



Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035

2025 ANNUAL REPORT



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*This annual report, for which the directors (collectively the “**Directors**” or individually a “**Director**”) of Janco Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) 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. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual 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 annual report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors (EDs)

Mr. Chan Kwok Wai

Mr. Lo Wai Wah

Mr. Lai Chung Wing (resigned on 31 October 2025)

Ms. Lam Lai Wan Bondie (appointed on 31 October 2025
and resigned on 31 January 2026)

Non-Executive Directors (NEDs)

Mr. Tai King Fung (*Chairman*) (appointed on 1 September 2025)

Mr. Tam Tsz Yeung Alan (*Chairman*)
(resigned on 1 September 2025)

Mr. Liang Yuxi (resigned on 15 August 2025)

Independent Non-Executive Directors (INEDs)

Ms. Chik Wai Chun

Mr. Moy Yee Wo Matthew

Mr. Yu Kwok Fai

COMPANY SECRETARY

Mr. Chung Kiu Pan

AUTHORISED REPRESENTATIVES

Mr. Chung Kiu Pan

Mr. Chan Kwok Wai (appointed on 31 October 2025)

Mr. Lo Wai Wah (resigned on 31 October 2025)

BOARD COMMITTEES

Audit Committee

Mr. Moy Yee Wo Matthew (*Chairman*)

Ms. Chik Wai Chun

Mr. Yu Kwok Fai

Remuneration Committee

Mr. Yu Kwok Fai (*Chairman*)

Ms. Chik Wai Chun

Mr. Moy Yee Wo Matthew

Nomination Committee

Ms. Chik Wai Chun (*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

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No. 9 Hoi Shing Road

Tsuen Wan, New Territories

Hong Kong

HONG KONG LEGAL ADVISER

Simmons & Simmons

30th Floor

One Taikoo Place

979 King's Road

Hong Kong

CORPORATE INFORMATION

AUDITOR

Beijing Xinghua Caplegend CPA Limited
Certified Public Accountants and Registered Public
Interest Entity Auditors
1/F, GR8 Inno Tech Centre
No. 46 Tsun Yip Street
Kwun Tong
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

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

STOCK CODE

8035

CHAIRMAN'S STATEMENT

Dear Shareholders,

During the year ended 31 December 2025, Hong Kong's economy remained in a recovery phase, though the process has been slow and fraught with challenges. Escalating geopolitical tensions globally and rising trade protectionism have kept most sectors in a state of stagnation, with traditional industries such as retail, manufacturing, and services facing subdued demand and lacklustre growth. As a barometer of economic activity, the logistics sector has similarly endured significant pressure, marked by fluctuating cargo volumes, frequent supply chain disruptions, and a noticeable decline in overall logistical efficiency.

In this challenging environment, our Group has also confronted formidable headwinds. Throughout 2025, the northward consumption trend intensified, with mainland residents increasingly shifting cross-border shopping to domestic markets in the mainland, resulting in a marked reduction in retail and wholesale volumes in Hong Kong and a corresponding decline in logistics demand from our related clients. Concurrently, the escalation of the US-China tariff war has dealt a substantial blow to our export business, as high tariff barriers have compressed cargo values and volumes, placing evident pressure on our Group's export orders. Additionally, during the period from 2024 to 2025, Hong Kong's labour shortage worsened, posing greater recruitment challenges for the logistics industry, driving up wage costs and severely eroding operating margins. These combined external and internal factors have led to a significant loss for our Group.

To reverse this downturn, we introduced a new management team with extensive industry expertise towards the end of 2025. This team swiftly implemented comprehensive reforms and cost-control measures. Key focus areas included optimising core fixed costs such as rents, administrative expenses, and non-essential supply contracts, effectively reducing related expenditures. At the same time, we decisively discontinued several persistently loss-making jobs to prevent resource misallocation. These actions have markedly enhanced operational flexibility, strengthened internal controls and risk management frameworks, and begun yielding preliminary positive results in recent months.

Looking ahead, with costs substantially curtailed, our Group has weathered its most difficult period and maintains a cautiously optimistic outlook for 2026. We anticipate a clear improvement in our income-expenditure balance and progressively stabilised cash flows. Meanwhile, our Group is actively participating in high-potential new business, including low-altitude economy initiatives and pharmaceutical logistics, to capitalise on the opportunities arising from the National 15th Five-Year Plan, which positions Hong Kong as an international logistics hub, a centre for new quality productive forces, and a high-tech nexus. In pharmaceutical logistics, our Group holds the relevant licences and ISO certifications, and has served for many years as a logistics service provider to the Hospital Authority of the HKSAR Government. During the pandemic, we also acted as an outsourced logistics supplier to the HKSAR Government, delivering reliable high-value pharmaceutical logistics solutions on a long-term basis. In the low-altitude economy, we built a network of key collaborative partners, and are actively preparing to develop related new projects. The Board is confident that through these strategic initiatives, we will reshape its competitive edge amid the economic recovery and deliver long-term value to shareholders.

APPRECIATION

We express our gratitude for the steadfast support of our shareholders, as well as the dedicated efforts of the management team and employees. We remain committed to upholding exemplary corporate governance standards, continuously refining our business structure, and seizing emerging development opportunities.

Tai King Fung

Chairman

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Established in Hong Kong in 1990, our Group has built a solid and diversified foundation across air and ocean freight forwarding, one-stop logistics services, e-commerce fulfillment solutions, cross-border logistics, and high-end pharmaceutical and medical logistics. Over the years, we have established a strong reputation by securing cargo space from airlines, shipping liners, and general sales agents ("GSA"), serving direct shippers and other freight forwarders across key Asian markets including Bangladesh, India, Sri Lanka, and the Mekong River region. Complementing our core freight business, we provide a comprehensive suite of value-added warehousing and logistics services, such as repacking, labeling, palletizing, and local delivery, alongside cross-border e-commerce solutions supported by advanced mobile platforms. This integrated service model enables us to meet diverse customer needs from procurement to last-mile fulfillment, forming a stable and resilient foundation for our operations.

Building on this strong foundation, we have strategically expanded into tender services for government entities and private corporations during the year, a key initiative that marks a new chapter in our growth. By actively participating in logistics bids, we have successfully secured larger-scale and more stable contracts, significantly strengthening our revenue base and consolidating our market share. This dedicated focus on tender business reflects our commitment to capturing long-term, high-value opportunities. Together with our comprehensive service portfolio and long-standing partnerships with suppliers, customers, and technology providers, this strategic capability positions the Group for sustained growth and continued success in the evolving logistics landscape.

OUTLOOK

Looking ahead to 2026, the global economy is expected to remain in a complex and ever-changing environment. Macro factors such as geopolitical tensions, rising trade barriers, and supply chain restructuring will continue to shape the development landscape of the logistics industry. Nevertheless, with Hong Kong's economy gradually stabilising and national policies emphasising the development of logistics hubs and new quality productive forces, we believe the industry is at a pivotal moment for structural transformation.

As a listed enterprise with deep roots in the logistics sector, the Group has navigated significant challenges over the past year. Through the decisive reforms implemented by the management team and the collective efforts of our employees, we have successfully restructured our cost base, optimised our business portfolio, and enhanced our overall operational resilience. Looking ahead to 2026, we will adopt a broader strategic perspective, focusing on the following key directions:

1. Seizing policy opportunities and deepening our strategic positioning

The National 15th Five-Year Plan explicitly supports Hong Kong's development as an international logistics hub, a centre for new quality productive forces, and a hub for high-tech industries, thereby creating new opportunities for the logistics sector. The Group will leverage its compliance strengths in pharmaceutical logistics and its long-standing experience in serving government institutions to actively participate in the development of relevant supply chains. At the same time, we are closely monitoring policy developments and technological advancements in the low-altitude economy, with the aim of securing a favourable position as these commercial applications mature.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Strengthening regional synergies and enhancing our market positioning

The ongoing integration of transport networks within the Greater Bay Area (“GBA”) is reshaping the regional logistics landscape. We will continue to leverage our cross-border service capabilities, deepen synergies with GBA partners, and actively expand long-term collaborations with institutional clients and government entities. In response to shifting consumption patterns and evolving trade dynamics, we will prudently adjust our business structure and focus on niche segments with resilient demand and growth potential.

3. Driving management enhancements and consolidating our financial foundations

Following the initial phase of reform, the Group will further enhance its internal management systems, strengthen risk controls, and improve resource allocation efficiency. We will continue to uphold prudent financial discipline, optimise cash flow management, and maintain sufficient buffers to navigate external volatility. A robust balance sheet will provide a solid foundation for the Group’s investments in new business areas.

4. Advancing sustainable development and creating long-term value

We recognise that the long-term success of our enterprise is grounded in our commitment to employees, clients, and society. The Group will continue to invest in talent development, enhance organisational resilience and execution capabilities, and integrate sustainability principles into our operations — responding to the expectations of our stakeholders.

