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## **Janco Holdings Limited**

**駿高控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8035)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2021**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the "**Directors**" or individually a "**Director**") of Janco Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the "**Group**", "**we**", "**our**" or "**us**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce that the unaudited financial results of the Group for the three months ended 31 March 2021, together with the corresponding comparative figures, are as follows. The financial results has been approved by the Board.

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

For the three months ended 31 March 2021

	Notes	Three months ended 31 March	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	130,070	105,515
Cost of sales		(110,449)	(95,960)
Gross Profit		19,621	9,555
Interest income		720	823
Other income		1	65
Other gains/(losses)		58	(179)
Administrative expenses		(12,312)	(11,973)
Finance costs		(1,286)	(1,498)
Impairment loss made on allowance for trade receivables		(125)	–
Share-based payment expenses		(232)	–
Share of profits/(losses) of joint venture		(100)	125
Profit/(loss) before taxation		6,345	(3,082)
Income tax (expense)/credit	5	(753)	3
Profit/(loss) for the period		5,592	(3,079)
Other comprehensive expenses after tax: Items that may be reclassified to profit or loss: Exchange differences on translating foreign operations		(49)	72
Total comprehensive income/(expense) for the period		5,543	(3,007)
Profit/(loss) for the period attributable to: Owners of the Company		5,438	(3,080)
Non-controlling interests		154	1
		5,592	(3,079)
Total comprehensive income/(expense) for the period attributable to: Owners of the Company		5,389	(3,008)
Non-controlling interests		154	1
		5,543	(3,007)
Earning/(loss) per share — basic (HK cents)	6	0.91	(0.51)
Earning/(loss) per share — diluted (HK cents)	6	0.91	(0.51)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share option reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021 (audited)	6,000	47,755	17,659	4,658	(421)	493	(19,625)	56,519	1,111	57,630
Total comprehensive expenses for the period	-	-	-	-	(49)	-	5,438	5,389	154	5,543
Equity-settled share options arrangement	-	-	-	-	-	232	-	232	-	232
At 31 March 2021 (unaudited)	<b>6,000</b>	<b>47,755</b>	<b>17,659</b>	<b>4,658</b>	<b>(470)</b>	<b>725</b>	<b>(14,187)</b>	<b>62,140</b>	<b>1,265</b>	<b>63,405</b>
At 1 January 2020 (audited)	6,000	47,755	17,659	4,658	143	-	(30,795)	45,420	261	45,681
Total comprehensive expenses for the period	-	-	-	-	72	-	(3,080)	(3,008)	1	(3,007)
Establishment of a non-wholly-owned subsidiary	-	-	-	-	-	-	-	-	234	234
At 31 March 2020 (unaudited)	6,000	47,755	17,659	4,658	215	-	(33,875)	42,412	496	42,908

## Notes:

- (i) Capital reserve comprises of (i) the profits derived from the provision of air and ocean freight forwarding services in Hong Kong prior to 1 July 2015 carried out by JFX Limited, a company previously wholly owned by the 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 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.
- (ii) Other reserve represents an amount due to Mr. Cheng, being a controlling shareholder of the Group and a former Director, amounting to HK\$4,658,000 which was settled by capitalisation of the same amount as deemed contribution in the year ended 31 December 2016.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2021*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 November 2015 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 1608, 16th Floor, Tower A, Manulife Financial Centre, No. 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. The shares of the Company (the “**Shares**”) were listed on GEM of the Stock Exchange since 7 October 2016 (the “**Listing Date**”).

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in (i) the provision of freight forwarding services through purchasing cargo space from airlines, shipping liners, other freight forwarders or general sales agents (“**GSAs**”) and either sell it to direct shippers or on-sell it to other freight forwarders who act on behalf of their shipper customers; and (ii) the provision of ancillary logistics services which include e-commerce and fulfillment services for cross border e-commerce traffic from overseas as well as outbound traffic from China to worldwide.

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

## 2. BASIS OF PREPARATION

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

The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 January 2021.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual report for the year ended 31 December 2020 except for those new and revised HKFRSs and interpretations issued by the HKICPA that are adopted for the first time in the unaudited condensed consolidated financial statements for the three months ended 31 March 2021.

