



Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035

THIRD QUARTERLY REPORT

2023



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

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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.

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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, 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 Directors

Mr. Tam Tsz Yeung Alan (*Chairman*)
(appointed on 13 July 2023)

Mr. Liang Yuxi
(appointed on 13 July 2023)

Ms. Cheung Man Yee Kara
(appointed on 1 September 2023)

Mr. Chan Kin Chung
(resigned on 13 July 2023)

Executive Directors

Mr. Cheng Tak Yuen

Mr. Heung Ka Lok
(*Financial Controller*)

Mr. Lai Chung Wing
(appointed on 13 July 2023)

Independent Non-Executive Directors

Mr. Chan William

Mr. Moy Yee Wo Matthew

Mr. Yu Kwok Fai

Mr. Law Wing Tak Jack
(resigned on 1 September 2023)

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

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

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

The Bank of East Asia, Limited
38th Floor, BEA Tower,
Millennium City 5
418 Kwun Tong Road,
Kowloon,
Hong Kong

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

STOCK CODE

8035

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 2023 (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 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	64,056	117,035	195,486	379,079
Cost of sales		(57,260)	(97,012)	(176,132)	(326,119)
Gross profit		6,796	20,023	19,354	52,960
Interest income		252	723	1,816	2,169
Other income		66	1,555	279	3,609
Other gains and losses, net		(362)	(706)	(459)	(850)
Administrative and selling expenses		(9,637)	(15,584)	(29,332)	(45,678)
Impairment loss on trade receivables		–	–	(91)	–
Share-based payment expenses		–	–	–	(144)
(Loss)/profit from operations		(2,885)	6,011	(8,433)	12,066
Finance costs		(1,258)	(1,626)	(4,620)	(4,119)
Share of (loss)/profit of a joint venture		(42)	1,040	(193)	668
(Loss)/profit before taxation		(4,185)	5,425	(13,246)	8,615
Income tax	4	–	(1,469)	(257)	(2,057)
(Loss)/profit for the period		(4,185)	3,956	(13,503)	6,558
Other comprehensive (expense)/income:					
Item that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations		(5)	313	(12)	276
Total comprehensive (expense)/income for the period		(4,190)	4,269	(13,515)	6,834
(Loss)/profit for the period attributable to:					
Owners of the Company		(4,266)	3,453	(13,381)	7,113
Non-controlling interests		81	503	(122)	(555)
		(4,185)	3,956	(13,503)	6,558
Total comprehensive (expense)/income for the period attributable to:					
Owners of the Company		(4,271)	3,766	(13,393)	7,389
Non-controlling interests		81	503	(122)	(555)
		(4,190)	4,269	(13,515)	6,834
(Loss)/earning per share					
— basic (HK cents)	5	(0.71)	0.58	(2.23)	1.19
(Loss)/earning per share					
— diluted (HK cents)		(0.71)	0.58	(2.23)	1.19

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Share option reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interest	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
Loss and total comprehensive expense for the period	-	-	-	-	(12)	-	(13,381)	(13,393)	(122)	(13,515)
Dividend paid to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,886)	(1,886)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(195)	(195)
At 30 September 2023 (unaudited)	6,000	47,755	17,659	4,658	(446)	362	(10,322)	65,666	574	66,240
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
Share options lapsed	-	-	-	-	-	(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

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) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (iv) 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 nine months ended 30 September 2023

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 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 of e-commerce fulfillment services and others.

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of this quarterly report.

2. BASIS OF PREPARATION

The 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"), as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements of the Group for the Period have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022.

The condensed consolidated financial statements have not been audited by the independent auditor of the Company, these financial statements have been reviewed by the audit committee of the Company (the "**Audit Committee**").

For the Period, the Group has applied all the new and amendments to HKFRSs issued by the HKICPA that are relevant to the Group, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the condensed consolidated financial statements for the Period.

HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The application of these new and amendments to HKFRSs did not result in material changes to the Group's accounting policies, presentation of the Group's financial statements, and amounts reported for the Period and prior years.

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

3. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Air freight forwarding services income	19,741	20,488	53,682	98,796
Ocean freight forwarding services income	5,900	20,032	18,070	83,495
Logistics and warehousing services income	20,852	40,384	63,526	100,607
E-commerce fulfillment services income and others	17,563	36,131	60,208	96,181
	64,056	117,035	195,486	379,079

4. INCOME TAX

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Hong Kong Profits Tax:				
Current tax	–	1,469	–	2,057
Under-provision in prior years	–	–	231	–
	–	1,469	231	2,057
Deferred tax	–	–	26	–
	–	1,469	257	2,057

For the Period, 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 condensed consolidated financial statements as the Group did not generate any assessable profits in Hong Kong for the Period.

For the nine months ended 30 September 2022, Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for that period.

5. (LOSS)/EARNING PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss)/earning (Loss)/profit attributable to owners of the Company	(4,266)	3,453	(13,381)	7,113
	Number of shares		Number of shares	
	2023	2022	2023	2022
Shares Weighted average number of ordinary shares for the purpose of calculating (loss)/earning per share	600,000,000	600,000,000	600,000,000	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.

