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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

*This announcement, for which the directors (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, 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.*

THIRD 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 nine months ended 30 September 2021 (the “**Period**”), 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 and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	137,791	139,002	400,064	346,347
Cost of sales		(114,985)	(118,912)	(337,128)	(305,689)
Gross Profit		22,806	20,090	62,936	40,658
Interest income		720	829	2,160	2,482
Other income		28	4,145	34	5,767
Other gains or losses		(68)	85	6,642	(203)
Administrative expenses		(15,220)	(12,168)	(43,991)	(34,622)
Impairment loss made on allowance for trade receivables		(420)	(4,236)	(1,008)	(5,696)
Share-based payment expense		(81)	(237)	(538)	(255)
Finance costs		(1,358)	(1,314)	(4,122)	(4,269)
Share of profit/(loss) of a joint venture		100	275	(310)	157
Profit before taxation		6,507	7,469	21,803	4,019
Income tax expense	5	(884)	(72)	(3,040)	(121)
Profit for the period		5,623	7,397	18,763	3,898
Other comprehensive expenses after tax:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(2)	(110)	(77)	(80)
Total comprehensive income for the period		5,621	7,287	18,686	3,818
Profit for the period attributable to:					
Owners of the Company		5,210	6,871	18,070	3,339
Non-controlling interests		413	526	693	559
		5,623	7,397	18,763	3,898
Total comprehensive income for the period attributable to:					
Owners of the Company		5,208	6,761	17,993	3,259
Non-controlling interests		413	526	693	559
		5,621	7,287	18,686	3,818
Earning per share					
— basic (HK cents)	6	0.87	1.15	3.01	0.56
Earning per share					
— diluted (HK cents)		0.87	1.15	3.00	0.56

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share Option reserve	Accumulated losses	Total	Non-controlling interest	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
Profit and total comprehensive income for the period	-	-	-	-	(77)	-	18,070	17,993	693	18,686
Equity-settled share option arrangements	-	-	-	-	-	538	-	538	-	538
At 30 September 2021 (unaudited)	6,000	47,755	17,659	4,658	(498)	1,031	(1,555)	75,050	1,804	76,854
At 1 January 2020 (audited)	6,000	47,755	17,659	4,658	143	-	(30,795)	45,420	261	45,681
Profit and total comprehensive income for the period	-	-	-	-	(80)	-	3,339	3,259	559	3,818
Establishment of a non-wholly-owned subsidiary	-	-	-	-	-	-	-	-	234	234
Equity-settled share option arrangements	-	-	-	-	-	255	-	255	-	255
At 30 September 2020 (unaudited)	6,000	47,755	17,659	4,658	63	255	(27,456)	48,934	1,054	49,988

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 then controlling shareholder of the Group, Mr. Cheng Hon Yat ("Mr. Cheng"), before the transfer of such business to Janco Global Logistics Limited ("Janco Global Logistics"), 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 represented an amount due to Mr. Cheng, being the then controlling shareholder of the Group, 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 nine months ended 30 September 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 (the “**Listing**”) 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 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 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 nine months ended 30 September 2021.

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 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 30 September		Nine months ended 30 September	
	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)
Air freight forwarding services income	44,965	63,528	127,608	134,560
Ocean freight forwarding services income	25,705	15,180	76,531	47,714
Logistics services income	28,500	27,179	82,426	97,915
E-commerce trading services income	24	571	287	4,008
E-commerce fulfillment services income	38,597	32,544	113,212	62,150
	137,791	139,002	400,064	346,347

5. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)	2021 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)
Hong Kong Profits Tax: Current tax	884	72	3,040	121

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

6. EARNING PER SHARE

The calculation of basic earning per share for the relevant periods is based on the unaudited profit 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 nine months ended 30 September 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:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings				
Profit attributable to owners of the Company, used in the basic earnings per share calculation	5,210	6,871	18,070	3,339
	Number of shares		Number of shares	
	2021	2020	2021	2020
Shares				
Weighted average number of shares during the period used in the basic earnings per share calculation	600,000,000	600,000,000	600,000,000	600,000,000
Effect of dilution — weighted average number of shares: Share option	1,901,263	—	1,780,949	—
	601,901,263	600,000,000	601,780,949	600,000,000

No dilution effect for the nine months ended 30 September 2020 because the exercise price of those options was higher than the average market price for the Shares.