Looking forward, the Group has emerged from its most challenging phase and is entering a new chapter of development. We will continue to adopt a prudent yet proactive approach, seize the opportunities arising from industry transformation, and drive sustainable business growth — delivering consistent and stable returns to our shareholders.

FINANCIAL REVIEW

Overview

Our revenue was predominantly generated from our freight forwarding services, logistics and warehousing services, and e-commerce for the years ended 31 December 2025 (“FY2025”) and 31 December 2024 (“FY2024”). In FY2025, our revenue was approximately HK\$211.4 million, as compared with HK\$250.8 million in FY2024. Our loss attributable to owners of the Company (the “Shareholders”) amounted to approximately HK\$25.0 million in FY2025, as compared with the loss attributable to the Shareholders of approximately HK\$18.4 million in FY2024.

Revenue and costs of sales

We generate revenue from the provision of our core freight forwarding services and our logistics and warehousing services (including our e-commerce business). The revenue recorded represents the fair value of the consideration received or receivable and the amounts received or receivable for services provided in the normal course of business, net of discounts.

Revenue of the Group decreased by 15.7% from HK\$250.8 million in FY2024 to HK\$211.4 million in FY2025, representing a decrease in revenue from various operating segments.

Revenue from the air freight forwarding services decreased by approximately HK\$11.5 million from HK\$89.6 million in FY2024 to HK\$78.1 million in FY2025, which was primarily due to a decrease in air freight tonnage handled by the Group in FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from ocean freight forwarding services decreased by approximately HK\$10.5 million from HK\$30.5 million in FY2024 to HK\$20.0 million in FY2025, which was mainly due to a decrease in shipment volume and a decrease in freight rates charged to customers. The Group has reviewed that the recent increases in U.S. tariffs on imported goods have intensified global trade tensions and raised shipping costs for certain trade routes. At the same time, China's foreign trade has slowed, with some manufacturers relocating production to alternative Southeast Asia markets such as Vietnam, Indonesia, and India.

Revenue from the logistics and warehousing services decreased by approximately HK\$13.0 million from HK\$92.7 million in FY2024 to HK\$79.7 million in FY2025, due to a decrease in the number of logistics customers. Since the ongoing global economic downturn and declining e-commerce spending by Hong Kong residents, we have experienced a pressure in decreasing number of logistics customer orders. To address these challenges, the Group is continuously monitoring the utilisation of warehouse staff, including by reducing the number of permanent staff at our Yau Tong warehouses.

Revenue from the e-commerce business decreased by approximately HK\$4.3 million from approximately HK\$38.0 million in FY2024 to HK\$33.7 million in FY2025. This was due to the decrease in the number of B2C orders received as the operating strategy in Hong Kong has been constantly evolving, coupled with the loss of a small number of customers due to intense business competition. In FY2025, to cope with the decrease in orders, the Group has reduced the use of temporary workers in its warehousing and e-commerce businesses.

The following is a summary which sets forth the revenue contributed by each of our business segments in FY2025 and FY2024:

Revenue by business segment

| | Year ended 31 December | | | |
|---------------------------|------------------------|--------------|----------|-------|
| | 2025 | | 2024 | |
| | HK\$'000 | % | HK\$'000 | % |
| Freight forwarding | | | | |
| — Air freight | 78,141 | 37.0 | 89,559 | 35.7 |
| — Ocean freight | 19,967 | 9.4 | 30,520 | 12.2 |
| | 98,108 | 46.4 | 120,079 | 47.9 |
| Logistics and warehousing | 79,679 | 37.7 | 92,711 | 37.0 |
| E-commerce | 33,656 | 15.9 | 37,981 | 15.1 |
| Total | 211,443 | 100.0 | 250,771 | 100.0 |

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales and gross profit

Cost of sales decreased by 13.9% from HK\$228.0 million in FY2024 to HK\$196.4 million in FY2025. The decrease was mainly attributable to a reduction in (i) direct costs as a result of the decrease in shipment volume and number of orders received in each of our core segments; and (ii) a reduction of temporary worker costs due to improved production efficiency of our warehouse staff.

The following is a summary review which sets forth the costs of sales incurred by each of our business segments in FY2025 and FY2024:

Cost of sales by business segment

| | Year ended 31 December | | | |
|---------------------------|------------------------|--------------|----------|-------|
| | 2025 | | 2024 | |
| | HK\$'000 | % | HK\$'000 | % |
| Freight forwarding | | | | |
| — Air freight | 71,750 | 36.5 | 81,033 | 35.5 |
| — Ocean freight | 18,058 | 9.2 | 27,138 | 11.9 |
| | 89,808 | 45.7 | 108,171 | 47.4 |
| Logistics and warehousing | 75,008 | 38.2 | 81,577 | 35.8 |
| E-commerce | 31,553 | 16.1 | 38,276 | 16.8 |
| Total | 196,369 | 100.0 | 228,024 | 100.0 |

Gross profit and gross profit margin by business segment

Gross profit decreased by 33.5% from HK\$22.7 million in FY2024 to HK\$15.1 million in FY2025 due to a decrease in revenue and a decrease in the gross profit margin from various operating segments.

Gross profit margin decreased by 2.0% from 9.1% in FY2024 to 7.1% in FY2025.

Gross profit from the freight forwarding services decreased by 30.3% from HK\$11.9 million in FY2024 to HK\$8.3 million in FY2025. The decrease was due to (i) a decrease in air freight tonnage and ocean freight shipment volume handled by the Group and (ii) a decrease in freight rates charged to customers.

Gross profit from the logistics and warehousing services decreased by 57.7% from HK\$11.1 million in FY2024 to HK\$4.7 million in FY2025. The decrease in the gross profit from the logistics and warehousing services was mainly due to the loss of existing logistics customers.

There was a turnaround to a gross profit from e-commerce fulfillment services of HK\$2.1 million from a gross loss of HK\$0.3 million in the previous year, representing an increase of 812.9%. The increase in gross profit from e-commerce fulfillment service in FY2025 was due to the discounts given to customers in FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The following is a summary which sets forth the gross profit generated by each of our business segments, and their corresponding gross profit margin, in FY2025 and FY2024:

| | Year ended 31 December | | | |
|---------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | 2025 | | 2024 | |
| | Gross profit HK\$'000 | Gross profit margin % | Gross profit HK\$'000 | Gross profit margin % |
| Freight forwarding | | | | |
| — Air freight | 6,391 | 8.2 | 8,526 | 9.5 |
| — Ocean freight | 1,909 | 9.6 | 3,382 | 11.1 |
| | 8,300 | 8.5 | 11,908 | 9.9 |
| Logistics and warehousing | 4,671 | 5.9 | 11,134 | 12.0 |
| E-commerce | 2,103 | 6.2 | (295) | (0.8) |
| Total | 15,074 | 7.1 | 22,747 | 9.1 |

Other income

Other income increased by approximately HK\$0.2 million from HK\$0.6 million in FY2024 to HK\$0.8 million in FY2025. The increase was mainly due to the sharing of 365Solution's loss from non-controlling interests (NCI) amounting to approximately HK\$168K. NCI currently holds 49% of 365Solution's shares. Since NCI was committed to bear the loss of 365Solution for the year and need to reimburse the loss amount and therefore recorded the amount as an income.

Other gains and losses, net

Other gains and losses recorded from a HK\$169,000 loss in FY2024 to a HK\$47,000 gain in FY2025. This was mainly attributable to the gain on the early termination of leases of HK\$818,000 in the current year, which outweighed the loss on deregistration of subsidiaries of HK\$748,000.

Administrative and selling expenses

Administrative and selling expenses decreased by approximately HK\$3.5 million from HK\$35.8 million in FY2024 to HK\$32.3 million in FY2025. The decrease in administrative expenses was primarily due to (i) a decrease in depreciation expense in 2025; (ii) a decrease in the insurance expenses/premiums; (iii) a decrease in other administrative expenses (including the payroll) after the implementation of a general cost containment programme; and (iv) a decrease in rental expenses.

Loss attributable to owners

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of HK\$25.0 million in FY2025, as compared to a loss attributable to the owners of the Company of HK\$18.4 million in FY2024.

The loss attributable to owners of the Company in FY2025 increased by approximately HK\$6.6 million compared with that for the FY2024. The increase was mainly due to the impairment loss on the trade receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

Due to the decrease in overall gross profit, the Group has continued to monitor the use of its valuable resources, regularly reviews the efficiency of its expenditures and has adopted several measures to reduce administrative expenses and finance costs. These measures include: (i) reduction in headcount and payroll expenses, including managerial costs; (ii) the restructuring of the source of financing to minimize interest expenses; and (iii) a reduction in rental expenses.

LIQUIDITY AND FINANCIAL RESOURCES

The Group operates a conservative set of funding and treasury policies to preserve the value of the Group's assets and to ensure that no unnecessary risk is taken with respect to the Group's assets. No financial instruments other than bank deposits were held by the Group during FY2025.

