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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)**

### **(1) PROFIT WARNING**

**AND**

### **(2) DELAY IN PUBLICATION OF ANNUAL RESULTS AND DISPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

This announcement is made by Janco Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements dated 6 March 2019 and 13 March 2019 of the Company in relation to the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for considering and approving annual results of the Group for the year ended 31 December 2018 (the “**2018 Annual Results**”) and the draft announcement in respect of the same for publication.

#### **PROFIT WARNING**

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2018, the Group expects to record a net loss ranging from approximately HK\$18.0 million to approximately HK\$22.0 million for the year ended 31 December 2018 as compared to a net profit of approximately HK\$1.7 million for the year ended 31 December 2017.

The Board considers that the decrease in net profit was mainly attributable to the combined effect of the following factors:

- (1) During the process of preparing the unaudited consolidated results of the Group for the year ended 31 December 2018 (the “**2018 Unaudited Results**”), the Board identified some deficiencies in the Group’s internal control system and hence the Board made an adjustment to the 2018 Unaudited Results to reverse revenue of approximately HK\$19.4 million (the “**Adjustment**”), out of which approximately HK\$5.7 million, HK\$6.0 million and HK\$7.7 million was erroneously recognised for the three months ended 31 March 2018, three months ended 30 June 2018 and three months ended 30 September 2018, respectively. Following the Adjustment, the Board is currently finalising the 2018 Unaudited Results and expects that there will be a delay in the publication of the 2018 Annual Results and the dispatch of the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”). The details of the delay are set out in the paragraph headed “Delay in publication of the 2018 Annual Results and dispatch of the 2018 Annual Report” in this announcement.

The Board has authorised the audit committee of the Company (the “**Audit Committee**”) to undergo a further review of the Adjustment and the relevant internal control system. The Audit Committee is currently selecting independent advisers to conduct an independent review of the Adjustment and the relevant internal control system (the “**Independent Review**”) and devising the scope of the Independent Review. The Company will make further announcement to inform the Shareholders and the public of the details and the development of the Independent Review as and when appropriate in accordance with the GEM Listing Rules.

- (2) Notwithstanding the Adjustment, there was an increase in the unaudited revenue from the Group’s freight forwarding services and ancillary logistic services. However, such increase in the unaudited revenue was outweighed by the increase in the unaudited cost of sales, and as a result there was a decrease in the unaudited gross profit. The increase in the unaudited cost of sales for freight forwarding services was mainly due to the increase in freight charges and local charges. The increase in the unaudited cost of sales for ancillary logistic services was mainly attributable to the warehouse service charges payable under the warehouse service agreements in respect of three warehouses entered into in January, September and September 2018, respectively.
- (3) The unaudited staff costs increased, mainly due to the increase in salary and the increase in the number of staff to cope with business expansion of the Group.
- (4) The unaudited finance costs increased, mainly due to the increase in borrowings for the working capital.

The Company is still in the process of finalising the 2018 Unaudited Results. This profit warning announcement is only based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group which are subject to finalisation and other potential adjustments, if any. The actual financial results of the Group for the year ended 31 December 2018 may be different from what is disclosed in this profit warning announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2018 and the 2018 Annual Report, which are expected to be released upon the finalisation of the audit of the

2018 Annual Results. The details of which are set out in the paragraph headed “Delay in publication of the 2018 Annual Results and dispatch of the 2018 Annual Report” in this announcement.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

**DELAY IN PUBLICATION OF THE 2018 ANNUAL RESULTS AND DISPATCH OF THE 2018 ANNUAL REPORT**

Pursuant to Rules 18.03 and 18.49 of the GEM Listing Rules, the Company is required to publish a preliminary announcement for the 2018 Annual Results and dispatch the 2018 Annual Report on a date not later than three months after the end of the financial year, i.e. on or before 31 March 2019. The Board wishes to inform the Shareholders that as a result of the Independent Review, and as the Company requires more time to provide information requested by the Auditor and the Auditor requires more time for conducting the audit of the 2018 Annual Results, there will be a delay in the publication of the 2018 Annual Results and dispatch of 2018 Annual Report.

Should the 2018 Annual Results be unable to be published on or before 31 March 2019, the Board will make an application to the Stock Exchange for a trading suspension of the shares of the Company until the 2018 Annual Results is published. The delay in the publication of the 2018 Annual Results and the delay in the dispatch of the 2018 Annual Report constitute non-compliance with Rules 18.03 and 18.49 of the GEM Listing Rules.

The Company will schedule another Board meeting to approve the 2018 Annual Results and will publish further announcement(s) in due course to inform the Shareholders on the date of the Board meeting and the date of the release of the 2018 Annual Results.

By Order of the Board  
**Janco Holdings Limited**  
**Cheng Hon Yat**  
*Chairman*

Hong Kong, 27 March 2019

*As at the date of this announcement, the executive Directors are Mr. Cheng Hon Yat, Mr. Chan Kwok Wai, Mr. Lo Wai Wah and Mr. Yau Sze Yeung; and the independent non-executive Directors are Mr. Siu Wing Hay, Mr. Wong Yee Lut Eliot, Mr. Luk Kin Ting and Mr. Lau Chi Kit.*

*This announcement, for which the Directors 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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