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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 2022

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 2022 (the “**Period**”), together with the corresponding comparative figures, are 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 three and nine months ended 30 September 2022

| | Notes | Three months ended 30 September | | Nine months ended 30 September | |
|--|-------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Revenue | 4 | 117,035 | 137,791 | 379,079 | 400,064 |
| Cost of sales | | (97,012) | (114,985) | (326,119) | (337,128) |
| Gross profit | | 20,023 | 22,806 | 52,960 | 62,936 |
| Interest income | | 723 | 720 | 2,169 | 2,160 |
| Other income | | 1,555 | 28 | 3,609 | 34 |
| Other gains or losses | | (706) | (68) | (850) | 6,642 |
| Administrative expenses | | (15,584) | (15,220) | (45,678) | (43,991) |
| Impairment loss made on allowance for trade receivables | | - | (420) | - | (1,008) |
| Share-based payment expense | | - | (81) | (144) | (538) |
| Finance costs | | (1,626) | (1,358) | (4,119) | (4,122) |
| Share of profit/(loss) of a joint venture | | 1,040 | 100 | 668 | (310) |
| Profit before taxation | | 5,425 | 6,507 | 8,615 | 21,803 |
| Income tax expense | 5 | (1,469) | (884) | (2,057) | (3,040) |
| Profit for the period | | 3,956 | 5,623 | 6,558 | 18,763 |
| Other comprehensive expenses after tax: | | | | | |
| Items that may be reclassified to profit or loss: | | | | | |
| Exchange differences on translating foreign operations | | 313 | (2) | 276 | (77) |
| Total comprehensive income for the period | | 4,269 | 5,621 | 6,834 | 18,686 |
| Profit for the period attributable to: | | | | | |
| Owners of the Company | | 3,453 | 5,210 | 7,113 | 18,070 |
| Non-controlling interests | | 503 | 413 | (555) | 693 |
| | | 3,956 | 5,623 | 6,558 | 18,763 |
| Total comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | 3,766 | 5,208 | 7,389 | 17,993 |
| Non-controlling interests | | 503 | 413 | (555) | 693 |
| | | 4,269 | 5,621 | 6,834 | 18,686 |
| Earning per share | | | | | |
| — basic (HK cents) | 6 | 0.58 | 0.87 | 1.19 | 3.01 |
| Earning per share | | | | | |
| — diluted (HK cents) | | 0.58 | 0.87 | 1.19 | 3.00 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

| | Share capital | Share premium | Capital reserve | Other reserve | Translation reserve | Share Option reserve | (Accumulated losses)/ retained earnings | Total | Non-controlling interest | Total equity |
|--|---------------|---------------|-----------------|---------------|---------------------|----------------------|---|----------|--------------------------|--------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | | (Note (i)) | (Note (ii)) | | | | | | |
| At 1 January 2022 (audited) | 6,000 | 47,755 | 17,659 | 4,658 | (627) | 1,112 | (2,287) | 74,270 | 1,886 | 76,156 |
| Profit and total comprehensive income for the period | - | - | - | - | 276 | - | 7,113 | 7,389 | (555) | 6,834 |
| Equity-settled share option arrangements | - | - | - | - | - | 144 | - | 144 | - | 144 |
| Lapse of share options | - | - | - | - | - | (532) | 532 | - | - | - |
| At 30 September 2022 (unaudited) | 6,000 | 47,755 | 17,659 | 4,658 | (351) | 724 | 5,358 | 81,803 | 1,331 | 83,134 |
| 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 |

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 2022

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's registered office and the principal place of business are at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit 1608, 16th Floor, Tower A, Manulife Financial Centre, No. 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong, respectively.

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; (ii) the provision of ancillary logistics services; and (iii) E-commerce services which include trading of consumables through an online platform and provision of fulfillment services.

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. GOING CONCERN BASIS

As at 30 September 2022, the Group had net current liabilities of approximately HK\$78,418,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors have performed an assessment of the Group's future liquidity and cash flows, taking into account the short term adjustment on certain financial covenants in respect of bank borrowings, the Group's operating cash flows and available unutilised short-term banking facilities. The Directors consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. 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 unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2022 have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss ("**FVTPL**") which have been measured at fair value.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

The unaudited consolidated financial statements have been reviewed by the audit committee of the Company (the "**Audit Committee**").

