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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)

UPDATE ANNOUNCEMENT REGARDING CHANGE OF AUDITORS

This announcement is made by Janco Holdings Limited (the “**Company**”) pursuant to Rule 17.50(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 16 May 2019 and the circular (the “**Circular**”) of the Company dated 20 May 2018 in relation to proposed change of auditors. Terms used herein shall have the same meanings as those defined in the Announcement and the Circular unless the context requires otherwise.

The Company received a letter of termination from Deloitte (the “**Termination Letter**”) on 22 May 2019. In the Termination Letter, Deloitte commented on the Announcement that “as at the date of the announcement, the Board and Deloitte have been unable to reach a consensus on the auditors’ remuneration and the timetable for the additional work in relation to the preparation of the financial results of the Company for the year ended 31 December 2018”. Deloitte stated that it brought to the attention of the Audit Committee its concern over the commercial substance of certain revenue and the corresponding accounts receivable recorded in the consolidated financial statements of the Company on 9 April 2019. In subsequent communications with the Audit Committee, Deloitte advised the Audit Committee to engage an independent Big Four forensic accounting firm to investigate the matter. Deloitte understood that the Audit Committee has decided to engage a Big Four forensic accounting firm to carry out the investigation. It has advised the Audit Committee to finalize the investigation scope and commence the investigation as soon as possible. Deloitte also stated that the Company requested that it estimate the timing for the completion of its audit work. However, due to the reason set out above, Deloitte informed the Company that it was premature for it to reasonably estimate the timing for the completion of its audit.

In the Termination Letter, Deloitte also acknowledged the Board's proposal to terminate its appointment as auditor of the Company and its subsidiaries including Janco Global Logistics Limited, Janco Logistics (HK) Limited, Transpeed Hong Kong Limited, Janco Express Limited and Janco E-Commerce Solutions Limited.

Deloitte also confirmed in the Termination Letter that from its perspective there are no matters in addition to those mentioned above that need to be brought to the attention of Shareholders or creditors of the Company. And there are no circumstances connected with the termination in addition to those mentioned above that it considered ought to be brought to the attention of the members or creditors of the subsidiaries of the Company incorporated in Hong Kong.

The Company would like to reiterate that it has been working closely with its various professional parties to fulfil the resumption conditions as set out in the announcement of the Company dated 10 May 2019, including publishing all outstanding financial results and the Company has engaged Ernst & Young Advisory Services Limited to conduct the Independent Review on 16 May 2019. However, the Board and Deloitte have been unable to reach a consensus on the auditor's remuneration and timetable for the additional work in relation to the preparation of the financial results of the Company for the 2018 Annual Results after rounds of discussion. The Board considers that it is in the best interest of the Company and the Shareholders as a whole to replace Deloitte with other auditors. Hence, the Board proposed to remove Deloitte as the auditors of the Company by a special resolution at the EGM, the notice of which has been included in the Circular and despatched to the Shareholders on 20 May 2019.

Shareholders are advised to read this announcement together with the Circular for information relating to Proposed Change of Auditors.

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

Hong Kong, 23 May 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 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.