



# Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035

FIRST QUARTERLY REPORT

# 2023



## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This report, 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 report 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 report misleading.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Non-Executive Director

Mr. Chan Kin Chung (*Chairman*)

#### Executive Directors

Mr. Cheng Tak Yuen

Mr. Heung Ka Lok  
(*Financial Controller*)

#### Independent Non-Executive Directors

Mr. Chan William

Mr. Law Wing Tak Jack

Mr. Moy Yee Wo Matthew

Mr. Yu Kwok Fai

### COMPANY SECRETARY

Mr. Chung Kiu Pan

### COMPLIANCE OFFICER

Mr. Cheng Tak Yuen

### AUTHORISED REPRESENTATIVES

Mr. Cheng Tak Yuen

Mr. Chung Kiu Pan

### BOARD COMMITTEES

#### Audit Committee

Mr. Moy Yee Wo Matthew (*Chairman*)

Mr. Chan William

Mr. Yu Kwok Fai

#### Remuneration Committee

Mr. Yu Kwok Fai (*Chairman*)

Mr. Chan William

Mr. Moy Yee Wo Matthew

#### Nomination Committee

Mr. Chan William (*Chairman*)

Mr. Moy Yee Wo Matthew

Mr. Yu Kwok Fai

### REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

## **HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit 1608, 16th Floor  
Tower A, Manulife Financial Centre  
No. 223 Wai Yip Street,  
Kwun Tong, Kowloon,  
Hong Kong

## **HONG KONG LEGAL ADVISER**

Chiu & Partners  
40th Floor, Jardine House  
1 Connaught Place  
Hong Kong

## **AUDITOR**

McMillan Woods (Hong Kong)  
CPA Limited  
Certified Public Accountants  
24/F., Siu On Centre  
188 Lockhart Road  
Wanchai  
Hong Kong

## **COMPANY'S WEBSITE**

[www.jancofreight.com](http://www.jancofreight.com)

## **PRINCIPAL SHARE REGISTRAR**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

## **PRINCIPAL BANKERS**

DBS Bank (Hong Kong) Limited  
16th Floor, The Center  
99 Queen's Road Central  
Central Hong Kong

The Hong Kong and Shanghai  
Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

China Citic Bank International Limited  
The Chinese Bank Building  
61–65 Des Voeux Road Central  
Hong Kong

## **STOCK CODE**

8035

## 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 2023 (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 months ended 31 March 2023

		<b>Three months ended 31 March</b>	
	Notes	<b>2023 HK\$'000 (unaudited)</b>	2022 HK\$'000 (unaudited)
Revenue		<b>71,185</b>	135,033
Cost of sales	4	<b>(64,204)</b>	(116,506)
Gross profit		<b>6,981</b>	18,527
Interest income		<b>786</b>	721
Other income		<b>7</b>	4
Other gains		<b>973</b>	–
Administrative and selling expenses		<b>(11,161)</b>	(13,034)
Share-based payment expenses		<b>–</b>	(79)
(Loss)/profit from operations		<b>(2,414)</b>	6,139
Finance costs		<b>(2,135)</b>	(1,190)
Share of losses of a joint venture		<b>(82)</b>	(182)
(Loss)/profit before taxation		<b>(4,631)</b>	4,767
Income tax	5	<b>–</b>	(721)
(Loss)/profit for the period		<b>(4,631)</b>	4,046
Other comprehensive income/(expense), net of tax: Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		<b>2</b>	(37)
Total comprehensive (expense)/income for the period		<b>(4,629)</b>	4,009
(Loss)/profit for the period attributable to:			
Owners of the Company		<b>(4,686)</b>	4,487
Non-controlling interests		<b>55</b>	(441)
		<b>(4,631)</b>	4,046
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		<b>(4,684)</b>	4,450
Non-controlling interests		<b>55</b>	(441)
		<b>(4,629)</b>	4,009
(Loss)/earning per share — basic (HK cents)	6	<b>(0.78)</b>	0.75
(Loss)/earning per share — diluted (HK cents)	6	<b>(0.78)</b>	0.75