As at 31 December 2025, the Group had cash and cash equivalents, which consist of bank and cash balances, net of bank overdrafts, amounting to approximately HK\$6.7 million (2024: approximately HK\$13.2 million). Most of the Group's cash and bank deposits were denominated in HK\$ and USD. The current ratio (calculated as total current assets divided by the total current liabilities at the end of the year) of the Group as at 31 December 2025 was 1.21 times as compared to 1.08 times as at 31 December 2024.

The gearing ratio of the Group, calculated as total obligations under bank borrowings and overdrafts, other borrowing, and loan from a substantial shareholder divided by total equity at the end of the year and multiplied by 100%, increased to 59.4% as at 31 December 2025 from 29.9% as at 31 December 2024. With available bank and cash balances, and credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL COMMITMENT

As at 31 December 2025, the Group did not have any material capital commitment (2024: Nil).

CAPITAL STRUCTURE

There was no change in the Company's capital structure during FY2025. The capital structure of the Group consists of equity attributable to the owners of the Company which comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of the review, the Directors will consider the cost of capital and the risks associated with each class of capital. The Group will adjust its overall capital structure through the payment of dividends, issuance of new shares as well as the repayment of borrowings.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 6 to the consolidated financial statements in this report.

DEBTS AND CHARGE ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

The total interest-bearing bank borrowings and overdrafts of the Group amounted to approximately HK\$6.7 million as at 31 December 2025 (2024: approximately HK\$11.3 million). All bank borrowings and overdrafts made by the Group were denominated in HK\$ and none of the bank borrowings were at a fixed interest rate. As at 31 December 2025, all bank borrowings of the Group were at floating interest rates with reference to the Hong Kong Interbank Offered Rate (HIBOR). The maturity profile of the bank borrowings and overdrafts of the Group is as follows:

| | As at 31 December | |
|------------------------------|-------------------|----------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Within one year or on demand | 6,700 | 11,323 |

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group had certain charges on its assets which included bank deposits of HK\$14.9 million (2024: HK\$17.6 million) pledged as collateral for the Group's bank borrowings and facilities.

The Group had no material contingent liabilities as at 31 December 2025 (2024: nil).

MATERIAL ACQUISITIONS AND DISPOSALS

During the FY2025, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group's revenue generating operations are mainly transacted in HK\$ and USD, and the Directors consider the impact of foreign exchange exposure to the Group is minimal since HK\$ is pegged to USD. The Group currently does not have a foreign currency hedging policy. The management will consider hedging significant currency exposure should the need arise. As at 31 December 2025, the Group did not have any financial instruments for hedging purposes or any foreign currency investments which were hedged by currency borrowings and other hedging instruments. However, the management monitors foreign exchange exposure closely to keep the net exposure at an acceptable level.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed 101 (31 December 2024: 113) full-time employees. The staff costs, including the Directors' emoluments, of the Group were HK\$34.7 million in FY2025 (FY2024: HK\$38.6 million), which represented a decrease of 10.1% compared with that in FY2024. The decrease was primarily due to the decrease in the number of staffs as compared with that in FY2024. Employee's remuneration is determined based on factors such as their performance, qualifications, position, duties, contributions, years of experience and local market conditions, and is normally reviewed on an annual basis. Apart from salary payments, staffs are also entitled to other staff benefits such as continuing education subsidies, provident fund contributions, medical insurance coverage, annual leave, discretionary bonus and share options which may be granted under the share option scheme adopted by the Company. The Group also provides induction and other on-the-job training to employees on a regular basis.

SIGNIFICANT INVESTMENTS AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the investment in its subsidiaries by the Company, the Group did not have any significant investments held as at 31 December 2025. The Group did not have any plans for material investments or capital assets as at 31 December 2025.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chan Kwok Wai, aged 52, has been an Executive Director of the Company since December 2024. He has also served as an Executive Director of the Company from April 2016 to October 2019. He also serves as the Chief Commercial Officer of the Group and is responsible for overseeing the daily business operations and developing and implementing strategic sales and marketing plans for the freight forwarding business of the Group. Mr. Chan completed his secondary education in 1990s and has around 34 years of experience in the freight forwarding and logistics industries and over 32 years of experience in sales and marketing in such industries.

Prior to joining the Group, Mr. Chan worked as a shipping clerk in Maersk Hong Kong Limited, a company engaging in the provision of container shipping and terminals, freight forwarding services and logistics services from July 1991 to March 1993. In April 1993, He joined JFX Limited, a company which operates the freight forwarding business of the Group in Hong Kong, as a sales executive. He was promoted to the position of assistant sales manager, sales manager and sales director of JFX Limited in January 1994, January 1995 and January 1999 respectively, and was later transferred to Janco Global Logistics Limited, an indirect wholly-owned subsidiary of the Group, in September 2015. He left the Group in September 2022 and rejoined the Group as the Chief Commercial Officer in October 2024.

Mr. Lo Wai Wah, aged 55, has been an Executive Director of the Company and the Logistics Director of the Group since March 2024. He is responsible for overseeing the logistics business of the Group which includes the daily operations of the warehouses and the overall development of the logistics business.

Starting his career in the quality assurance services field, Mr. Lo switched his career path to the logistics industry in 2000. Prior to joining the Group, he worked for TNT Express Worldwide (HK) Limited, a company engaging in the provision of express and freight delivery services, from May 2000 to August 2005 with his last position as assistant duty operations manager. From August 2005 to December 2005, he worked as a duty manager in DHL Aviation (Hong Kong) Limited, a company engaging in express logistics business. He joined JFX Limited in September 2006 as a logistics manager and was later transferred to Janco Logistics (HK) Limited in May 2014. He was promoted to the position of the Logistics Director of the Group in April 2016.

Mr. Lo graduated from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) with a Bachelor's Degree of Arts in Business Studies in November 1993. He obtained a Diploma in Integrated Certificate of Shipping, Import and Export Practice from the School of Continuing Education in August 1998 and a Diploma in Initial Training in Dangerous Goods Handling from the Cathay Pacific Airways Training School in Hong Kong in June 2005. He further obtained a Master's Degree of Arts in International Business Management from the City University of Hong Kong in November 2000 and a Master's Degree of Science in Industrial Logistics Systems from The Hong Kong Polytechnic University in December 2005.

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Mr. Tai King Fung, aged 45, has been a Non-executive Director and the Chairman of the Board of the Company since September 2025.

Mr. Tai is a seasoned corporate executive and interdisciplinary strategy expert with over 20 years of experience in market development across Mainland China and Asia. He served the Group for 16 years until 2021, with his last position as the Executive Director. During his tenure, he oversaw the Group's diverse operations, including air and ocean freight, logistics and warehousing, and E-commerce. In 2020, Mr. Tai successfully assisted the Group in securing an outsourcing contract under the Hong Kong Special Administrative Region ("HKSAR") Government's anti-epidemic initiatives, establishing it as a core business area for the Group at that time.

Mr. Tai holds numerous positions in social and industry organisations, including Chairman of the Silk Road Development Association, Chairman of the International Low Altitude Economy Association, Vice Chairman of the Hong Kong E-commerce Logistics Association, Member of the Logistics Industry Advisory Committee of the Hong Kong Trade Development Council, Advisory Member of the Business School at Gratia Christian College, Executive Committee Member of the Alumni Torch Fund at The Chinese University of Hong Kong, and External Logistics Expert at Guangzhou Industry & Trade Technician College.

Holding a Bachelor's and Master's degree in Business Administration from The Chinese University of Hong Kong in 2003 and from Holmes Institute in 2018, respectively, Mr. Tai is currently a doctoral candidate in the same field. He serves as a Guest Speaker for courses organised by the Education Bureau of the HKSAR Government at The Chinese University of Hong Kong and as a Visiting Professor at Universitas Dirgantara Marsekal Suryadarma in Indonesia.

In 2016, Mr. Tai was honored with the 10th Youth Leader Award. He has been a frequent keynote speaker at prestigious forums, including those organised by the Eurasian Economic Forum, Xinhua News Agency Asia-Pacific Branch, Hong Kong Trade Development Council, and Guangdong Communist Youth League. Mr. Tai has contributed a logistics industry column to newspapers, appeared in interviews with major media outlets, and has authored business books while serving as a chief editor.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chik Wai Chun, aged 41, has been an Independent Non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee of the Company since December 2024. She has over 18 years of experience in auditing, accounting, corporate governance and company secretarial matters.

Ms. Chik obtained a Master of Corporate Governance Degree from The Hong Kong Polytechnic University in September 2015. She was admitted as a member of CPA Australia in June 2011. She was also certified as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in September 2011 and was admitted as an associate of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in March 2016.