7. DIVIDENDS

No dividends were paid, declared or proposed during the nine months ended 30 September 2021 (2020: Nil). The Directors resolved not to pay an interim dividend for the nine months ended 30 September 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 general sales agents 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 have been expanding our e-commerce fulfillment business to capture the growing opportunities arising from the increasing demand derived from the increasing e-commerce volume to the United States, other European countries and cross-border logistics activities. In addition, we have also been expanding our e-commerce and fulfillment services for cross border e-commerce traffic from overseas as well as outbound traffic from China to worldwide.

We believe our competitive strengths, which include but not limited to, our established track records of over 30 years in serving the freight forwarding industry; our ability to understand and adapt to our customers' needs which significantly contributes to our ever-growing ancillary logistics services (including e-commerce trading and fulfillment services) segment; our stable business relationship with our suppliers; and our diversified supplier and other networks which allow us to provide a wide portfolio of cargo routes for our customers for transportation and delivery of their goods; and the extensive industry expertise and strong execution capability possessed by our executive Directors and senior management, are key factors contributing to the overall success of the business of the Group to date. We are confident that these competitive strengths will lead us to expand our business into other segments or sub-segments of the logistics industry, continue to enhance our competitiveness, increase our presence as well as our market share in the freight forwarding and logistics industry.

FUTURE PLANS

In the foreseeable 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. Fin-tech logistics and cold chain logistics will be another core directions for the business expansion of the Group. Investments and new engagements with valuable partners to accelerate business growth in these areas will be strategically mapped out and executed.

The thriving of the e-commerce logistics market is expected to bring a positive growth in our e-commerce revenue in the future. To this end, we are constantly improving our selection of solutions to our customers to cater for their business needs. 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 15.5% from approximately HK\$346.3 million for the nine months ended 30 September 2020 to approximately HK\$400.1 million for the nine months ended 30 September 2021. The increase in revenue for the nine months ended 30 September 2021 was due to the increase in revenue generated from ocean freight forwarding services by approximately HK\$28.8 million and increase in revenue generated from e-commerce fulfillment services by approximately HK\$51.1 million, which was partially offset by decrease in revenue generated from air freight forwarding services by approximately HK\$7.0 million and decrease in revenue generated from ancillary logistics services by approximately HK\$15.5 million and decrease in revenue generated from e-commerce trading services by approximately HK\$3.7 million for the nine months ended 30 September 2021.

The increase in revenue from ocean freight forwarding services for the nine months ended 30 September 2021 was mainly due to a rebound of the shipment volume to normal after a significant drop due to COVID-19 during the same period of 2020.

The increase in revenue from e-commerce fulfillment services for the nine months ended 30 September 2021 was mainly contributed by the increase in orders placed by new customers and our existing customers during the Period.

Cost of sales and gross profit

Cost of sales increased by approximately 10.3% from approximately HK\$305.7 million for the nine months ended 30 September 2020 to approximately HK\$337.1 million for the nine months ended 30 September 2021. The increase in cost of sales was mainly attributable to the increase in ocean freight costs of approximately HK\$27.4 million, and increase in e-commerce fulfillment services costs of approximately HK\$37.4 million, which was partially offset by the decrease in air freight forwarding costs of approximately HK\$7.2 million and the decrease in warehouse direct costs of approximately HK\$23.0 million for the nine months ended 30 September 2021.

Gross profit increased by approximately 54.5% from approximately HK\$40.7 million for the nine months ended 30 September 2020 to approximately HK\$62.9 million for the nine months ended 30 September 2021. Gross profit margin increased from approximately 11.7% for the nine months ended 30 September 2020 to approximately 15.7% for the nine months ended 30 September 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 27.2% from approximately HK\$34.6 million for the nine months ended 30 September 2020 to approximately HK\$44.0 million for the nine months ended 30 September 2021. The increase in administrative expenses was mainly due to the increase in provision of management incentive of approximately HK\$4.4 million for the nine months ended 30 September 2021.