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share option reserve	Retained profits/ losses (accumulated)	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000 (Note iii)	HK\$'000 (Note iv)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	6,000	47,755	17,659	4,658	(434)	362	3,059	79,059	2,777	81,836
Total comprehensive expense for the period	-	-	-	-	2	-	(4,686)	(4,684)	55	(4,629)
At 31 March 2023 (unaudited)	6,000	47,755	17,659	4,658	(432)	362	(1,627)	74,375	2,832	77,207
At 1 January 2022 (audited)	6,000	47,755	17,659	4,658	(627)	1,112	(2,287)	74,270	1,886	76,156
Total comprehensive income for the period	-	-	-	-	(37)	-	4,487	4,450	(441)	4,009
Equity-settled share options arrangements	-	-	-	-	-	79	-	79	-	79
Share options lapsed	-	-	-	-	-	(170)	170	-	-	-
At 31 March 2022 (unaudited)	6,000	47,755	17,659	4,658	(664)	1,021	2,370	78,799	1,445	80,244

## Notes:

- (i) Capital reserve comprises (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 former 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 Company, 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 former controlling shareholder of the Group and a former Director of the Company, 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.
- (iii) The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (iv) The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors/employees of the Group.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

## 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 principal activities of its subsidiaries include (i) provision of air and ocean freight forwarding services; (ii) provision of logistics and warehousing services; and (iii) provision for e-commerce fulfillment services and others.

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 accounting policies and method of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2023 are consistent with those used in the annual report for the year ended 31 December 2022.

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023 have been prepared under the historical cost convention.

The unaudited consolidated financial statements 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 2023. 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 previous 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	
	2023 HK\$’000 (unaudited)	2022 HK\$’000 (unaudited)
Air freight forwarding services	19,988	35,787
Ocean freight forwarding services	7,911	39,103
Logistics and warehousing services	23,516	32,987
E-commerce fulfillment services and others	19,770	27,156
	<b>71,185</b>	<b>135,033</b>

### 5. INCOME TAX

	Three months ended 31 March	
	2023 HK\$’000 (unaudited)	2022 HK\$’000 (unaudited)
Hong Kong Profits Tax:		
Current tax	–	721

For both periods, Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No provision for Hong Kong Profits Tax has been recognised in the unaudited condensed consolidated financial statements as the Group did not generate any assessable profits in Hong Kong for the three months ended 31 March 2023.

## 6. (LOSS)/EARNING PER SHARE

The calculations of basic and diluted (loss)/earning per share are based on:

	Three months ended 31 March	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>(Loss)/profit</b>		
(Loss)/profit attributable to owners of the Company	<b>(4,686)</b>	4,487
	<b>Number of shares</b>	
	2023	2022
<b>Shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earning per share	<b>600,000,000</b>	600,000,000

The effect of the Company's outstanding share options for the Period did not give rise to any dilution effect to the (loss)/earning per share.

## 7. DIVIDENDS

No dividends were paid, declared or proposed during the three months ended 31 March 2023 (2022: Nil). The Directors resolved not to pay an interim dividend for the three months ended 31 March 2023 (2022: 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 Cambodia and Vietnam. During the Period, the Group’s freight forwarding services (including air freight and ocean freight forwarding services) accounted for around 39.2% 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 the People’s Republic of China (the “**PRC**”), and international clients in the United States of America, Europe, 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.

## **OUTLOOK**

The general outlook of the business environment will remain challenging. In 2023, the reopening of borders and the relaxation of the pandemic prevention measures in Hong Kong and the PRC will expect to improve customers' orders. However, we remain cautious about the price increase in fuel and labor, alongside with interest expenses.

The Group believes and is confident that the economy of Hong Kong is gradually recovering, which will benefit the logistics industry. The pandemic has made people more health-conscious and reliant on e-commerce platforms. Therefore, our cold chain logistics solutions and e-commerce fulfillment services will continue to develop and will make strides. Our cold chain logistics management solutions have been developed with high-end, reliable and temperature-controlled technology for transporting and storing pharmaceuticals, health care products, food and skin care products. Going forward, we will continue to invest huge effort to further develop and expand our e-commerce fulfillment services segment by improving operating efficiency with robotic-aid enhancement systems. In addition, the Group has been actively taking measures to develop appropriate products and services to the market.