Ms. Chik currently serves as the company's secretary of (i) P.B. Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8331) and (ii) FingerTango Inc., a company listed on the Main Board of the Stock Exchange (stock code: 6860). She is also the head of the Company Secretarial Department of P.B. Advisory Limited and a consultant of the Company Secretarial Department of Trinity Corporate Solutions Limited. She also serves as an independent non-executive director of Boltek Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8601), and an independent director of Top Wealth Group Holding Ltd, a company listed on Nasdaq (ticker: TWG), an independent director of Ming Shing Group Holdings Limited, a company listed on Nasdaq (ticker: MSW) and Click Holdings Limited, a company listed on Nasdaq (ticker: CLIK).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Moy Yee Wo Matthew, aged 47, has been an Independent Non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Company since October 2022.

Mr. Moy has over 24 years of experience in the finance industry. Mr. Moy graduated with a Bachelor of Business Administration in Accounting Degree and a Master of Business Administration Degree from The Hong Kong University of Science and Technology. He has been a certified public accountant of The Hong Kong Institute of Certified Public Accountants since July 2005.

Mr. Moy is currently the chief financial officer of AiNsemi Technology Limited. From February 2019 to May 2024, Mr. Moy served as the chief financial officer and the company secretary of Apollo Future Mobility Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 860). From August 2012 to January 2019, Mr. Moy served as the chief financial officer, the company secretary and an authorised representative of China Silver Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 815). Mr. Moy has been an independent non-executive director of Chi Ho Development Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8423) since February 2017 and an independent non-executive director of Great Wall Pan Asia Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 583) since March 2025. From June 2017 to November 2023, Mr. Moy served as an independent non-executive director of Reach New Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8471). From September 2024 to March 2025, Mr. Moy served as an independent non-executive director of Elife Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 223). In addition, he has served as an independent director of Click Holdings Limited, a company listed on NASDAQ in the United States (stock code: CLIK) since September 2024.

Mr. Yu Kwok Fai, aged 45, has been an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Company since October 2022.

Mr. Yu has over 22 years of experience in the fields of health food manufacturing and healthcare staffing solutions. Mr. Yu obtained a Bachelor of Science Degree in Civil Engineering from the National Taiwan University in 2003. Mr. Yu also obtained a Certificate in Personnel Administration and Operations from the Hong Kong Management Association in 2011 and a Certificate for Caring Ambassador awarded by the Hong Kong Council of Social Services from 2011 to 2013. From April 2022 to March 2023, Mr. Yu served as the Chapter President of BNI Association Limited, and in January 2025, he was appointed as a BNI Hong Kong Director Consultant. From August 2003 to July 2012, Mr. Yu worked at Real Nutraceutical Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2010), where his last position was an administrative manager. From August 2012 to March 2014, Mr. Yu worked as an administrative manager and the management representative of ISO (International Organization for Standardisation) 9001 and ISO 10002 in Bamboos Professional Nursing Services Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2293). Since December 2014, Mr. Yu has been a director and general manager of Care U Professional Nursing Service Limited and was appointed as an ISO internal QMS (Quality Management System) Auditor for ISO compliance matters since June 2020.

COMPANY SECRETARY

Mr. Chung Kiu Pan, aged 40, has an extensive financial, accounting and company secretarial experience. Mr. Chung graduated with a Bachelor of Business Administration Degree majoring in Professional Accountancy from The Chinese University of Hong Kong. He is currently a member of the Hong Kong Institute of Certified Public Accountants, and a certified public accountant (practising) of The Accounting and Financial Reporting Council. From May 2022 to April 2023, Mr. Chung has been the company secretary of hmvod Limited, a company listed on GEM of the Stock Exchange (stock code: 8103). Mr. Chung is currently the chief financial officer and the company secretary of Chi Ho Development Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8423).

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help safeguard the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the GEM Listing Rules to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner in accordance with the requirements of the GEM Listing Rules. The Board has established an Audit Committee, a Nomination Committee and a Remuneration Committee with specific written terms of reference. During the period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”), the Company had complied with all the code provisions of the CG Code.

CORPORATE CULTURE

The Group recognises that a good corporate culture is vital to its corporate governance and has gradually developed a pragmatic and prudent corporate culture since its establishment, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group. The Group makes every effort to uphold a high standard of business ethics and to prohibit of any form of bribery and corrupt practices. In order to establish a healthy corporate culture and promote high ethical standards within the Group, the Group has established an Anti-corruption Policy and a Whistle-blowing Policy, which set out, including but not limited to: (i) the types of breaches and conduct issues, and the personnel to which the policies apply; (ii) mechanisms for declaring conflicts of interest; (iii) the responsibilities of the relevant department(s) of the Group; (iv) consequences for breaching the relevant policies; and (v) the whistle-blowing policy, with the aim of encouraging our employees to report behaviour that is not in line with the principles of ethics and the Group’s policies such as events that are non-compliant with the Group’s policies, laws, rules, regulations, and the general practices of financial reporting and internal control.

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 Year.

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 dealing by the Model Code as if he/she were a Director.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS

The business and affairs of the Group is governed by the Board which has the responsibility of leading and monitoring the business and affairs of the Group. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's business and affairs. As at the date of this annual report, the Board comprises seven Directors including two executive Directors, one non-executive Director and four independent non-executive Directors. The Board's composition during the Reporting Period and up to the date of this annual report is as follows:

| | Date of appointment | Date of resignation/ retirement |
|--|---------------------|------------------------------------|
| Executive Directors (EDs) | | |
| Mr. Chan Kwok Wai | 18 December 2024 | – |
| Mr. Lo Wai Wah | 1 March 2024 | – |
| Mr. Lai Chung Wing | 13 July 2023 | 31 October 2025 |
| Ms. Lam Lai Wan Bondie | 31 October 2025 | 31 January 2026 |
| Non-Executive Directors (NEDs) | | |
| Mr. Tai King Fung (<i>Chairman</i>) ⁽ⁱ⁾ | 1 September 2025 | – |
| Mr. Tam Tsz Yeung Alan (<i>Chairman</i>) | 13 July 2023 | 1 September 2025 |
| Mr. Liang Yuxi | 13 July 2023 | 15 August 2025 |
| Independent non-executive Directors (INEDs) | | |
| Ms. Chik Wai Chun | 18 December 2024 | – |
| Mr. Moy Yee Wo Matthew | 28 October 2022 | – |
| Mr. Yu Kwok Fai | 28 October 2022 | – |

(i) Mr. Tai King Fung was appointed as Chairman of the Board on 1 September 2025.

Details of the current chairman and the other current Directors are set out in the section headed "Directors and Senior Management" of this annual report.

CORPORATE GOVERNANCE REPORT

BOARD INDEPENDENCE

Pursuant to code provision B.1.4 of the CG Code, the Board has established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) Independent Non-executive Directors are encouraged to actively participate in the Board meetings; (ii) to discourage to re-elect long-serving Independent Non-executive Directors; (iii) the number of Independent Non-executive Directors must comply with the requirement under the GEM Listing Rules; and (iv) the Independent Non-executive Directors shall devote sufficient time to discharge their duties as a Director. Furthermore, the Directors may access external independent professional advice to assist their performance of duties at the expense of the Company. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

In compliance with rules 5.05(1), (2) and 5.05A of the GEM Listing Rules, during the Reporting Period and up to the date of this annual report, the Company has appointed at least three Independent Non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence according to rule 5.09 of the GEM Listing Rules, and upon the recommendation of the Nomination Committee, the Company considers them to be independent in accordance with the various factors set out in rule 5.09 of the GEM Listing Rules.

With the various experience of both the executive Directors and the Independent Non-executive Directors, the Board considers that the Directors have a balance of skills and experience for the business of the Group.

Pursuant to code provision E.1.9 of the CG Code, the Company generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence. The Independent Non-executive Directors have not been granted equity-based remuneration during the Reporting Period and up to the date of this annual report.

Save as disclosed in the section headed "Directors and Senior Management" of this annual report, there is no financial, business, family or other material or relevant relationships among members of the Board and senior management.

BOARD MEETINGS AND GENERAL MEETINGS

The Board is scheduled to meet regularly at least four times a year, and the Directors will receive at least 14 days' prior written notice of such meetings in compliance with code provisions C.5.1 and C.5.3 of the CG Code, respectively, of the CG Code. Agendas and accompanying papers shall be sent not less than 3 days before the date of Board meetings to ensure that the Directors are given sufficient time to review the documents.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, 10 Board meetings were held. The attendance record of each Director at the Board meetings, the annual general meeting of the Company held on 20 June 2025 ("**2025 AGM**") is set out in the table below:

| | Number of attendance/ number of Board meetings during the Directors' term of appointment in FY2025 | Attendance of 2025 AGM |
|---|---|------------------------|
| Executive Directors (EDs) | | |
| Mr. Chan Kwok Wai | 10/10 | 1/1 |
| Mr. Lo Wai Wah | 10/10 | 1/1 |
| Mr. Lai Chung Wing (resigned on 31 October 2025) | 8/8 | 1/1 |
| Ms. Lam Lai Wan Bondie (appointed on 31 October 2025 and resigned on 31 January 2026) | 1/1 | N/A |
| Non-Executive Directors (NEDs) | | |
| Mr. Tai King Fung (<i>Chairman</i>) (appointed on 1 September 2025) | 3/3 | N/A |
| Mr. Tam Tsz Yeung Alan (<i>Chairman</i>) (resigned on 1 September 2025) | 6/6 | 1/1 |
| Mr. Liang Yuxi (resigned on 15 August 2025) | 5/5 | 1/1 |
| Independent non-Executive Directors (INEDs) | | |
| Ms. Chik Wai Chun | 10/10 | 1/1 |
| Mr. Moy Yee Wo Matthew | 10/10 | 1/1 |
| Mr. Yu Kwok Fai | 10/10 | 1/1 |

To supplement the formal Board meetings, the Chairman held regular meetings with Director(s) to consider issues in both formal and informal settings.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, such as developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc. The Board will hold meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings will be given to all the Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that the Directors are supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable them to discharge their duties.