Income tax expense

Income tax expense represented the provision of Hong Kong profits tax calculated at 16.5% of the estimated assessable profits during the nine months ended 30 September 2020 and 2021, respectively.

Profit attributable to owners

The Group recorded a profit attributable to owners of the Company of approximately HK\$3.3 million for the nine months ended 30 September 2020 and approximately HK\$18.1 million for the nine months ended 30 September 2021, representing an increase of approximately 448.5%. The increase in profit attributable to owners was mainly due to the increase in gross profit margin for our e-commerce fulfillment and logistics businesses for the nine months ended 30 September 2021.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the nine months ended 30 September 2021 (2020: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

On 10 June 2021, the Group (through Sunset Edge Limited, an indirectly wholly-owned subsidiary of the Company) entered into a sale and purchase agreement (as subsequently varied, modified and supplemented) (the “**SPA**”) with an independent third party for the acquisition of the entire issued share capital of Reitar Logtech Group Limited (the “**Acquisition**”) at the consideration of HK\$33.6 million, which was agreed to be settled by the allotment and issue of an aggregate of 120,000,000 new Shares (the “**Consideration Shares**”) at the issue price of HK\$0.28 per Consideration Share, subject to the conditions and upon the terms contained in the SPA. The Acquisition constituted a discloseable transaction for the Company under the GEM Listing Rules. As at the date of this announcement, the Acquisition contemplated under the SPA has not yet been completed. Please refer to the Company’s announcements dated 10 June 2021, 2 and 23 July 2021, 13 August 2021, 3 September 2021 and 6 October 2021 for details and the status of the Acquisition.

Save as disclosed above, the Group did not have any plans for material investments or capital assets as at 30 September 2021.

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

During the nine months ended 30 September 2021, neither the Company nor any of its subsidiaries had 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 nine months ended 30 September 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 30 September 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

Name of Director/ chief executive	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of shareholding <i>(note)</i>
Mr. Yuen Ching Bor Stephen	Beneficial owner	980,000	0.16%

Note: The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2021 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 share options granted by the Company.

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 September 2021 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)
Mr. Ng Chin Hung	24 June 2020	24/06/2021	24/06/2021– 23/06/2030	1,500,000	0.2066	0.5%
		24/06/2022	24/06/2022– 23/06/2030	1,500,000		
Mr. Cheng Tak Yuen	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		

Note: The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2021.

Save as disclosed above, as at 30 September 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 30 September 2021, 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	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding (note 3)
Million Venture Holdings Limited ("Million Venture")	Beneficial owner	156,000,000	26%
Ms. Tai Choi Wan, Noel	Interest in a controlled corporation (Note 1)	156,000,000	26%
Mr. Cheng Hon Yat	Interest of spouse (Note 2)	156,000,000	26%
Mr. Chan Chun Shing, Otto	Beneficial owner	60,000,000	10%

Notes:

1. 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.
2. Mr. Cheng Hon Yat is the spouse of Ms. Tai and is deemed, or taken to be, interested in all the Shares in which Ms. Tai is interested under the SFO.
3. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2021 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 share options granted by the Company.

Save as disclosed above, as at 30 September 2021, 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 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.

Under the Share Option Scheme, the Company may issue share options (the “**Options**”) to subscribe for up to 60,000,000 Shares (the “**General Scheme Limit**”), representing 10% of the total number of Shares in issue as at the date of the Listing (that is, 7 October 2016).

As at 30 September 2021 and the date of this announcement:

- the maximum number of Shares that may be issued by the Company upon exercise of all outstanding Options already granted under the Share Option Scheme was 10,500,000, representing 1.75% of the total number of Shares in issue of the Company; and
- the maximum number of Options that were available to be granted under the Share Option Scheme was 49,500,000, representing approximately 8.25% of the total number of Shares in issue of the Company.