The management will continue strictly controlling costs and implementing pricing adjustments to increase profitability. Nonetheless, the Group will constantly review business strategies, improve operational efficiency and strive for sustainable growth to create long-term value for shareholders and investors.

## FINANCIAL REVIEW

### Revenue and costs of sales

Revenue of the Group decreased by 47.3% from HK\$135.0 million for the three months ended 31 March 2022 to HK\$71.2 million for the Period.

Revenue from air and ocean freight forwarding services decreased by HK\$15.8 million and HK\$31.2 million respectively for the Period, as a result of (i) the recovery of shipment volume affected by the outbreak of COVID-19 and economic downturn are slower than anticipated, and (ii) significant drop in freight containers' price charged to customers comparing with the three months ended 31 March 2022 of which the supply from freight carriers was insufficient.

Revenue from logistics and warehousing services decreased by HK\$9.5 million for the Period, resulting from the completion of our engagement by the Hong Kong Government to distribute anti-epidemic service bags and electronic wristbands in January 2023.

Revenue from e-commerce fulfillment services and others decreased by HK\$7.4 million for the Period, which was due to change of operating model with certain major customers of the Group of this segment.

Cost of sales decreased by 44.9% from HK\$116.5 million for the three months ended 31 March 2022 to HK\$64.2 million for the Period. The decrease was mainly attributable to the reduction of direct costs due to decrease in shipment volume and number of orders received in each of our core segments.

## Gross profit

Gross profit decreased by 62.3% from HK\$18.5 million for the three months ended 31 March 2022 to HK\$7.0 million for the Period. The decrease in gross profit was due to the decrease in gross profit from freight forwarding services and logistics and warehousing services. This effect is partially offset by the improvement in gross profit from e-commerce fulfillment services.

Gross profit margin decreased by 3.9% from approximately 13.7% for the three months ended 31 March 2022 to approximately 9.8% for the Period.

The decrease in gross profit from freight forwarding services was resulted from the recovery of shipment volume affected by the outbreak of COVID-19 and economic downturn, which is slower than expected and significant drop in freight containers' price charged to customers, as well as decrease in gross profit margin due to the increase in direct shipping costs.

The decrease in gross profit from logistics and warehousing services due to the completion of our engagement to distribute the anti-epidemic service bags and electronic wristbands by the Hong Kong Government in January 2023.

Despite the above, the gross profit from e-commerce fulfillment services improved after we focused on customers with higher business margin.

## Other gains

Other gains mainly comprised a gain from disposal of property, plant and equipment of HK\$0.7 million for the Period.

## Administrative and selling expenses

Administrative and selling expenses decreased by approximately HK\$1.8 million from HK\$13.0 million for the three months ended 31 March 2022 to HK\$11.2 million for the Period. The decrease in administrative expenses was primarily attributable to the decrease in legal and professional fees for the Period as the professional fees for on-going litigations for the three months ended 31 March 2022 was no longer incurred by the Group.

## Loss/profit attributable to owners

For the Period, the Group recorded a loss attributable to owners of the Company of HK\$4.7 million as compared to a profit attributable to owners of the Company of HK\$4.5 million for the three months ended 31 March 2022.

The loss attributable to owners of the Company for the Period was mainly resulted from (i) a decrease in shipment volume and revenue from air and ocean freight forwarding services as the recovery of shipment volume affected by the outbreak of COVID-19 and economic downturn are slower than anticipated and significant drop in freight containers' price charged to customers; (ii) a decrease in gross profit margin from logistics and warehousing services; and (iii) an increase in finance costs, which is primarily due to increase in bank borrowing rates, and increase in interests of loan from a substantial shareholder and other borrowings which did not exist for the three months ended 31 March 2022.