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 2022. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); 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 and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised 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 | |
|--|--|--|--|--|
| | 2022 HK\$'000 (unaudited) | 2021 <i>HK\$'000</i> (unaudited) | 2022 HK\$'000 (unaudited) | 2021 <i>HK\$'000</i> (unaudited) |
| Recognised over time: | | | | |
| Air freight forwarding services income | 20,488 | 44,965 | 98,796 | 127,608 |
| Ocean freight forwarding services income | 20,032 | 25,705 | 83,495 | 76,531 |
| Logistics services income | 40,384 | 28,500 | 100,607 | 82,426 |
| E-commerce fulfillment services income | 36,110 | 38,597 | 96,090 | 113,212 |
| Recognised at point in time: | | | | |
| E-commerce trading services income | 21 | 24 | 91 | 287 |
| | 117,035 | 137,791 | 379,079 | 400,064 |

5. INCOME TAX EXPENSE

| | Three months ended 30 September | | Nine months ended 30 September | |
|------------------------|--|--|--|--|
| | 2022 HK\$'000 (unaudited) | 2021 <i>HK\$'000</i> (unaudited) | 2022 HK\$'000 (unaudited) | 2021 <i>HK\$'000</i> (unaudited) |
| Hong Kong Profits Tax: | | | | |
| Current tax | 1,469 | 884 | 2,057 | 3,040 |

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 (2021: 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 of the Company. The calculations of basic and diluted earnings per share are based on:

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|-------------|-----------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | 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 | 3,453 | 5,210 | 7,113 | 18,070 |
| | Number of shares | | Number of shares | |
| | 2022 | 2021 | 2022 | 2021 |
| 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 |
| Weighted average number of shares during the period used in diluted earnings per share calculation | 600,000,000 | 601,901,263 | 600,000,000 | 601,780,949 |

No dilution effect for the nine months ended 30 September 2022 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 2022 (2021: Nil). The Directors have determined that no dividend will be paid in respect of the nine months ended 30 September 2022 (2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was founded in 1990 in Hong Kong and has been developing earnestly in the logistics industry. As a well established freight forwarding and logistics one-stop service provider, provision of freight forwarding services forms our core business. We purchase cargo space from airlines, shipping liners, general sales agents (“**GSA**”) 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 is direct shipper customers, and we solve their needs by exporting their goods from Hong Kong to worldwide destinations through provision of air freight and ocean freight services. We are particularly successful in destinations in Asia, such as Bangladesh, Sri Lanka, and alongside the Mekong River countries, such as Thailand, Cambodia and Vietnam. During the Period, the Group’s freight forwarding services (including air freight and ocean freight forwarding services) accounted for around 48.1% of the total revenue in aggregate.

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.

From 2019, we have further developed into the provision of E-Commerce fulfillment services. We have set up and have been running a fulfillment service based on up-to-date mobile applications to provide cross-border logistics activities in response to the increasing demand for E-Commerce from international clients in the United States of America, European countries, Canada and Australia. Such operation successfully grows into providing procurement activities, local distribution and fulfillment services, for example, for the much needed pharmaceutical and medical products.

With its successful and competitive experience in the logistics industry since 1990s, the Group has steadily developed, with a view to extend its services and capture new business opportunities by utilising the strengths and capabilities of the Group and its business acquaintances. We strive to consolidate our relationships with our long term suppliers, customers from all sectors, as well as network and technology providers with our comprehensive product portfolios and cargo knowledge to continue to develop new and successful business for the Group.

FUTURE PLANS

Technological advancements and innovation applications have transformed the landscape of the logistics industry. As such, the Group has been taking steps to gradually and actively develop suitable products and services so as to adapt to the evolving technology. The future directions of the Group include:

Cold Chain Logistics — a high-end reliable temperature-controlled technology and process which allows transportation and storage for pharmaceutical, food, and skincare products.

Fintech Logistics — the Group is committed to establish a set of logistical funding resources to provide flexibility and capability for new-age brands to venture into international markets while utilising big data solutions, artificial intelligence applications and blockchain composites.

While being ready for the above, the Group will continue to invest huge effort to further develop and secure a higher market share in the E-Commerce and fulfillment services segment, where we see positive growth. Complementing the warehousing and other ancillary logistics services, we always look for investment opportunities in the appropriate logistic hubs. We are also constantly improving the range of selection of solutions to cater for different customers' needs, while improving efficiency and customer satisfaction ratings. Constant improvement in the Group's business and market attention will enable us to capture opportunities arising from the cross border E-Commerce traffic from the PRC and overseas; and this would be the cornerstone of our identity as the major logistics services provider in the region.