Movement of the Options, which were granted under the Share Option Scheme, during the nine months ended 30 September 2021 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 (Note a)					Outstanding as at 30/09/2021	Exercise price HK\$	Exercise period
			Outstanding as at 01/01/2021	Granted	Exercised	Cancelled	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
Total:			10,500,000	-	-	-	-	10,500,000		

Notes:

- During the Period, no Options were granted, transferred from/to other category, exercised, lapsed or cancelled under the Share Option Scheme.
- 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 will be vested on the respective grantees on 24 June 2022.
- There are no participants with options granted in excess of the individual limit.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the nine months ended 30 September 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 of the Company had a material interest, whether directly or indirectly, subsisted at the end of 30 September 2021 or at any time during the nine months ended 30 September 2021.

COMPETING INTEREST

For the nine months ended 30 September 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 competes 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.

INTERESTS OF THE COMPLIANCE ADVISER

The Company has appointed Giraffe Capital Limited ("**Giraffe Capital**") to be the compliance adviser. Giraffe Capital has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Neither Giraffe Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CHANGE OF DIRECTORS DURING THE PERIOD

Mr. Tai King Fung, Mr. Pang Chung Fai, Benny, and Mr. Chan Fei Fei resigned as executive Director, independent non-executive Director and independent non-executive Director, respectively, with effect from 5 May 2021. For more details, please refer to the Company's announcement dated 5 May 2021.

Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong were appointed as independent non-executive Directors with effect from 7 May 2021. For more details, please refer to the Company's announcement dated 7 May 2021.

MATERIAL CHANGES

Save as disclosed in this announcement, there have been no material changes in respect of any other matters since the publication of the Company's annual report for the year ended 31 December 2020.

CORPORATE GOVERNANCE

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner in accordance with the requirements of the GEM Listing Rules. The Board has established an audit committee (the "**Audit Committee**"), a nomination committee (the "**Nomination Committee**") and a remuneration committee (the "**Remuneration Committee**") with specific written terms of reference. During the nine months ended 30 September 2021, the Company had complied with all the code provisions (other than code provisions A.2.1 and A.5.1) of the CG Code.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate 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 has been working in the freight forwarding, logistics and supply chain industries for more than 35 years, the Board believes that it is in the best interests of the Group to have Mr. Ng taking up both roles for effective management and business development of the Group. Further, 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 three of them being independent non-executive Directors. Accordingly, the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate and acceptable in such circumstance.

CG Code provision A.5.1 stipulates that a listed issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. As announced in the Company’s announcement dated 5 May 2021, following the resignation of two independent non-executive Directors (namely Mr. Pang Chung Fai, Benny and Mr. Chan Fei Fei) on 5 May 2021 due to their other personal and business commitments (the “**Resignation of INEDs**”), the Company was not in strict compliance with the CG Code provision A.5.1. The non-compliance was promptly remedied by the Company following the appointment of Mr. Yuen Ching Bor Stephen and Mr. Kwan Chi Hong (the “**New INEDs**”) as new independent non-executive Directors on 7 May 2021. The Directors consider that the Company’s corporate governance and any functions of the Board or the Board committees had not been compromised or negatively affected given the very short period of deviation from the CG Code provision A.5.1.

NON-COMPLIANCE WITH RULES 5.05(1) AND 5.28 OF THE GEM LISTING RULES

Due to the Resignation of INEDs mentioned above, the Board had only one independent non-executive Director on 5 May 2021. As a result, the number of independent non-executive Directors fell below the minimum number required of the board of directors and of the audit committee of a listed issuer as required under Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules. As disclosed under “Corporate Governance” above and following the appointment of the two New INEDs on 7 May 2021, the Company has since fully complied with Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules accordingly.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2021 and up to the date of this announcement.

REVIEW OF QUARTERLY 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, interim and quarterly reports (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. 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 nine months ended 30 September 2021 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.

REVIEW OF QUARTERLY FINANCIAL STATEMENTS BY THE AUDITOR

The quarterly financial statements of the Group for the nine months ended 30 September 2021 is unaudited, but has been reviewed by McM (HK) CPA Limited, the auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the Company's quarterly report for the nine months ended 30 September 2021 to be sent to shareholders of the Company in accordance with the GEM Listing Rules in due course.

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

Hong Kong, 5 November 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 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.

In the case of inconsistency, the English version of this announcement shall prevail over its Chinese version.