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2021 have been prepared under the historical cost convention.

The consolidated financial statements have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

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

### 4. REVENUE

	Three months ended 31 March	
	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)
Air freight forwarding services income	38,200	35,320
Ocean freight forwarding services income	27,211	19,924
Logistics services income	31,322	32,473
E-commerce trading services income	227	1,863
E-commerce fulfillment services income	33,110	15,935
	<b>130,070</b>	105,515

### 5. INCOME TAX (EXPENSE)/CREDIT

	Three months ended 31 March	
	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)
Hong Kong Profits Tax:		
Current tax	(753)	3

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the relevant periods.

## 6. EARNING/(LOSS) PER SHARE

The calculation of basic loss per Share for the relevant periods is based on the unaudited loss attributable to owners of the Company for the relevant periods and on 600,000,000 (2020: 600,000,000) Shares in issue during the relevant periods.

The calculation of the diluted earnings per share amounts is based on the unaudited consolidated profit for the three months ended 31 March 2021 attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of the Share Option Scheme. The calculations of basic and diluted earnings per share are based on:

	<b>Three months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings</b>		
Profit/(loss) attributable to owners of the Company, used in the basic earnings per share calculation	<b>5,438</b>	<b>(3,080)</b>
	<hr/>	<hr/>
	<b>Number of shares</b>	
	<b>2021</b>	<b>2020</b>
<b>Shares</b>		
Weighted average number of shares during the period used in the basic earnings per share calculation	<b>600,000,000</b>	<b>600,000,000</b>
Effect of dilution — weighted average number of shares: Share option	<b>97,347</b>	<b>—</b>
	<hr/>	<hr/>
	<b>600,097,347</b>	<b>600,000,000</b>
	<hr/>	<hr/>

## 7. DIVIDENDS

No dividends were paid, declared or proposed during the three months ended 31 March 2021 (2020: Nil). The Directors resolved not to pay an interim dividend for the three months ended 31 March 2021 (2020: Nil).

# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **BUSINESS REVIEW**

We are a well established freight forwarding and logistics one-stop service provider founded and based in Hong Kong. Freight forwarding services form our core business. We purchase cargo space from airlines, shipping liners, other freight forwarders or GSAs and either sell it to direct shippers or on-sell it to other freight forwarders who act on behalf of their shipper customers. A majority of our customers are direct shipper customers. We offer air freight and ocean freight services and a majority of air and sea cargo space we sell are for goods exporting from Hong Kong to various destinations in Asia such as Bangladesh, Vietnam, Sri Lanka, Cambodia and Thailand.

On top of our core freight forwarding services, we strategically offer ancillary logistics services primarily at our warehouses in response to the rising demand from our customers who require customised value-added logistics services. The ancillary logistics services we offer include warehousing, repacking, labelling, palletising and local delivery within Hong Kong. We integrate our ancillary logistics services into our core freight forwarding services to strategically create a distinct corporate identity among our shipper customers.

During the period, we are expanding our e-commerce and fulfillment services for cross border e-commerce traffic from overseas as well as outbound traffic from China to worldwide.

Our competitive strengths are key factors contributing to our success to date. The Directors believe that the competitive strengths as set out under the section headed "Business" in the prospectus of the Company dated 30 September 2016 will continue to enhance our presence and increase our market share in the freight forwarding and logistics industries.

## **FUTURE PLANS**

In the future, we will continue to expand our e-commerce and fulfillment business. In addition, we are also seeking opportunities to expand our logistics business in Asia by locating different warehouses.