6. DIVIDENDS

No dividends were paid, declared or proposed during the nine months ended 30 September 2023 (2022: Nil). The Directors have determined that no dividend will be paid in respect of the nine months ended 30 September 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 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, India, and Sri Lanka, and alongside the Mekong River countries, such as Vietnam. During the Period, the Group’s freight forwarding services (including air freight and ocean freight forwarding services) accounted for approximately 36.7% of the total revenue in aggregate.

On top of our core freight forwarding services, we strategically offer ancillary logistics and warehousing 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 our E-Commerce fulfillment services business. 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 such as 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 our successful and competitive experience in the logistics industry since 1990s, we have steadily developed, with a view to extend our services and capture new business opportunities by utilising our strengths and capabilities and our 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 increasing price in fuel and labour, alongside with finance costs.

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 with 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 48.4% from HK\$379.1 million for the nine months ended 30 September 2022 to HK\$195.5 million for the Period.

Revenue from air freight forwarding services decreased by HK\$45.1 million from HK\$98.8 million for the nine months ended 30 September 2022 to HK\$53.7 million for the Period. Revenue from ocean freight forwarding services decreased by HK\$65.4 million from HK\$83.5 million for the nine months ended 30 September 2022 to HK\$18.1 million for the Period.

The changes are as a result of the (i) 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 nine months ended 30 September 2022, of which the supply from freight carriers was insufficient.

Revenue from logistics and warehousing services decreased by HK\$37.1 million from HK\$100.6 million for the nine months ended 30 September 2022 to HK\$63.5 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\$36.0 million from HK\$96.2 million for the nine months ended 30 September 2022 to HK\$60.2 million for the Period, which was due to a change of operating model with certain major customers of the Group of this segment.

Cost of sales decreased by 46.0% from HK\$326.1 million for the nine months ended 30 September 2022 to HK\$176.1 million for the Period. The decrease was mainly due to reduction of (i) direct costs due to decrease in shipment volume and number of orders received in each of our core segments; and (ii) temporary workers costs due to improvement of production efficiency of our warehouse staff.

Gross profit

Gross profit decreased by 63.4% from HK\$53.0 million for the nine months ended 30 September 2022 to HK\$19.4 million for the Period due to the decrease in gross profit from various operating segments.

Gross profit margin decreased by 4.1% from 14.0% for the nine months ended 30 September 2022 to 9.9% for the Period.

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

The decrease in gross profit from logistics and warehousing services was mainly 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.

The decrease in gross profit from e-commerce fulfillment services was mainly due to decrease in number of orders placed by certain major customers, which outweighs the improvement of gross profit margin because we have improved our customers mix with higher profit margins and improved our rates charged to customers.

Other gains and losses, net

Net other gains and losses mainly comprised loss on surrender of life insurance policies of HK\$0.9 million, which outweighs 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\$16.4 million from HK\$45.7 million for the nine months ended 30 September 2022 to HK\$29.3 million for the Period. The decrease in administrative expenses was primarily due to the (i) decrease in legal and professional fees for the Period as the professional fees for on-going litigations for the nine months ended 30 September 2022 were no longer incurred by the Group; (ii) decrease in staff salaries and allowances due to the decrease in the number of employees for the Period; and (iii) decrease in overall spending through cost control initiatives.

Loss attributable to owners

The Group recorded a loss attributable to owners of the Company of HK\$13.4 million for the Period, as compared to a profit attributable to the owners of the Company of HK\$7.1 million for the nine months ended 30 September 2022.

The loss attributable to owners of the Company for the Period was mainly resulted from the (i) 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) decrease in gross profit and gross profit margin from logistics and warehousing services; (iii) decrease in gross profit from e-commerce fulfillment services due to decrease in number of orders placed by certain major customers; (iv) loss on surrender of life insurance policies; and (v) increase in finance costs due to increase in bank borrowing rates and increase in interest expenses on a loan from a substantial shareholder which did not exist for the nine months ended 30 September 2022.

Notwithstanding the above, the Group recorded a decrease in administrative and selling expenses due to (i) the decrease in legal and professional fees for the Period as the professional fees for on-going litigations for the nine months ended 30 September 2022 were no longer incurred by the Group for the Period; and (ii) the decrease in salaries and allowances due to the decrease in the number of employees for the Period.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors determined not to pay any interim dividend for the Period (2022: Nil).

SIGNIFICANT INVESTMENTS

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. For the background and key terms of the China Taiping Insurance, please refer to the Company's announcement dated 3 January 2020.

On 13 September 2023, the Company has surrendered the China Taiping Insurance. For details, please refer to the Company's announcement dated 14 September 2023.