Notwithstanding the above, the Group recorded (i) an increase in gross profit from e-commerce fulfillment services; and (ii) a decrease in administrative and selling expenses which is primarily attributable to the decrease in legal and professional fees for the Period as the professional fees for on-going litigations for the three months ended 31 March 2022 was no longer incurred by the Group.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the Period (2022: Nil).

### SIGNIFICANT INVESTMENTS

Save for the life insurance policy as disclosed below, the Group did not have any significant investments held as at 31 March 2023. Save as disclosed in this report, the Group does not have any plans for material investments or capital assets as at 31 March 2023.

#### 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. Please refer to the Company’s announcement dated 3 January 2020 for details of the background and key terms of China Taiping Insurance. As disclosed in the annual report of the Company for the year ended 31 December 2022, the Company intends to surrender the China Taiping Insurance in the year ending 31 December 2023.

### 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 listed securities of the Company.



## 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 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 the 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 31 March 2023, 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 underlying shares or equity derivatives of the Company

Under the share option scheme of the Company (the “Share Option Scheme”) as mentioned in the section headed “Share Option Scheme” below, share options were granted to the following Directors which entitled them to subscribe for Shares. Details of the share options of the Company held by them as at 31 March 2023 were as follows:

Name of Director	Date of grant	Vesting date	Exercise period	Number of	Exercise price per Share (HK\$)	Approximate
				Shares over which options are exercisable as at 31 March 2023		percentage of interest in the issued Shares as at 31 March 2023
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 31 March 2023.

Save as disclosed above, as at 31 March 2023, 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 2023, 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 31 March 2023 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 31 March 2023, 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 the Share Option Scheme on 23 September 2016. The Share Option Scheme was prepared 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 2022 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, representing 10% of the total number of Shares in issue as at 7 October 2016 (being the Listing Date of the Company on GEM of the Stock Exchange). As at 31 March 2023, a total of 3,000,000 Options granted under the Share Option Scheme were outstanding.

Movement of the Options, which were granted under the Share Option Scheme, during the Period are listed below:

Category	Date of grant	Vesting date	Number of Options					Outstanding as at 31/03/2023	Exercise price HK\$	Exercise period
			Outstanding as at 01/01/2023	Granted	Exercised	Cancelled	Lapsed			
1. Directors										
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%)	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
<b>Total:</b>			<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>		

As disclosed in the annual report of the Company for the year ended 31 December 2022, the Company is aware that amendments were made to Chapter 23 of the GEM Listing Rules, which have come into effect on 1 January 2023, which include, among others, revising the scope of eligible participants of share option schemes and setting out the minimum vesting period requirements. The Company will only grant the share options in compliance with the amended Chapter 23 of the GEM Listing Rules and pursuant to the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange. Going forward, the Company will also consider to amend the Share Option Scheme so as to comply with the new requirements under Chapter 23 of the GEM Listing Rules, in any event not later than the refreshment or expiry of the scheme mandate; or to adopt a new share option scheme that comply with the requirements under the amended Chapter 23 of the GEM Listing Rules.

## **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Other than the Share Option Scheme disclosed above, at no time during the Period and up to the date of this report 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 2023 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 or any of their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, directly or indirectly, with the business of the Group and/or any other conflict of interest which any such person has or may have with the Group.

## 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.

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2023 and up to the date of this report.

## AUDIT COMMITTEE

The Company has established its Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to, among other things, assist the Board in overseeing the financial reporting and disclosure processes, risk management and internal control systems of the Group, nominate and monitor the external auditor regarding its review of the financial statements of the Group and provide independent views and/or recommendations to the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Moy Yee Wo Matthew, Mr. Chan William, and Mr. Yu Kwok Fai, with Mr. Moy Yee Wo Matthew being the chairman.

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 and that adequate disclosure has been made in respect thereof.

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

Hong Kong, 12 May 2023

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

*This report will remain on the "Latest Listed Company Information" page of the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) for at least 7 days from the date of its publication. This report will also be published on the Company's website ([www.jancofreight.com](http://www.jancofreight.com)).*