Every Board member has full access to the advices and services of the company secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

The Board and individual Directors also have separate and independent access to the Company's senior management.

FUNCTIONS OF THE BOARD

The principal functions of the Board include:

- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- approving major acquisitions or disposals, corporate or financial restructuring, issuance of the Shares and other equity or debt instruments, considering payment of dividends and other distribution to the Shareholders;
- assessing the risks facing the Group and reviewing and implementing appropriate measures to manage such risks;
- selecting and evaluating the performance and compensation of key management executives;
- approving nominations to the Board;
- reviewing and endorsing the recommended framework of remuneration of the Directors and key management executives by the Remuneration Committee; and
- assuming overall responsibility for corporate governance.

According to code provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Reporting Period and up to the date of this annual report, the management has provided to all the Directors with updates on the position and prospects of the Group, which are considered to be sufficient to allow them to have a balanced and understandable assessment of the Group's performance, position and prospects to serve the purpose required by code provision D.1.2.

CORPORATE GOVERNANCE REPORT

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from their respective date of appointment subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the articles of association of the Company (the "Articles"). Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year commencing from their respective date of appointment and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in the Articles.

Under code provision B.2.2 of the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 84 of the Articles provides that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

CONTINUOUS PROFESSIONAL DEVELOPMENT

According to code provision C.1.4 of the CG Code, all the Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the Reporting Period, all the Directors have participated in continuous professional development and the relevant details are set out below:

| | Attending seminar(s)/ Reading relevant materials in relation to the business or directors' duties Yes/No |
|---|--|
| Executive Directors (EDs) | |
| Mr. Chan Kwok Wai | Yes |
| Mr. Lo Wai Wah | Yes |
| Mr. Lai Chung Wing (resigned on 31 October 2025) | Yes |
| Ms. Lam Lai Wan Bondie (appointed on 31 October 2025 and resigned on 31 January 2026) | Yes |
| Non-Executive Directors (NEDs) | |
| Mr. Tai King Fung (<i>Chairman</i>) (appointed on 1 September 2025) | Yes |
| Mr. Tam Tsz Yeung Alan (<i>Chairman</i>) (resigned on 1 September 2025) | Yes |
| Mr. Liang Yuxi (resigned on 15 August 2025) | Yes |
| Independent Non-Executive Directors (INEDs) | |
| Ms. Chik Wai Chun | Yes |
| Mr. Moy Yee Wo Matthew | Yes |
| Mr. Yu Kwok Fai | Yes |

CORPORATE GOVERNANCE REPORT

Each newly appointed Director will be provided with a comprehensive induction training about an overview of the Group's businesses and the applicable statutory and regulatory obligations of a director of a listed company, and he or she will receive legal advice from an external lawyer of the Company as regards the requirements under the GEM Listing Rules that are applicable to him or her as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. An external legal adviser has conducted such induction trainings to Mr. Tai King Fung on 22 August 2025 and Ms. Lam Lai Wan Bondie on 27 October 2025, and Mr. Tai King Fung and Ms. Lam Lai Wan Bondie confirmed their understanding of their obligations as the Director of the Company and the information provided by the legal adviser.

REMUNERATION POLICY OF THE DIRECTORS

Quality and committed staff are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talents, the Group's Remuneration Policy for Directors is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The Group's Remuneration Policy for Directors is, therefore, aiming at providing competitive but not excessive remuneration package to the Directors.

The Directors' remuneration comprises fixed salary or service fee and variable components (such as bonus and share options), which is benchmarked against companies of comparable business or scale with reference to a mix of factors such as the prevailing market condition, the Company's performance and the qualifications, skills, experience and educational background of the Directors.

The Directors' remuneration is reviewed annually and are subject to Shareholders' approval.

BOARD COMMITTEES

During the Reporting Period and up to the date of this annual report, to assist the Board in its work, the Board is assisted by three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, which are sufficiently resourced to fulfil their roles and their terms of reference have been approved by the Board and are available for review on the Company's website (<http://www.jancofreight.com>) and the Stock Exchange's website (www.hkexnews.hk).

Audit Committee

The Company has established an Audit Committee on 23 September 2016 in compliance with rule 5.28 of the GEM Listing Rules. As at the date of this annual report and up to the date of this annual report, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Moy Yee Wo Matthew, Ms. Chik Wai Chun, and Mr. Yu Kwok Fai, with Mr. Moy Yee Wo Matthew being the chairman. Written terms of reference in compliance with code provision D.3.3 of the CG Code have been adopted. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of the independent external auditor and to review and supervise the financial reporting process and internal control and risk management systems of the Group.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, 4 Audit Committee meetings were held. The Audit Committee, among other matters, have reviewed the Group's annual consolidated financial statements, annual, interim and quarterly reports; discussed the risk management and internal control systems of the Group; met with the independent external auditor and reviewed report from the independent external auditor regarding their audit on the Group's annual consolidated financial statements. The attendance record of each Audit Committee member at the Audit Committee meeting is set out in the table below:

| Name of Directors | Number of attendance/ number of Audit Committee meetings during the Directors' term of appointment in FY2025 |
|--|--|
| Independent non-executive Directors | |
| Mr. Moy Yee Wo Matthew (<i>Chairman</i>) | 4/4 |
| Ms. Chik Wai Chun | 4/4 |
| Mr. Yu Kwok Fai | 4/4 |

Remuneration Committee

The Company established the Remuneration Committee with written term of reference. As at the date of this annual report, the Remuneration Committee comprises Mr. Yu Kwok Fai, Mr. Chan William and Mr. Moy Yee Wo Matthew, with Mr. Yu Kwok Fai being the chairman. Written terms of reference in compliance with code provision E.1.2 of the CG Code have been adopted. The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management and make recommendations to the Board of the remuneration of Independent Non-executive Directors and to review and/or approve matters relating to share schemes established under Chapter 23 of the GEM Listing Rules.

During the Reporting Period, 2 Remuneration Committee meetings were held. The Remuneration Committee, among other matters, determined the policy and made recommendations to the Board in relation to remuneration-related matters of the Directors and senior management; assessed the performance of the Directors and senior management and approved terms of service agreement of the newly appointed Directors. The attendance record of each Remuneration Committee member at the Remuneration Committee meeting is set out in the table below:

| Name of Directors | Number of attendance/ number of Remuneration Committee meetings during the Directors' term of appointment in FY2025 |
|--|---|
| Independent non-executive Directors | |
| Mr. Yu Kwok Fai (<i>Chairman</i>) | 2/2 |
| Ms. Chik Wai Chun | 2/2 |
| Mr. Moy Yee Wo Matthew | 2/2 |

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company has established a Nomination Committee with written terms of reference. As at the date of this annual report, the Nomination Committee comprises Ms. Chik Wai Chun, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai, with Ms. Chik Wai Chun being the chairman. Written terms of reference in compliance with code provision B.3.1 of the CG Code have been adopted. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors, and to assess the independence of the Independent non-executive Directors.

