classified as current assets. The pledged bank deposits would be released upon settlement of the relevant bank borrowings. The pledged bank deposits carry fixed interest at rates ranging from 3.5% to 3.7% (31 December 2023: 4.1%) per annum.

13. TRADE AND OTHER PAYABLES

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade payables	20,949	24,923
Other payables	5,091	4,895
Accruals	12,451	11,792
	17,542	16,687
Trade and other payables	38,491	41,610

The credit period on trade payables is 15 to 30 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
0 to 30 days	10,196	13,044
31 to 60 days	6,163	6,102
61 to 90 days	1,939	1,719
Over 90 days	2,651	4,058
	20,949	24,923

As at 30 June 2024 and 31 December 2023, certain banks have given performance guarantees covering the Group for payment to certain of the Group's major suppliers.

14. BANK BORROWINGS

During the Period, the Group had additions of new bank borrowings with an aggregate amount of HK\$5,200,000 (six months ended 30 June 2023: repayments of HK\$3,748,000).

As at 30 June 2024, the effective interest rate of bank borrowings is ranging from 6.44% to 6.78% (31 December 2023: 7.83%) per annum.

As at 30 June 2024 and 31 December 2023, the bank borrowings are secured by:

- (i) pledged bank deposits of HK\$17,329,000 (31 December 2023: HK\$16,000,000); and
- (ii) corporate guarantee by the Company and certain subsidiaries.

15. SHARE CAPITAL

	Number of ordinary Shares	Amount <i>HK\$'000</i>
Ordinary Shares of HK\$0.01 each		
Authorised:		
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	1,500,000,000	15,000
Issued and fully paid:		
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	600,000,000	6,000

16. RELATED PARTY TRANSACTIONS

Summary of significant related party transactions

The following is a summary of significant related party transactions, which were carried out in the normal course of the Group's business:

	Six months ended	
	30 June 2024 <i>HK\$'000</i> (unaudited)	30 June 2023 <i>HK\$'000</i> (unaudited)
Interest expense on loan from a substantial shareholder	–	611

Note:

Interest expenses charged by Million Venture Holdings Limited, a substantial shareholder of the Company, on a loan from a substantial shareholder.

MANAGEMENT DISCUSSION AND ANALYSIS

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 for 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 46.7% 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 Hong Kong economy faces significant challenges in 2024 due to geopolitical tensions, high interest rates and weak global demand. These factors have contributed to a slow recovery and uncertainties on consumer demand and interest rates, which further dampened expectations on the global economy for the first half of the year.

Navigating through the risks such as trade protectionism, international conflicts, and forthcoming elections in main economies adds complexity to the business environment. However, the Greater Bay Area (“**GBA**”) initiative has facilitated the integration of transport networks, which results in rapid growth in air cargo logistics across the region. This integration has presented opportunities for service providers to collaborate and establish strategic cooperation platforms.

Moreover, the rise of online retail represents a substantial potential for e-commerce to drive growth in the logistics sector, as online sales currently account for less than 20% of total retail value worldwide. This trend underscores the importance of adapting to the demand for integrated and specialized logistics solutions.

In response to these evolving market dynamics, our Group has reinforced its commitment to local delivery and warehousing management services in 2024. We have recognized the need to adopt advanced technologies, such as transport and warehouse management systems, big data analytics and other digital solutions to enhance our competitiveness over other market players.

Furthermore, our management team remains committed to implement strict cost control measures and strategic pricing adjustments to drive profitability improvements. We have successfully secured new contracts with reputable clients, including the Hospital Authority, which is expected to contribute to the revenue of the Group in the second half of 2024. By leveraging technology, optimizing costs, and expanding our client base, we are confident in our ability to strengthen the Group's market position and deliver sustainable growth in the business of the Group in the years ahead.

FINANCIAL REVIEW

Revenue and costs of sales

Our revenue is generated from provision of our core services including air and ocean freight forwarding services, logistics and warehousing services, and e-commerce related services. The revenue recorded represents the fair value of the consideration received or receivable for services we provided to our customers in our normal course of business and is net of discounts.