FINANCIAL REVIEW

Revenue

Revenue of the Group maintained at approximately HK\$379.1 million for the Period as compared to that of approximately HK\$400.1 million for the nine months ended 30 September 2021. For the Period, revenue generated from ocean freight forwarding services increased by approximately HK\$7.0 million and revenue generated from ancillary logistics services increased by approximately HK\$18.2 million, which was offset by the decrease in revenue generated from E-Commerce fulfillment services of approximately HK\$17.1 million and the decrease in revenue generated from air freight forwarding of services of approximately HK\$28.8 million.

The increase in revenue generated from ocean freight forwarding services for the Period was mainly due to the gradual stabilisation of ocean freight rate which enabled the Group to manage the increase in price, whilst the increase in revenue generated from ancillary logistics services was mainly due to our engagement by the Hong Kong Government to distribute anti-epidemic service bags.

Cost of sales and gross profit

Cost of sales decreased by approximately 3.27% from approximately HK\$337.1 million for the nine months ended 30 September 2021 to approximately HK\$326.1 million for the Period.

Gross profit decreased by approximately 15.9% from approximately HK\$62.9 million for the nine months ended 30 September 2021 to approximately HK\$53.0 million for the Period. Gross profit margin decreased from approximately 15.7% for the nine months ended 30 September 2021 to approximately 14.0% for the Period.

The decrease in gross profit and gross profit margin was mainly attributable to the decrease in gross profit of E-Commerce fulfillment services income segment and its gross profit percentage which outweighs the increase of gross profit of ocean freight forwarding services.

Administrative expenses

Administrative expenses increased by approximately 3.83% from approximately HK\$44.0 million for the nine months ended 30 September 2021 to approximately HK\$45.7 million for the Period. The increase in administrative expenses was mainly due to the increase in professional fees for on-going litigations of approximately HK\$2.3 million for the Period as compared to 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 2021 and 2022, respectively.

Profit attributable to owners

The Group recorded a profit attributable to owners of the Company of approximately HK\$7.1 million for the Period as compared to that of approximately HK\$18.1 million for the nine months ended 30 September 2021. The decrease in profit attributable to owners was mainly attributable to the (i) decrease in gross profit of the E-Commerce fulfillment services income and air freight forwarding services income; and (ii) record of other losses for the nine months ended 30 September 2022, as compared with other gains for the corresponding period as the subsidy from a non-government institution is no longer available. Notwithstanding the above, the Group recorded an increase in (i) gross profit in the ocean freight forwarding services, and (ii) other income as a result of the subsidies granted to the Group under the Employment Support Scheme under the Anti-epidemic Fund provided by the Hong Kong Government for the Period.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors determined not to pay any interim dividend for the Period (2021: Nil).

SIGNIFICANT INVESTMENTS

Save for the life insurance policy as disclosed below, the Group did not have any significant investments held as at 30 September 2022. Save as disclosed in this announcement, the Group does not have any plans for material investments or capital assets as at 30 September 2022.

Life insurance policy

In July 2018, Janco Global Logistics Limited ("**Janco Global**"), a wholly-owned subsidiary of the Company, placed deposits amounting to HK\$100.0 million in a life insurance policy (the "**China Taiping Insurance**") purchased from China Taiping Life Insurance (Hong Kong) Company Limited for the main purpose of obtaining banking facilities from a bank. The Company intends to hold the China Taiping Insurance until the date of maturity. Please refer to the Company's announcement dated 3 January 2020 for details of the China Taiping Insurance.

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.

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 enquiries 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 September 2022, 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 (Note 4) |
|--|--|----------------------------------|--|
| Mr. Yuen Ching Bor Stephen (Note 1) | Beneficial owner | 980,000 | 0.16% |
| Mr. Po Kam Hi John (Note 2) | Beneficial owner | 1,510,000 | 0.25% |
| Mr. Tsang Zee Ho Paul (Note 3) | Beneficial owner | 850,000 | 0.14% |

Notes:

1. Mr. Yuen Ching Bor Stephen resigned as an independent non-executive Director on 20 April 2022.
2. Mr. Po Kam Hi John ceased to be a non-executive Director on 10 June 2022.
3. Mr. Tsang Zee Ho Paul ceased to be an executive Director on 10 June 2022.
4. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2022 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 of the Company (the "**Options**") granted by the Company.