During the Reporting Period, 2 Nomination Committee meetings were held whereat the Nomination Committee, among other matters, reviewed the structure, size and composition of the Board, reviewed the Board nomination policy, reviewed the Board diversity policy, reviewed the level of diversity of the Board, assessed the independence of the independent non-executive Directors and made recommendations to the Board for considering the re-appointment of the retiring Directors at the 2025 AGM. During FY2025, the Nomination Committee has reviewed and considered the skills, experience, qualifications and education background of each of the newly appointed Directors, namely Mr. Tai King Fung and Ms. Lam Lai Wan Bondie, in relation to their respective appointment as a Director. The Nomination Committee and the Board have formed the view that, with the new Directors' rich experience in their respective fields and qualifications, the new Directors will be able to bring valuable additions to the Board and will further enrich the spectrum of skills, experience and diversity of perspectives of the Board, thereby enhancing the diversity and effectiveness of the Board. The attendance record of each Nomination Committee member at the Nomination Committee meeting is set out in the table below:

| Name of Directors | Number of attendance/ number of Nomination Committee meetings during the Directors' term of appointment in FY2025 |
|--|---|
| Independent non-executive Directors | |
| Ms. Chik Wai Chun (<i>Chairman</i>) | 2/2 |
| Mr. Moy Yee Wo Matthew | 2/2 |
| Mr. Yu Kwok Fai | 2/2 |

Pursuant to code provision E.1.5 of the CG Code, the remuneration paid to the members of the senior management (excluding Directors) by band during the year ended 31 December 2025 is set out below:

| Remuneration band (HK\$) | Number of person(s) |
|--------------------------------|------------------------|
| Nil to HK\$1,000,000 | 1 |
| HK\$1,000,000 to HK\$1,500,000 | Nil |

CORPORATE GOVERNANCE REPORT

Board Nomination Policy

The Company adopted a nomination policy (the “**Nomination Policy**”) on 9 November 2018 in compliance with the CG Code with effect from 1 January 2019, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and to make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group’s business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Criteria

In evaluating and selecting any candidate for the directorship, the following criteria would be considered by the Nomination Committee and the Board:

- the candidate’s character and integrity;
- the candidate’s qualifications including professional qualifications, skills, knowledge and experience, and diversity aspects under the Board Diversity Policy that are relevant to the Company’s business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- for Independent Non-executive Directors, whether the candidate would be considered independent with reference to the Independence Guidelines set out in the GEM Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability of the candidate to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- such other perspectives that are appropriate to the Company’s business and succession plan and where applicable may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

CORPORATE GOVERNANCE REPORT

Nomination Procedures

The Company has put in place the following Director nomination procedures:

Appointment of New and Replacement Directors

- (i) If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable Director candidates, including referral from Directors, Shareholders, management, advisors of the Company and external executive search firms.
- (ii) Upon compilation and interview of the list of potential candidates, the Nomination Committee will shortlist candidates for consideration by the Nomination Committee and/or the Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable Director candidate for appointment.

Re-election of Directors and Nomination from Shareholders

- (i) Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee and/or the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to the Shareholders prior to a general meeting in accordance with the GEM Listing Rules.
- (ii) Any Shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge with the Company Secretary of the Company within the lodgement period specified in the relevant Shareholders' circular (a) a written nomination of the candidate, (b) written confirmation from such nominated candidate of his/her willingness to stand for election, and (c) biographical details of such nominated candidate as required under the GEM Listing Rules. Particulars of the candidate so proposed will be sent to all Shareholders for information by a supplementary circular.

Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy (the "**Board Diversity Policy**") and recognises the benefits of having diversity in the composition of the Board.

The Company noted that people from different backgrounds and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse backgrounds will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

CORPORATE GOVERNANCE REPORT

The Company is conscious of maintaining Board diversity with an appropriate level of female members on the Board, which shall not be less than one member with immediate effect as a measurable objective and may further increase in the next five years. During the FY2025 and as at the date of this annual report, the Board comprised at least one female Board member, in which case the Board considered gender diversity and the measurable objective has been achieved.

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has developed measurable objectives to implement the board diversity policy and would monitor and review the progress in achieving these objectives annually. Expertise and skills of the Directors include freight forwarding and logistics, accounting and corporate finance, etc. The following table shows a breakdown of the diversity information of the Directors:

| | | | |
|---------------------|--|---|--|
| Categories | 3 Directors Executive Director | 1 Director Non-executive Director | 3 Directors Independent non-executive Director |
| Gender group | 5 Directors Male | | 2 Directors Female |
| Age group | 4 Directors 50 and below | | 3 Directors Over 50 |

Note: The information is as of 31 December 2025.

The Group strictly adheres to fair and appropriate employment practices and labour standards. With an anti-discriminatory and equal-opportunity policy in place, the Group provides job applicant and employees with equal opportunities of employment and promotion, and prohibits all forms of discrimination on gender, religion, race, disability or age.

As at 31 December 2025, the Group had a total of 101 staff members (include members of the senior management but exclude Directors). The gender composition of the staff members (include members of the senior management but exclude Directors) was approximately 65.3% male staff members and 34.7% female staff members.

The Board considered that gender diversity of the workforce of the Group has been well maintained during FY2025. As such, the plan for the Group in terms of gender diversity in workforce is to maintain the balance of gender diversity in the foreseeable future.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Directors' and auditor's responsibilities for the consolidated financial statements

All the Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for FY2025, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibilities of the Group's auditor, Beijing Xinghua Caplegend CPA Limited, with respect to financial reporting are set out in the section headed "Independent Auditor's Report" of this annual report.

Auditor's remuneration

The remuneration paid or payable to the Group's auditor, Beijing Xinghua Caplegend CPA Limited ("**Beijing Xinghua**"), in respect of their audit and non-audit services for FY2025 was as follows:

| | HK\$'000 |
|--------------------|----------|
| Audit services | 540 |
| Non-audit services | – |

Internal control and risk management

The Board has the responsibility to maintain effective risk management and internal control systems in order to safeguard the Group's assets and investments and the Shareholders' interest and conducts a review on an annual basis. During the year under review, the Board had conducted a review of the effectiveness and adequacy of the risk management and internal control systems of the Company in respect of the Group's financial, operational, compliance controls and risk management functions through the effort of the Audit Committee. During the year under review, the Company has engaged an external independent consultant to conduct a review on the internal control system of the Group. The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. Having received confirmations from senior management, the Audit Committee, the Company's independent auditors and external independent consultant, the Board had reached the conclusion that the Group's risk management and internal control systems were in place and effective and adequate and there is no significant changes during the year under review in the Board's assessment of risks and the risk management and internal control system.

Internal audit function

The Group has no separate internal audit function. However, as disclosed above, the Company has engaged an external independent consultant to review the internal control system of Group. After conducting annual review, the Board considered that the risk management and internal control systems of the Group for the Reporting Period are effective and adequate.

CORPORATE GOVERNANCE REPORT

Company secretary

The Company Secretary of the Company is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the Company Secretary is responsible for facilitating communications among Directors as well as with senior management.

The Company Secretary of the Company is Mr. Chung Kiu Pan. Please refer to the paragraph headed "Company Secretary" in the section headed "Directors and Senior Management" of this annual report for his profile.

During the Reporting Period, Mr. Chung has undertaken more than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at general meetings of the Company and to vote thereat. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands, and the poll voting results will be posted on the websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for Shareholders to convene an extraordinary general meeting are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (a) any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at "Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong", or to Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at "17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong" for the attention of the Board and/or the Company Secretary;
- (c) if within 21 days of the deposit of the Requisition the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

CORPORATE GOVERNANCE REPORT

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing the Shareholders to move new resolutions at the general meetings under the Companies Act (Revised) of Cayman Islands. However, pursuant to the Articles, the Shareholders who wish to move a resolution may by means of the Requisition convene an EGM following the procedures set out above.

PROCEDURES FOR NOMINATION OF DIRECTOR

For any Shareholder who wishes to nominate a person to stand for election as a Director at any general meeting of the Company, the following documents must be validly served on the Company Secretary at the Company's head office and principal place of business in Hong Kong at "Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong", or sent to Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at "17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong", provided that the minimum length of the period, during which such documents are given, shall be at least seven days and that (if such documents are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such documents shall commence on the day after the despatch of the notice of the general meeting appointed for election of director and end no later than seven days prior to the date of such general meeting:

- (a) notice in writing signed by the Shareholder of his/her/their intention to propose such person for election (the "**Nominated Candidate**");
- (b) letter of consent signed by the Nominated Candidate of his/her willingness to be elected; and
- (c) the biographical details of the Nominated Candidate as required under rule 17.50(2) of the GEM Listing Rules for publication by the Company.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders could direct their questions about their shareholdings, share transfer, registration and payment of dividend to Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office (details of which are set out in the section headed "Corporate Information" of this annual report).

Should there be any enquiries and concerns from the Shareholders, they may send written enquiries addressed to the headquarters and principal place of business of the Company in Hong Kong at "Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong" for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

CORPORATE GOVERNANCE REPORT

INVESTORS RELATIONS

The Company has established a range of communication channels among itself, the Shareholders and investors. These include answering questions through the general meetings, the publication of annual, interim and quarterly reports, notices, announcements and circulars on the Company's website at www.jancofreight.com and meetings with investors and the Shareholders. News update of the Group's business development and operation are also available on the Company's website.

Dissemination of Corporate Communications

Pursuant to new Rule 16.04A of the GEM Listing Rules and the Articles, the Company has adopted the arrangements to disseminate the future Corporate Communications (as defined under the GEM Listing Rules) of the Company to the Shareholders electronically and only send corporate communications in printed form to the Shareholders upon request. In this connection, the following arrangements have become effective from 31 December 2025:

1. *Actionable Corporate Communications*

The Company will send the Actionable Corporate Communications (as defined under the GEM Listing Rules) to Shareholders individually in electronic form by email. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will send the Actionable Corporate Communications in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

2. *Corporate Communications*

The Company will make the Corporate Communications available on its website (www.jancofreight.com) and the Stock Exchange's website (www.hkexnews.hk).