Revenue of the Group decreased by 4.4% from HK\$131.4 million for the six months ended 30 June 2023 to HK\$125.7 million for the Period. During the Period, the Group recognised an increase in revenue from air freight forwarding, ocean freight forwarding, and logistics and warehousing services, which is outweighed by a decrease in revenue from e-commerce.

Revenue from air freight forwarding services increased by HK\$10.1 million from HK\$33.9 million for the six months ended 30 June 2023 to HK\$44.0 million for the Period, which is due to (i) increase in air freight tonnage handled by the Group arising from our chartered flight freight forwarding services during the Period; and (ii) increase in air freight rates charged to our customers due to insufficient supply of air cargo spaces in the market.

Revenue from ocean freight forwarding services increased by HK\$2.5 million from HK\$12.2 million for the six months ended 30 June 2023 to HK\$14.7 million for the Period, which is due to increase in our rates charged to our customers with reference to market rate, but is partially offset with the decrease in ocean freight shipment volume handled by the Group due to keen competition.

Revenue from logistics and warehousing services slightly increased by HK\$0.1 million from HK\$42.7 million for the six months ended 30 June 2023 to HK\$42.8 million for the Period. There is no material changes in revenue from logistics and warehousing services for the Period as compared with that of the six months ended 30 June 2023.

Revenue from e-commerce decreased by HK\$18.3 million from HK\$42.6 million for the six months ended 30 June 2023 to HK\$24.3 million for the Period, which is due to decrease in number of orders placed by these customers in respect of our warehouse operating services dues to changes in their market strategies.

Cost of sales decreased by 3.8% from HK\$118.9 million for the six months ended 30 June 2023 to HK\$114.4 million for the Period. The decrease is primary from (i) decrease in direct operating expenses by revisiting the cost structure and the capacity of our workforce in order to reduce the expenses under the current market conditions; (ii) save variable manpower and number of talents we invest to our projects by reallocating the work tasks and procedures to improve efficiency of our workforce, and to achieve a more viable financial plan; (iii) negotiate with landlords and reduce lease expenses by cutting down unutilised warehouse storage capacity; and (iv) continuously monitor and control the costs and resources we invest to the projects in order to save for general costs, which bring relatively less benefit to our services.

Gross profit and gross profit margin by business segment

Gross profit decreased by 10.3% from HK\$12.6 million for the six months ended 30 June 2023 to HK\$11.3 million for the Period, which is due to decrease in revenue and gross profit margin from various operating segments, which is partially offset by the decrease in costs of sales from various costs containment aspects as mentioned in the preceding section during the Period.

Gross profit margin decreased by 0.6 percentage points from 9.6% for the six months ended 30 June 2023 to 9.0% for the Period.

During the Period, the Group recognised increase in gross profit from air freight forwarding and logistics and warehousing services, with a decrease in gross profit from ocean freight forwarding services and e-commerce.

Gross profit from air freight forwarding services increased by 96.2% from HK\$1.7 million for the six months ended 30 June 2023 to HK\$3.3 million for the Period, which is due to increase in revenue arising from increased air freight tonnage volume handled by the Group and the air freight rates charged to customers during the Period.

Gross profit from logistics and warehousing services increased by 16.7% from HK\$4.4 million for the six months ended 30 June 2023 to HK\$5.1 million for the Period, which is primary dues to (i) the increase in revenue from increased average warehouse storage volume lease out to our customers; and (ii) save for costs and resources invest to the projects, including workforce and warehouse capacity, and realign these spendings with current demand.

Gross profit from ocean freight forwarding services decreased by 12.2% from HK\$1.4 million for the six months ended 30 June 2023 to HK\$1.2 million for the Period. The decrease was mainly resulted from decrease in ocean freight shipment volume handled by the Group due to keen competition.

Gross profit from e-commerce decreased by 67.5% from HK\$5.2 million for the six months ended 30 June 2023 to HK\$1.7 million for the Period, which is due to drop in revenue due to decrease in number of orders placed for handling services by certain major customers. The effect is partially offset by the reduction of costs of sales by (i) reallocating the work tasks and procedures to improve efficiency of our workforce, and save variable manpower and number of talents we invest to these projects; and (ii) continuously monitor and control the costs and resources we invest to the projects which bring less benefit to our services in order to save for general costs.