Long position in the underlying Shares of equity derivatives of the Company

Under the share option scheme (the “**Share Option Scheme**”) as mentioned in the section headed “Share Option Scheme” below, Options were granted to the following Directors which entitled them to subscribe for the Shares. Details of the Options held by them as at 30 September 2022 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 1) |
|--|---------------|--------------|---------------------------|--|---------------------------------|---|
| Mr. Ng Chin Hung (“Mr. Ng”) (Note 2) | 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 | | |

Notes:

1. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2022.
2. Mr. Ng resigned as an executive Director on 15 October 2022.

Save as disclosed above, as at 30 September 2022, 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 2022, 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 <i>(Note 3)</i> |
|--|--|------------------------------|--|
| Million Venture Holdings Limited ("Million Venture") | Beneficial owner | 156,000,000 | 26% |
| Ms. Tai Choi Wan, Noel ("Ms. Tai") | Interest in a controlled corporation <i>(Note 1)</i> | 156,000,000 | 26% |
| Mr. Cheng | Interest of spouse <i>(Note 2)</i> | 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. By virtue of the SFO, Ms. Tai is deemed to be interested in all the Shares held by Million Venture.
2. Mr. Cheng 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 2022 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 September 2022, 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 were 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 was 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 2021 annual report of the Company.

Under the Share Option Scheme, the Company may issue 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 listing of its Shares on GEM of the Stock Exchange. The General Scheme Limit remained unchanged as at the date of the 2021 annual report of the Company.

As at 30 September 2022, a total of 6,000,000 Options granted under the Share Option Scheme were outstanding.

Movements 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 c) | Number of Options | | | | | Outstanding as at 30/09/2022 | Exercise price HK\$ | Exercise period |
|----------------|---------------|--------------------------|---------------------------------|-------------------------------|---------------------------------|-----------|--------------------|---------------------------------|------------------------|-----------------------|
| | | | Outstanding as at 01/01/2022 | Granted (Notes a and b) | Exercised (Notes a and b) | 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 | - | - | - | (2,250,000) | 750,000 | 0.2066 | 24/06/2021-23/06/2030 |
| | 24/06/2020 | 24/06/2022 (50%) | 3,000,000 | - | - | - | (2,250,000) | 750,000 | 0.2066 | 24/06/2022-23/06/2030 |
| Total: | | | 10,500,000 | - | - | - | (4,500,000) | 6,000,000 | | |

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. During the Period, 4,500,000 Options lapsed under the Share Option Scheme.
- c. 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.
- d. There are no participants with Options granted in excess of the individual limit and no grants to suppliers of goods and services.

No Options were exercised during the Period.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme, at no time during the Period 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 30 September 2022 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 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.

CHANGES IN DIRECTORS AND OF IMPORTANT EXECUTIVE FUNCTIONS AND RESPONSIBILITIES OF MEMBERS OF THE BOARD DURING THE PERIOD

With effect from 6 April 2022, (i) Mr. Ng ceased to serve as the chairman of the Board (the “**Chairman**”) and has continued to act as an executive Director and chief executive officer of the Company (“**CEO**”); (ii) Mr. Po Kam Hi John was appointed as the Chairman and has continued to act as a non-executive Director; (iii) Mr. Tsang Zee Ho Paul was re-designated from a non-executive Director to an executive Director and served as the chief financial officer of the Company (“**CFO**”), the company secretary of the Company (the “**Company Secretary**”), an authorised representative of the Company as required under Rule 24.05(2) of the GEM Listing Rules (the “**Authorised Representative**”), an authorised representative for accepting the service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (the “**Process Agent**”); (iv) Mr. Cheng Hiu Tung Anthony was re-designated from CFO to the financial controller of the Company (the “**Financial Controller**”) and has continued to act as an executive Director; and (v) Mr. Chan Heung Wing Anthony resigned as Company Secretary and ceased to serve as an Authorised Representative and the Process Agent. For details, please refer to the announcement of the Company dated 6 April 2022.

With effect from 20 April 2022, (i) Mr. Yuen Ching Bor Stephen resigned as an independent non-executive Director and ceased to serve as the chairman of the remuneration committee of the Board (the “**Remuneration Committee**”), a member of the audit committee of the Board (the “**Audit Committee**”) and the nomination committee of the Board (the “**Nomination Committee**”); and (ii) Mr. Leung Ka Kui Johnny was appointed as the chairman of the Remuneration Committee and a member of the Audit Committee. For details, please refer to the announcement of the Company dated 21 April 2022.