A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Corporate Communications.

For those Shareholders who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of a written request from the Shareholder sent to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong at "17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong" or by email to (8035-ecom@hk.tricorglobal.com), send future relevant Corporate Communications and/or Actionable Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

Shareholders are encouraged to provide their up-to-date contact details (including electronic contact details) to Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, in order to facilitate timely and effective communications.

CORPORATE GOVERNANCE REPORT

Policy on Payment of Dividends

The Company has on 9 November 2018 adopted a policy on payment of dividends (the "**Dividend Policy**") to comply with the amended code provision F.1.1 of the CG Code which became effective from 1 January 2019, and to establish an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial results, cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. However, there can be assurance that a dividend will be proposed or declared in any specific periods.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has adopted a shareholders' communication policy, details of which is summarised below:

Shareholders' Meetings

- The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and the Shareholders. Shareholders are encouraged to attend general meetings in person or to appoint proxies to attend and vote for and on their behalf if they are unable to attend such meetings.
- Notices of the general meetings, related circulars and forms of proxy will be posted within a prescribed time prior to the general meetings on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.jancofreight.com) and/or by post to the Shareholders.
- The Directors, in particular, the chairman of the Board committees or their delegates, appropriate senior executives and external auditor will attend the general meetings to answer the Shareholders' questions.
- The chairman of the general meetings will propose to vote the resolutions (except resolutions which relate purely to procedural or administrative matters) by poll in accordance with the Articles. Scrutineer will be appointed for the vote-taking at general meetings and the voting results will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.jancofreight.com) subsequent to the close of the general meetings.

CORPORATE GOVERNANCE REPORT

Company's Website

- The Company's website (www.jancofreight.com) provides the Shareholders with corporate information on the Group. It also provides information on corporate governance of the Group and the compositions and functions of the Board and the committees of the Board.
- In addition to the "Investor Relations" section in which corporate communications of the Company are posted as soon as practicable following their release on the Stock Exchange's website (www.hkexnews.hk), press releases and newsletters issued by the Company from time to time are also available on the Company's website (www.jancofreight.com) to facilitate communication between the Company, Shareholders and investment community.
- Information on the Company's website is updated on a regular basis.

Communication with the Company

Shareholders may raise questions, request for publicly available information and provide comments and suggestions to the Directors and management of the Company. Such questions, requests, comments and suggestions can be addressed to the Company by post to "Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong", or by the following means:

Telephone number: (852) 2575 7883
Fax number: (852) 2575 8609
Email address: hkg@jancofreight.com

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

The Company highly values the view and comment by the Shareholders' and relevant stakeholders to the Company and would invite the Shareholders' and relevant stakeholders to communicate with the Company by employing the abovementioned means. The Board is of the view that the shareholders' communication policy implemented during FY2025 was sufficient and effective.

CONSTITUTIONAL DOCUMENTS

No change has been made to the Company's memorandum of association and articles of association during FY2025. The memorandum of association and articles of association of the Company have been published at the websites of the Stock Exchange and the Company.

REPORT OF THE DIRECTORS

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for FY2025.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability in the Cayman Islands. 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 headquarters and principal place of business in Hong Kong is "Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong". The Shares were listed on GEM of the Stock Exchange on 7 October 2016 (the "**Listing Date**").

In the preparation for its listing on GEM (the "**Listing**"), the Company became the holding company of the companies now comprising the Group. Details of the reorganisation of the Group are set out in the paragraph headed "Reorganisation" in the section headed "History, Development and Reorganisation" of the Company's prospectus dated 30 September 2016 (the "**Prospectus**").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 30 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during FY2025.

BUSINESS REVIEW AND OTHER DISCLOSURES

Detailed business review and other disclosures required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) are set out in the section headed "Management Discussion and Analysis" ("**MD&A**") of this annual report from pages 6 to 12. Future development of the Company's business is set out in the MD&A.

KEY RISKS AND UNCERTAINTIES

The Group believes that the risk management practices are important and uses its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible. Operational risk may arise when the Group has loss of (i) our customers; and (ii) senior management employed by the Group which may adversely affect the Group's operations. In the event that the Group fails to identify suitable replacements for senior managements in a timely manner and at reasonable cost, the Group's competitiveness may be impaired and performance could be adversely affected. To retain our customers, we are trying to maintain stable business relationship with our suppliers in order to obtain cargo space at favourable prices, so that we can offer cargo space to our customers at competitive prices.

An analysis of the Group's financial risk management (including market risk, credit risk, and liquidity risk) objectives and policies are provided in note 5 to the consolidated financial statements. Other risks faced by the Group are set out in the section headed "Risk Factors" in the Prospectus.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A fundamental task of the senior management of the Group have always been leading the management to concern about environmental protection, performing social responsibility as an enterprise citizen, strengthening corporate governance, promoting healthy and orderly development of the Group, and creating more economic value and social utility for stakeholders such as consumers, upstream suppliers, downstream distributors, shareholders, potential investors, management, employees, communities and even the environment.

During the Reporting Period, as far as the Board is aware, the Group had in all material aspects complied with all applicable environmental laws and regulations. More disclosures regarding our environmental policies and performance are set out in the ESG Report to be issued by the Company in accordance with the GEM Listing Rules.

REPORT OF THE DIRECTORS

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group has maintained good relationships with its stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

KEY PERFORMANCE INDICATORS (“KPIs”) WITH THE STRATEGY OF THE GROUP

The key financial performance indicators of the Group for FY2025 are set out below:

| Strategy | KPIs |
|-------------------------------------|---|
| Maximise value for the Shareholders | Gross profit margin = 7.1% (2024: 9.1%) |
| | Return on equity = -138.9% (2024: -43.3%) |
| Improve the Group’s liquidity | Net cash generated from operating activities = HK\$22.3 million (2024: HK\$26.7 million) |
| | Cash and cash equivalents = HK\$6.7 million (2024: HK\$13.2 million) |

RESULTS

The results of the Group for FY2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 52.

DIVIDEND

The Board resolved not to declare any final dividend for FY2025. No dividend was paid or proposed for shareholders of the Company for FY2025 (2024: Nil), nor has any dividend been proposed since the end of the reporting period.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (the “**2026 AGM**”) of the Company is scheduled to be held on Friday, 26 June 2026. A notice convening the 2026 AGM will be issued and despatched to the Shareholders according to the Articles.

The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both dates inclusive), the period during which no transfer of shares may be effected for the purpose of determining the Shareholders who are entitled to attend and vote at the 2026 AGM. In order to be eligible to attend and vote at the 2026 AGM, all transfer forms accompanied by the relevant share certificate(s) should be lodged for registration with Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at “17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong” not later than 4:30 p.m. on Monday, 22 June 2026.

REPORT OF THE DIRECTORS

RESERVES

Details of movements in the reserves of the Group during FY2025 are set out in the consolidated statement of changes in equity on page 55 of this annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 110.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer contributed 17.7% (2024: 13.8%) of the total revenue for FY2025 while the Group's five largest customers accounted for 37.7% (2024: 46.5%) of the total revenue for FY2025.

Since the Group has a very wide base of suppliers, the aggregate purchase attributable to the Group's five largest suppliers were 32.2% (2024: 38.8%) of the Group's total direct costs for FY2025 with the largest supplier accounted for 12.7% (2024: 11.5%) of the total direct costs.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the best knowledge of the Directors owns more than 5% of the number of Company's issued Shares) had any interests in any of the Group's five largest customers or suppliers referred to above.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Throughout the Reporting Period and up to the date of this annual report, based on the information that is available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the prescribed minimum amount of public float as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SHARE CAPITAL

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Scheme**") is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules and is established to recognise and acknowledge the contribution of the Directors and other employees and other eligible parties who have made valuable contribution to the Group. The Scheme was adopted on 23 September 2016 (the "**Adoption Date**"). Details of the share options movement during the year ended 31 December 2025 under the Share Option Scheme are set in note 32 to the consolidated financial statements.

REPORT OF THE DIRECTORS

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(a) Purpose

The Scheme is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules and is established to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group or any entity which is an associated Company of any member of the Group (the **"Invested Entity"**).

(b) The Participants of the Scheme

The Board may, at its discretion, offer to grant an option to any employee (whether full time or part time), including the Directors (including any non-executive Director and independent non-executive Director) of the Company, its subsidiaries or any Invested Entity (collectively the **"Eligible Participants"**) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below.