Other income

Other income decreased by HK\$1.4 million from HK\$1.8 million for the six months ended 30 June 2023 to HK\$0.4 million for the Period. The decrease was mainly due to decrease of interest income from deposits placed for life insurance policies, the underlying deposits of which were released upon surrender of these life insurance policies during the year ended 31 December 2023.

Other gains and losses, net

For the Period, net other gains and losses mainly comprises a gain on early termination of a lease of HK\$0.2 million, which is offset by a loss on disposal of property, plant and equipment of HK\$0.1 million.

For the six months ended 30 June 2023, net other gains and losses mainly comprised loss on surrender of a life insurance policy of HK\$0.9 million, which outweighs a gain from disposal of property, plant and equipment and right-of-use assets of HK\$0.7 million for that period.

Administrative and selling expenses

Administrative and selling expenses decreased by HK\$1.8 million from HK\$19.7 million for the six months ended 30 June 2023 to HK\$17.9 million for the Period. The decrease in administrative and selling expenses was primarily due to (i) reduce in service fee after negotiating with our business partners and obtaining more competitive prices; (ii) reduction in costs for various services by revisiting scopes of services such as system applications and maintenance expenses and retaining only the services matching with current operation model; and (iii) implement general costs control procedures across all aspects to save for general costs, including staff costs.

Finance costs

Finance costs decreased by HK\$1.4 million from HK\$3.4 million for the six months ended 30 June 2023 to HK\$2.0 million for the Period. The decrease in finance costs was primarily due to decrease in interest expenses on bank borrowings, other borrowings and loan from a substantial shareholder, of which a significant amount of these borrowings and the loan was repaid during the year ended 31 December 2023.

Loss attributable to owners

As a result of the foregoing, the Group recorded a decrease in loss attributable to owners of the Company of HK\$1.1 million from HK\$9.1 million for the six months ended 30 June 2023 to HK\$8.0 million for the Period.

The decrease in loss attributable to owners of the Company (i) increase in revenue and gross profit from air freight forwarding and logistics and warehousing services; (ii) reduction in variable manpower and number of talents we invest to our projects by reallocating the work tasks and procedures to improve efficiency of our workforce; (iii) decrease in other direct costs by continuously monitoring and controlling the costs and resource invested in the projects; (iv) decrease in administrative and selling expenses due to reduce in certain service fee after negotiating with our business partners and obtain more competitive prices; and (v) implementation of other cost control program during the Period, including staff costs.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors resolved not to pay any interim dividend for the Period (2023: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the current ratio of the Group was 1.14 times as compared to that of 1.53 times as at 31 December 2023. The decrease is due to addition of right-of-use assets upon renewal of lease agreements of our warehouses for the Period. The cash and cash equivalents held by the Group were principally denominated in Hong Kong Dollar during the Period.

The gearing ratio of the Group, which is calculated based on the total obligations under bank borrowings divided by total equity at the end of the reporting period and multiplied by 100%, has increased to 15.4% as at 30 June 2024 from 4.9% as at 31 December 2023, which is due to raising of new bank borrowings of HK\$5,200,000 during the Period.

As at 30 June 2024, the level of bank borrowings of the Group was approximately HK\$8,200,000 and the interest rates of the bank borrowings were at variable rates and their effective interest rates are ranging from 6.44% to 6.78% per annum. The bank borrowings were repayable within one year. The bank borrowings were principally denominated in Hong Kong Dollar during the Period. With available bank balances and cash, and credit facilities from banks, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

The issued ordinary shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company were initially listed on GEM (the “**Listing**”) on 7 October 2016. There has been no change in the Company’s capital structure during the Period. The capital structure of the Group consists of equity attributable to the owners of the Company which comprises issued share capital and reserves. The Directors review the Group’s capital structure regularly. As part of the review, the Directors 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. During the Period, the Group did not hold any treasury Share and did not sell any treasury Share.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 4 to the unaudited condensed consolidated financial statements.

CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Group had certain charges on assets which included bank deposits of HK\$17.3 million (31 December 2023: HK\$16.0 million) pledged to a bank as collateral for the Group's bank borrowings and facilities of HK\$8.2 million (31 December 2023: HK\$3.0 million).

The Group had no other material contingent liabilities as at 30 June 2024 and 31 December 2023.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

As the Group's revenue generating operations are mainly transacted in HK\$, Renminbi and United States Dollars ("**US\$**"), the Directors consider the impact of foreign exchange exposure to the Group is minimal since HK\$ is pegged to US\$. The management will consider hedging significant currency exposure should the need arise. During the Period, the Group did not enter into any financial instruments for hedging purpose or engage in any currency borrowings or other hedging activities.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Directors and management has been closely monitoring the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed 132 (31 December 2023: 138) full time employees. The staff costs, including the Directors' emoluments, of the Group were HK\$19.8 million for the Period (30 June 2023: HK\$28.0 million). The employee's remuneration is determined based on factors such as their performance, qualification, position, duty, contributions, years of experience and local market conditions. Remuneration available to the employees includes salaries, annual leave, option which may be granted under the share option scheme of the Company and discretionary bonus. The Group also provides regular trainings and induction trainings to employees.

DEFINED CONTRIBUTION SCHEME

The Group operates a defined contribution scheme, the Mandatory Provident Fund Scheme (the “**MPF Scheme**”), under the Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) for those employees who are eligible to participate in the MPF Scheme in Hong Kong. The Group’s employees are entitled to 100% of the Group’s contributions (and the Group’s contributions, when made, vest fully on its employees) together with accrued returns irrespective of their length of service with the Group. There were no forfeited contributions receivable for reduction of future contribution as at 30 June 2024 and 31 December 2023 and 30 June 2023.

ISSUE OF EQUITY SECURITIES

During the Period, the Company did not issue any equity securities.

SIGNIFICANT INVESTMENTS

Save for the investment in its subsidiaries by the Company, the Group did not have any significant investments held as at 30 June 2024. The Group did not have any plans for material investments or capital assets as at 30 June 2024.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

PURCHASE, SALE OR REDEMPTION

During the Period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Shares (including treasury Shares).

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 with 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 Period.

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 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 30 June 2024, 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

(i) Long Position in the shares of the Company

Name of Director	Nature of interest/ capacity	Number of Shares held (Long position)	Approximate percentage of shareholding (Note)
Mr. Liang Yuxi	Beneficial owner	2,500,000	0.41%

Note: The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 June 2024.

(ii) *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 the Shares. Details of the share options of the Company held by them as at 30 June 2024 were as follows:

Name of Director	Date of grant	Vesting date	Exercise period	Number of underlying Shares subject to the outstanding Options	Exercise price per Share (HK\$)	Approximate percentage of shareholding (Note 3)
Mr. Cheng Tak Yuen (Note 1)	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		
Mr. Lo Wai Wah (Note 2)	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		

Notes:

1. Mr. Cheng Tak Yuen ceased to be an executive director on 1 March 2024.
2. Mr. Lo Wai Wah was appointed as an executive director on 1 March 2024.
3. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, 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 30 June 2024, 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	Nature of interest/ capacity	Number of Shares held (Long position)	Approximate percentage of shareholding (Note 5)
Million Venture Holdings Limited ("Million Venture")	Beneficial owner	170,300,000	28.38%
Ms. Tai Choi Wan, Noel	Interest in controlled corporation (Note 1)	170,300,000	28.38%
Mr. Cheng Hon Yat	Interest of spouse (Note 2)	2,570,000	0.43%
	Beneficial owner (Note 3)	2,570,000	0.43%
Mr. Chan Chun Shing, Otto	Interest of spouse (Note 4)	170,300,000	28.38%
	Beneficial owner	60,000,000	10.00%

Notes:

- 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.
- Ms. Tai is the spouse of Mr. Cheng Hon Yat and is deemed, or taken to be, interested in the Shares in which Mr. Cheng Hon Yat is interested under the SFO.
- These Shares are held by Mr. Cheng Hon Yat.
- Mr. Cheng Hon Yat is the spouse of Ms. Tai and is deemed, or taken to be, interested in the Shares in which Ms. Tai is interested under the SFO.
- The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 June 2024 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 Options granted by the Company.