With effect from the conclusion of the annual general meeting of the Company on 10 June 2022, each of Mr. Cheng Hiu Tung Anthony, Mr. Tsang Zee Ho Paul, Mr. Po Kam Hi John and Mr. Leung Ka Kui Johnny retired as Director. Following the retirement of the each of them as Directors and with effect from 10 June 2022, (i) Mr. Po Kam Hi John's positions to act as the Chairman and a non-executive Director have been terminated; (ii) Mr. Tsang Zee Ho Paul's positions to serve as an executive Director, CFO, the Company Secretary, an Authorised Representative and the Process Agent have been terminated; (iii) Mr. Cheng Hiu Tung Anthony's positions to serve as an executive Director and the Financial Controller have been terminated; and (iv) Mr. Leung Ka Kui Johnny ceased to serve as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Subsequently, with effect from 10 June 2022, (i) Mr. Chan Kin Chung has been appointed as a non-executive Director and the Chairman; (ii) Mr. Chan William has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee; and (iii) Ms. Ng Ting On Polly has been appointed as the Company Secretary, an Authorised Representative and the Process Agent. For details, please refer to the announcement of the Company dated 12 June 2022.

With effect from 15 October 2022, (i) Mr. Ng resigned as an executive Director, CEO, an Authorised Representative and the compliance officer (the "**Compliance Officer**") of the Company; (ii) Mr. Kwan Chi Hong resigned as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee; (iii) Mr. Cheng Tak Yuen, an executive Director, was appointed as an Authorised Representative and the Compliance Officer; and (iv) Mr. Chan William, an independent non-executive Director, was appointed as the chairman of the Nomination Committee. For details, please refer to the announcement of the Company dated 17 October 2022.

With effect from 28 October 2022, (i) Mr. Heung Ka Lok was appointed as an executive Director and the Financial Controller; (ii) Mr. Lee Kwong Chak, Bonnio resigned as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee; (iii) Mr. Moy Yee Wo Matthew was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee; (iv) Mr. Law Wing Tak Jack was appointed as an independent non-executive Director; (v) Mr. Yu Kwok Fai was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee; (vi) Mr. Chan William, an independent non-executive Director, was redesignated from the chairman to a member of the Remuneration Committee; (vii) Ms. Ng Ting On Polly resigned as the Company Secretary, an Authorised Representative and the Process Agent; and (viii) Mr. Chung Kiu Pan was appointed as the Company Secretary, an Authorised Representative and the Process Agent. For details, please refer to the announcement of the Company dated 28 October 2022.

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 2021 annual report.

CORPORATE GOVERNANCE

During the Period, the Company had 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 code provision C.2.1. CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. During the Period, Mr. Ng was the Chairman and the CEO. In view of Mr. Ng having worked in the freight forwarding, logistics and supply chain industries for more than 37 years, the Board considered that it was in the best interests of the Group to have Mr. Ng taking up both roles for effective management and business development. Further, the Board believed that the balance of power and authority was adequately ensured by the operations of the Board which comprised experienced and high-caliber individuals, with sufficient number of independent non-executive Directors. Accordingly, the Board was of the view that the deviation from the CG Code provision C.2.1 was appropriate or

acceptable in such circumstances. With the separation of the roles of the Chairman (being served by each of Mr. Po Kam Hi John (from 6 April 2022 to 9 June 2022) and Mr. Chan Kin Chung (since 10 June 2022), each a non-executive Director)) and CEO (served by Mr. Ng from 6 April 2022 to 15 October 2022), the Company has complied with CG Code provision C.2.1. As disclosed in the announcement of the Company dated 17 October 2022, following the resignation of Mr. Ng as the CEO, the position of CEO was vacant, the Company will use its best endeavour to appoint suitable candidate to fill the vacancy of the CEO. Further announcement(s) will be made in relation to such appointment(s) as and when appropriate.

LITIGATIONS

Winding-up petitions

Winding-up petitions brought against Janco Global and Transpeed Hong Kong Limited

On 21 April 2022, each of Janco Global and Transpeed Hong Kong Limited ("**Transpeed**"), an indirect wholly-owned subsidiary of the Company, received a winding up petition from FC Bangladesh Limited ("**FCB**") for the alleged debts payable by each of Janco Global and Transpeed (the "**Alleged Debts**"). On the same day, each of Janco Global and Transpeed issued an originating summons for an injunction to prevent FCB from presenting winding-up petitions against each of them.