Expecting significant growth in e-commerce revenue in the future, we are constantly improving our selection of solutions to our customers. Our intention is to become a major logistics service provider across the region. We are also enhancing our capability and strengthening our last mile delivery transit time as well as simplifying our e-commerce process to increase our efficiency. We will also continue to capture the growing opportunities arising from cross border e-commerce traffic from overseas as well as outbound traffic from China to worldwide.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group increased by approximately 23.3% from approximately HK\$105.5 million for the three months ended 31 March 2020 to approximately HK\$130.1 million for the three months ended 31 March 2021. The increase in revenue for the three months ended 31 March 2021 was due to the increase in revenue generated from air freight forwarding services by approximately HK\$2.9 million, increase in revenue generated from ocean freight forwarding services by approximately HK\$7.3 million and increase in revenue generated from e-commerce fulfillment services by approximately HK\$17.2 million, which was partially offset by decrease in revenue generated from ancillary logistics services by approximately HK\$1.2 million and decrease in revenue generated from e-commerce trading services by approximately HK\$1.6 million for the three months ended 31 March 2021.

Revenue from air freight forwarding services increased for the three months ended 31 March 2021. It was mainly due to the increase in shipment volume under the orders placed by both of our existing and new customers during the three months ended 31 March 2021.

Revenue from sea freight forwarding services increased for the three months ended 31 March 2021. It was mainly due to the shipment volume back to normal which in the same period of 2020 was significantly dropped due to COVID-19.



The increase in revenue from e-commerce fulfillment services was mainly contributed by the increase in orders placed by new customers and our existing customers during the three months ended 31 March 2021.

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

Cost of sales increased by approximately 15.0% from approximately HK\$96.0 million for the three months ended 31 March 2020 to approximately HK\$110.4 million for the three months ended 31 March 2021. The increase in cost of sales was mainly attributable to the increase in ocean freight costs of approximately HK\$7.6 million, and increase in e-commerce fulfillment services costs of approximately HK\$12.1 million, which was partially offset by the decrease in warehouse direct costs of approximately HK\$6.2 million for the three months ended 31 March 2021.

Gross profit increased by approximately 104.2% from approximately HK\$9.6 million for the three months ended 31 March 2020 to approximately HK\$19.6 million for the three months ended 31 March 2021. Gross profit margin increased from approximately 9.1% for the three months ended 31 March 2020 to approximately 15.1% for the three months ended 31 March 2021.

The increase in gross profit and gross profit margin was mainly attributable to the increase in e-commerce courier services income which outweighed the increase in e-commerce courier services costs and the decrease in warehouse direct costs which outweighed the decrease in logistics service income.

### **Administrative expenses**

Administrative expenses increased by approximately 2.5% from approximately HK\$12.0 million for the three months ended 31 March 2020 to approximately HK\$12.3 million for the three months ended 31 March 2021. The increase in administrative expenses was mainly due to the increase in our depreciation expenses, legal and professional fees for the three months ended 31 March 2021.

### **Income tax credit/(expense)**

Income tax expense represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during the three months ended 31 March 2020 and 2021, respectively.

## **Profit/(loss) attributable to owners**

The Group recorded a profit attributable to owners of the Company of approximately HK\$5.4 million for the three months ended 31 March 2021 as compared to the loss attributable to owners of the Company of approximately HK\$3.1 million for the three months ended 31 March 2020. The increase in profit attributable to owners was mainly due to the increase in gross profit margin for our e-commerce fulfillment and logistics business for the three months ended 31 March 2021.

## **OTHER INFORMATION**

### **INTERIM DIVIDEND**

The Directors did not recommend the payment of an interim dividend for the three months ended 31 March 2021 (2020: Nil).

### **MATERIAL ACQUISITIONS AND DISPOSALS**

During the three months ended 31 March 2021, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

### **PURCHASE, SALE OR REDEMPTION**

During the three months ended 31 March 2021, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the 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 of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the three months ended 31 March 2021.

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 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 would be prohibited from dealings by the Model Code as if he was a Director.