Save as disclosed above, as at 30 June 2024, 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, 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 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 2023 annual report of the Company.

Under the Share Option Scheme, the Company may issue share options to subscribe for up to 49,500,000 Shares available for grant under the scheme mandate, representing 8.25% of the total number of Shares in issue as at 1 January 2024 and 30 June 2024, respectively. There is no service provider submit under the Share Option Scheme.

As at 1 January 2024 and 30 June 2024, a total of 3,000,000 share options granted under the Share Option Scheme were outstanding, whereby 3,000,000 Shares may be issued upon the exercise of all outstanding share options, which represents approximately 0.5% and 0.5% of the total number of issued Shares as at 1 January 2024 and 30 June 2024, respectively.

Movement of the Options, which were granted under the Share Option Scheme, during the Period are listed below in accordance with Rule 23.07 of the GEM Listing Rules:

Category	Date of grant	Vesting date (Note b)	Number of Options					Outstanding as at 30 June 2024	Exercise price	
			Outstanding as at 1 January 2024	Granted (Notes a)	Exercised (Notes a)	Cancelled	Lapsed		HKS	Exercise period
Directors										
Cheng Tak Yuen (Note d)	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	
Lo Wai Wah (Note e)	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	
Total:			3,000,000	-	-	-	3,000,000			

Notes:

- a. The weighted average closing price of the ordinary shares in the Company immediately before the date on which the Options were granted was HK\$0.2066.
- b. 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 was vested on the respective grantees on 24 June 2022.
- c. There are no participants with Options granted in excess of the individual limit and no grants to suppliers of goods and services.
- d. Mr. Cheng Tak Yuen ceased to be an executive director on 1 March 2024.
- e. Mr. Lo Wai Wah was appointed as an executive director on 1 March 2024.

No share options were exercised, cancelled or lapsed during the Period.

As disclosed in the 2023 annual report of the Company, the Company is aware that amendments were made to Chapter 23 of the GEM Listing Rules, which have come into effect on 1 January 2023, which include, among others, a limited the scope of eligible participants under the Share Option Schemes and the minimum vesting period requirements. The Company will only grant the share options in compliance with the amended Chapter 23 of the GEM Listing Rules and comply with the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange. Going forward, the Company will also consider to amend the Share Option Scheme so as to comply with the new requirements under Chapter 23 of the GEM Listing Rules, in any event not later than the refreshment or expiry of the scheme mandate; or to adopt a new share option scheme that comply with the requirements under the amended Chapter 23 of the GEM Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, during the Period and up to the date of this report, there was no arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company, its subsidiaries 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 30 June 2024 or at any time during the Period.

COMPETING INTEREST

For the Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective 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.

MATERIAL CHANGES

Save as disclosed, there have been no material changes in respect of any matters since the publication of the Company's 2023 annual report.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "**CG Code**") in Appendix C1 of the GEM Listing Rules as its own corporate governance code. During the Period, the Board is of the opinion that the Company had complied with the code provisions set out in the CG Code.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events subsequent to the end of the Period and up to the date of this report.

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

Saved as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this report.

REVIEW OF INTERIM FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The Company has established its Audit Committee 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 to, among other things, review and supervise the financial reporting system, risk management and internal control system of the Group, nominate and monitor the external auditor to review the Company's annual report and interim report (including the financial statements of the Group) and provide advice and comments thereon to the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Moy Yee Wo Matthew, Mr. Chan William, and Mr. Yu Kwok Fai, with Mr. Moy Yee Wo Matthew being the chairman.

The unaudited condensed consolidated financial statements of the Group for the Period have not been audited or reviewed by the auditor of the Company but the Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period and was of the opinion that the preparation of such statements complied with applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made in respect thereof.

By Order of the Board
Janco Holdings Limited
Tam Tsz Yeung
Chairman

Hong Kong, 27 August 2024

As at the date of this report, 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 report will remain on the "Latest Listed Company Information" page of the Stock Exchange's website (www.hkexnews.hk) for at least 7 days from the date of its publication. This report will also be published on the Company's website (www.jancofreight.com).