On 3 May 2022, each of Janco Global and Transpeed issued a writ of summons against FCB to seek declaration that they are not indebted to FCB for the Alleged Debt.

On 18 May 2022, FCB and each of Janco Global and Transpeed entered into consent summons for the withdrawal of the aforesaid petitions. Sealed orders for the withdrawal of the two aforesaid petitions were subsequently granted on 2 June 2022.

For details, please refer to the announcements of the Company dated 22 April, 4 May and 20 May 2022.

Writ of summons received by the Company

On 17 February 2022, the Company received a Writ of Summons (the “**Writ**”) issued by Mr. Cheng, who is a former controlling shareholder, former Chairman and Director, in the High Court of Hong Kong in relation to a letter of indemnity and undertaking executed by the Company in favour of Mr. Cheng dated 17 June 2021 (the “**Letter**”).

Among other things, the statement of claim attached to the Writ asserts that:

1. Mr. Cheng is the legal and beneficial owner of a property situated at Flat B, 9th Floor with Car Parking Space No. C33, No. 6 Shiu Fai Terrace, Stubbs Road, Hong Kong (the “**Property**”);
2. Mr. Cheng indirectly held around 75% of the Shares of the Company until around early 2021;
3. in May 2019 and May 2021, Mr. Cheng granted 2nd and 3rd mortgages over the Property in favour of DBS Bank (Hong Kong) Limited as security for bank facilities to certain subsidiaries of the Company;
4. Under clause 2 of the Letter, the Company unconditionally and irrevocably agrees and undertakes to use its best endeavour to procure the full release and discharge of the 2nd and 3rd mortgages over the Property as soon as reasonably practicable; and
5. Mr. Cheng claims for specific performance of clause 2 of the Letter as stated in paragraph 4 above.

The Company is currently seeking legal advice from its legal advisers in respect of the Writ. The business operation of the Company and its subsidiaries remains normal and it is not expected that the Writ will have any material impact on the Company and its subsidiaries.

For details, please refer to the announcement of the Company dated 21 February 2022.

REQUISITION OF SUBSTANTIAL SHAREHOLDER TO CONVENE AN EXTRAORDINARY GENERAL MEETING (THE “EGM”)

On 16 September 2022, the Board received a letter from HKSCC Nominees Limited dated 15 September 2022, enclosing, among others, a notice of requisition (the “**Requisition Notice**”) for a meeting dated 9 September 2022 from Million Venture, a substantial shareholder (as defined in the GEM Listing Rules) of the Company. On 30 September 2022, the Company convened the EGM according to the articles of association of the Company by despatching a circular and a notice of EGM, both dated 30 September 2022.

On 28 October 2022, the Company received a letter from Million Venture withdrawing the Requisition Notice and all proposed ordinary resolutions set out in the Requisition Notice (the “**Proposed Resolutions**”). On 7 November 2022, the EGM was held as originally scheduled. At the EGM, considering the withdrawal of the Requisition Notice and all Proposed Resolutions, a resolution to adjourn sine die the EGM and all the Proposed Resolutions (the “**Adjournment Resolution**”) was duly passed by the Shareholders as an ordinary resolution. Accordingly, the EGM and all the Proposed Resolutions were adjourned sine die.

For details, please refer to the announcements of the Company dated 19 September 2022, 28 October 2022 and 7 November 2022, and the circular dated 30 September 2022.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2022 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 report, 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. Moy Yee Wo Matthew, Mr. Yu Kwok Fai and Mr. Chan William. Mr. Moy Yee Wo Matthew is the chairman of the Audit Committee.

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.

REVIEW OF QUARTERLY FINANCIAL STATEMENTS BY THE AUDITOR

The quarterly financial statements of the Group for the Period 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 this announcement.

By order of the Board
Janco Holdings Limited
Chan Kin Chung
Chairman

Hong Kong, 14 November 2022

As at the date of this announcement, the executive Directors are Mr. Cheng Tak Yuen and Mr. Heung Ka Lok, the non-executive Director is Mr. Chan Kin Chung (Chairman) and the independent non-executive Directors are Mr. Chan William, Mr. Moy Yee Wo Matthew, Mr. Law Wing Tak Jack and Mr. Yu Kwok Fai.

This announcement will remain on the "Latest Listed Company Information" page on the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.jancofreight.com.