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

As at 31 March 2021, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### **Interests in the Company**

#### *Long position in the Shares*

<b>Name of Director/ chief executive</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Tai King Fung	Beneficial owner	100,000	0.02%

### *Long position in the underlying shares of 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 31 March 2021 were as follows:

Name of Director	Capacity/ Nature of interest	Date of grant	Exercise period	Number of Shares over which options are exercisable	Exercise price per Share (HK\$)	Approximate percentage of interest in the issued Shares as at
				as at 31 March 2021		31 March 2021
Mr. Ng Chin Hung	Beneficial owner	24 June 2020	24 June 2020 to 23 June 2030	3,000,000	0.2066	0.5%
Mr. Cheng Tak Yuen	Beneficial owner	24 June 2020	24 June 2020 to 23 June 2030	1,500,000	0.2066	0.25%
Total:				4,500,000		0.75%

Save as disclosed above, as at 31 March 2021, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which are taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 March 2021, so far as the Directors are aware, the following persons (other than the Director 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*

<b>Name of shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of the Company's issued share capital</b>
Million Venture Holdings Limited ("Million Venture")	Beneficial owner	306,000,000	51%
Mr. Cheng	Interest in a controlled corporation (Note 1)	306,000,000	51%
Ms. Tai Choi Wan, Noel	Interest of spouse (Note 2)	306,000,000	51%

#### *Notes:*

1. These Shares are held by Million Venture, which is wholly-owned by Mr. Cheng. By virtue of the SFO, Mr. Cheng is deemed to be interested in the Shares held by Million Venture.
2. Ms. Tai Choi Wan, Noel is the spouse of Mr. Cheng and is deemed, or taken to be, interested in the Shares in which Mr. Cheng is interested under the SFO.

Save as disclosed above, as at 31 March 2021, the Company has not been notified of any other persons (other than the Director or the chief executive of the Company) or entities who had or deemed or taken to have an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 23 September 2016. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The principal terms of the Share Option Scheme are summarised in the 2020 annual report of the Company.

On 24 June 2020, a total of 10,500,000 share options (the “**Option(s)**”) were granted under the Share Option Scheme. As at 31 March 2021, a total of 10,500,000 Options granted under the Share Option Scheme were outstanding.

Movement of the Options, which were granted under the Share Option Scheme, during the three months ended 31 March 2021 are listed below in accordance with Rule 23.07 of the GEM Listing Rules:

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

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

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the three months ended 31 March 2021 and up to the date of this announcement was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' MATERIAL INTERESTS IN CONTRACTS OF SIGNIFICANCE**

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of 31 March 2021 or at any time during the three months ended 31 March 2021.

## **COMPETING INTEREST**

For the three months ended 31 March 2021, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company 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.

## **CORPORATE GOVERNANCE**

During the period, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules, other than the code provision A.2.1. CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Ng Chin Hung ("**Mr. Ng**") is the chairman of the Board and the chief executive officer of the Company. In view of Mr. Ng having worked in the freight forwarding, logistics and supply chain industries for more than 36 years, the Board believes that it is in the best interest of the Group to have Mr. Ng taking up both roles for effective management and business development. Therefore the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with 3 of them being independent non-executive Directors.

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

On 5 May 2021, Mr. Tai King Fung resigned as an executive Director, Mr. Pang Chung Fai Benny resigned as an independent non-executive Director, chairman of the nomination committee, member of the Audit Committee and the remuneration committee of the Company and Mr. Chan Fei Fei resigned as an independent non-executive Director, chairman of the remuneration committee,

member of the Audit Committee and the nomination committee of the Company.

On 7 May 2021, the Company appointed Mr. Kwan Chi Hong as an independent non-executive Director, chairman of the nomination committee, member of the Audit Committee and the remuneration committee of the Company, and Mr. Yuen Ching Bor Stephen as an independent non-executive Director, chairman of the remuneration committee, member of the Audit Committee and the nomination committee of the Company.

Please refer to the announcements of the Company dated 5 May 2021 and 7 May 2021, respectively, for further details.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2021 and up to the date of this announcement.

## **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 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 and to be responsible for all matters relating to the continuing connected transactions of the Company. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lee Kwong Chak Bonnio, Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong. Mr. Lee Kwong Chak Bonnio is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2021 and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By Order of the Board  
**Janco Holdings Limited**  
**Ng Chin Hung**  
*Chairman*

Hong Kong, 7 May 2021



*As at the date of this announcement, the executive Directors are Mr. Ng Chin Hung and Mr. Cheng Tak Yuen; and the independent non-executive Directors are Mr. Lee Kwong Chak Bonnio, Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong.*

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