Save for the investment in its subsidiaries by the Group, the Group did not have any significant investments held as at 30 September 2023. Save as disclosed in this report, the Group does not have any other plans for material investments or capital assets as at 30 September 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 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 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

(i) Long Position in the shares of the Company

Name of Director	Nature of interest/ capacity	Number of Shares held	Approximate percentage of shareholding (Note)
Mr. Liang Yuxi	Beneficial owner	2,500,000	0.41%

Note: The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 2023.

(ii) 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 of the Company (the “**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 2023 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. 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 2023.

Save as disclosed above, as at 30 September 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 30 September 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	Nature of interest/ capacity	Number of Shares held	Approximate percentage of shareholding (Note 5)
Million Venture Holdings Limited ("Million Venture")	Beneficial owner	170,300,000 (L)	28.38%
Ms. Tai Choi Wan, Noel	Interest in controlled corporation (Note 1)	170,300,000 (L)	28.38%
Mr. Cheng Hon Yat	Interest of spouse (Note 2)	2,570,000 (L)	0.43%
	Beneficial owner (Note 3)	2,570,000 (L)	0.43%
Mr. Chan Chun Shing, Otto	Interest of spouse (Note 4)	170,300,000 (L)	28.38%
	Beneficial owner	60,000,000 (L)	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. Ms. Tai is the spouse of Mr. Cheng Hon Yat and is deemed, or taken to be, interested in the Shares in which Mr. Cheng Hon Yat is interested under the SFO.
3. These Shares are held by Mr. Cheng Hon Yat.
4. Mr. Cheng Hon Yat is the spouse of Ms. Tai and is deemed, or taken to be, interested in the Shares in which Ms. Tai is interested under the SFO.
5. The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 30 September 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 Options granted by the Company.

Save as disclosed above, as at 30 September 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 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 2022 annual report of the Company.

Under the Share Option Scheme, the Company may issue share 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. The General Scheme Limit remained unchanged as at 30 September 2023 and 31 December 2022.

As at 30 September 2023, a total of 3,000,000 share 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 in accordance with Rule 23.07 of the GEM Listing Rules:

Category	Date of grant	Vesting date (Note b)	Number of Options							Exercise price HK\$	Exercise period
			Outstanding as at			Outstanding as at					
			1 January 2023	Granted (Note a)	Exercised (Note a)	Cancelled	Lapsed	30 September 2023	2023		
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	
Total:			3,000,000	-	-	-	-	3,000,000			

Notes:

- 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.
- 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.
- There are no participants with Options granted in excess of the individual limit and no grants to suppliers of goods and services.

No share options were exercised during the Period.

As disclosed in the 2022 annual report of the Company, 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 30 September 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 and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

MATERIAL CHANGES

Save as disclosed, there have been no material changes in respect of any matters since the publication of the Company's 2022 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.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Major transaction in relation to the Lease Renewal Agreement

On 6 October 2020, the lease agreement (the “**Lease Agreement**”) was entered into between 35plus Limited, an indirect wholly-owned subsidiary of the Company, as lessee and Harvest Hill (Hong Kong) Limited (溢峰(香港)有限公司) (the “**Lessor**”) as lessor in respect of the premises (the “**Premises**”) for a term of three years commencing from 1 January 2021 to 31 December 2023 (both dates inclusive), with an option to renew for a further term of three years commencing from 1 January 2024 to 31 December 2026 (both dates inclusive). For details, please refer to the circular of the Company dated 18 November 2020.

On 24 October 2023, considering that the Lease Agreement will expire on 31 December 2023, the lease renewal agreement (the “**Lease Renewal Agreement**”) was entered into between 35plus Limited as lessee and the Lessor as lessor in respect of the Premises for a term of three years commencing from 1 January 2024 to 31 December 2026 (both dates inclusive), with an option to renew for a further term of three years commencing from 1 January 2027 to 31 December 2029 (both dates inclusive). Since the entering into of the Lease Renewal Agreement constitutes a major transaction of the Company and is subject to the notification, announcement, circular and shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules, an extraordinary general meeting (the “**EGM**”) has been convened, and will be held on 24 November 2023, among others, for the Shareholders to consider and, if thought fit, approving the entering into the Lease Renewal Agreement and the transactions contemplated thereunder. For details, please refer to the (i) announcements of the Company dated 24 October 2023 and 30 October 2023; (ii) circular of the Company dated 3 November 2023; (iii) notice of the EGM dated 3 November 2023; and (iv) form of proxy of the Company.

Save as disclosed, the Board is not aware of any other significant event requiring disclosure that has taken place subsequent to 30 September 2023 and up to the date of this report.

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 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, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made in respect thereof.

By order of the Board
Janco Holdings Limited
Tam Tsz Yeung Alan
Chairman

Hong Kong, 10 November 2023

As at the date of this report, the executive Directors are Mr. Cheng Tak Yuen, Mr. Heung Ka Lok (Financial Controller) and Mr. Lai Chung Wing, the non-executive Directors are Mr. Tam Tsz Yeung Alan (Chairman), Mr. Liang Yuxi and Ms. Cheung Man Yee Kara, and the independent non-executive Directors are Mr. Chan William, 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) 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).