(c) Maximum number of Shares available for issuance

The total number of the Shares which may be issued upon exercise of all the options (excluding, for this purpose, shares which would have lapsed in accordance with the terms of the Scheme or any other share option schemes of the Group) to be granted under the Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the total number of the Shares in issue as at the Listing Date, being 60,000,000 Shares (the **"General Scheme Limit"**) provided that:

- i. subject to paragraph (a) above and without prejudice to sub-paragraph (ii) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of the Shares which may be allotted and issued upon exercise of all the options to be granted under the Scheme and any other share option schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Scheme and any other share option schemes of the Group) will not be counted; and
- ii. subject to paragraph (a) above and without prejudice to sub-paragraph (i) above, the Company may seek separate Shareholders' approval in general meeting to grant options under the Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (i) above to Eligible Participants specifically identified by the Company before such approval is sought.

(d) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each Eligible Participant in any 12-month period shall not exceed 1% of the issued shares of the Company for the time being.

REPORT OF THE DIRECTORS

(e) Price of Shares

The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the Board in its discretion shall determine, save that such price shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for trade in one or more board lots of the Shares on the offer date, being the date on which an offer for the grant of an option is made to an Eligible Participant, which must be a business day, being a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of a Share.

(f) Time of exercise of option and duration of the share option scheme

An option may be exercised in accordance with the terms of the Scheme at any time or times during the option period, being a period (which may not expire later than 10 years from the offer date of the Option) to be determined and notified by the Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses in accordance with the relevant provisions of the Scheme; and (ii) the date falling ten years from the offer date of such option. No option may be granted more than 10 years after the Adoption date. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the Adoption date.

(g) Acceptance and payment on acceptance

The options granted under the Scheme shall remain open for acceptance by the Eligible Participants concerned (and by no other person) for a period of up to 21 days from the date on which the options are offered to an Eligible Participant. Upon acceptance of the option, the Eligible Participant shall pay HK\$1 to the Company as consideration for the grant.

(h) Remaining life of the Scheme

As at 31 December 2025 and the date of this annual report:

- the maximum number of Shares that may be issued by the Company upon exercise of all outstanding Options already granted under the Scheme was 3,000,000 representing 0.5% of the total number of Shares in issue of the Company;
- the maximum number of Options that were available to be granted under the Scheme was 49,500,000 representing approximately 8.25% of the total number of Shares in issue of the Company;
- Pursuant to Rule 23.09(9) of the GEM Listing Rules, as at 31 December 2025, the remaining life of the Scheme is 9 months; and
- There was no service provider sublimit set under the Scheme during FY2025.

REPORT OF THE DIRECTORS

The Company is aware that amendments were made to Chapter 23 of the GEM Listing Rules, which has 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.

DISTRIBUTABLE RESERVES OF THE COMPANY

Share premium and retained profit of the Company may be available for distribution to ordinary Shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. As at 31 December 2025, the Company did not have distributable reserves to Shareholders.

DIRECTORS

During the Reporting Period and up to the date of this annual report, the Board's composition is as follows:

Executive Directors (EDs)

Mr. Chan Kwok Wai

Mr. Lo Wai Wah

Mr. Lai Chung Wing (resigned on 31 October 2025)

Ms. Lam Lai Wan Bondie (appointed on 31 October 2025 and resigned on 31 January 2026)

Non-Executive Directors (NEDs)

Mr. Tai King Fung (*Chairman*) (appointed on 1 September 2025)

Mr. Tam Tsz Yeung Alan (*Chairman*) (resigned on 1 September 2025)

Mr. Liang Yuxi (resigned on 15 August 2025)

Independent Non-Executive Directors (INEDs)

Ms. Chik Wai Chun

Mr. Moy Yee Wo Matthew

Mr. Yu Kwok Fai

REPORT OF THE DIRECTORS

Retirement and re-election of Directors

In accordance with article 84 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation every year shall include (as far as necessary to ascertain the number of the Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant article 83(3) of the Articles shall not be taken into account in determining which particular Directors or the number of the Directors who are to retire by rotation.

According to article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of the Shareholders after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. Tai King Fung, Mr. Lo Wai Wah and Mr. Moy Yee Wo Matthew will retire and, being eligible, offer themselves for re-election at the 2026 AGM.

DIRECTORS' SERVICE AGREEMENTS

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from their respective date of appointment subject to renewal and termination by either party in accordance with the terms thereof, and retirement and re-election provisions in the Articles.

Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year commencing from their respective date of appointment and subject to renewal and termination by either party in accordance with the terms thereof, and retirement and re-election provisions in the Articles.

There is no Director's service contract with the Company or any of its subsidiary which is not determinable by the Company or its subsidiary within one year without payment of compensation (other than statutory compensation) as at 31 December 2025.

None of the Directors proposed for re-election at the 2026 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of their independence pursuant to rule 5.09 of the GEM Listing Rules. The Nomination Committee has assessed the independence of the Independent Non-executive Directors and affirmed that all Independent Non-executive Directors remained independent.

REPORT OF THE DIRECTORS

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 December 2025, 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. Tai King Fung | Beneficial owner | 50,000 | 0.01% |

Note: The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 31 December 2025.

(ii) Long position in the underlying shares or equity derivatives of the Company

Under the share option scheme of the Company as mentioned in the section headed "Share Option Scheme" below, share options were granted to the following Directors which entitled them to subscribe for the Shares. Details of the share options of the Company held by them as at 31 December 2025 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. Lo Wai Wah | 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 December 2025.

Save as disclosed above, as at 31 December 2025, 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.

REPORT OF THE DIRECTORS

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

As at 31 December 2025, 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% |
| | Interest of spouse (Note 2) | 134,214,000 (L) | 22.37% |
| Pacific Crouch Limited ("Pacific Crouch") | Beneficial owner | 131,054,000 (L) | 21.84% |
| Mr. Cheng Hon Yat | Beneficial owner (Note 4) | 3,160,000 (L) | 0.53% |
| | Interest in controlled corporation (Note 3) | 131,054,000 (L) | 21.84% |
| | Interest of spouse (Note 5) | 170,300,000 (L) | 28.38% |

Notes:

- 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.
- 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.
- These Shares are held by Pacific Crouch, which is wholly-owned by Mr. Cheng Hon Yat ("Mr. Cheng"). By virtue of the SFO, Mr. Cheng is deemed to be interested in all the Shares held by Pacific Crouch.
- These Shares are held by Mr. Cheng Hon Yat.
- 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.
- The percentage of shareholding is calculated on the basis of 600,000,000 Shares in issue as at 31 December 2025 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 31 December 2025, 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.

REPORT OF THE DIRECTORS

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save and except for the Scheme, at no time during the Reporting Period 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' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries or its parent company was a party and in which a Director of the Company or an entity connected with any of them had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the Reporting Period, there had been no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder (as defined in the GEM Listing Rules) or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries.

COMPETING INTEREST

During the Reporting Period, the Directors were not aware of any business or interest of the Directors, the controlling Shareholders and their respective close associates (as defined under the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

MANAGEMENT CONTRACTS

During the Reporting Period, there is no contract entered into by the Company relating to the management and administration of the entire or any substantial part of the business of the Group.

EMOLUMENT POLICY

The remuneration policy of the Group is to reward its employees and executives based on, among other things, their performance, qualification, competence displayed and market comparables. Remuneration package typically comprises of salaries, contribution to pension schemes and discretionary bonuses.

The Remuneration Committee will review annually the remuneration of all the Directors to ensure that it is attractive enough to attract and retain a competent team of executive members. The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

Significant related party transactions entered into by the Group during FY2025 and FY2024 are set out in note 31 to the consolidated financial statements.

The Directors consider that these significant related party transactions disclosed in note 31 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) under Chapter 20 of the GEM Listing Rules requiring compliance with any of the reporting, announcement or independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established the Audit Committee on 23 September 2016, with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor and to review and supervise the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Ms. Chik Wai Chun, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai, with Mr. Moy Yee Wo Matthew being the chairman. The Audit Committee has reviewed the audited consolidated financial statements of the Group for FY2025 and is of the view that the preparation of such financial statements complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

PERMITTED INDEMNITY PROVISIONS

At no time during the Reporting Period and up to the date of this Directors’ Report was there any permitted indemnity provision being in force for the benefit of any of the Directors (whether made by the Company or otherwise), or an associated company (if made by the Company).

An associated company is defined in Section 2(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five highest paid individuals for the year are set out in note 12 to the consolidated financial statements respectively.

CORPORATE GOVERNANCE

The Company had complied with all code provisions as set out in the CG Code throughout the Reporting Period.

Further information on the Company’s corporate governance practices is set out in the section headed “Corporate Governance Report” of this annual report from pages 16 to 33.

REPORT OF THE DIRECTORS

ENVIRONMENTAL, SOCIETY AND CORPORATE RESPONSIBILITY

The Group is committed to support environmental protection to ensure business development and sustainability. We implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

AUDITOR

On 17 January 2023, Messrs. McMillan Woods CPA Limited ("**McMillan Woods**") was appointed as the Auditor of the Company with effect from 17 January 2023 following the resignation of McM (HK) CPA Limited as Auditor of the Company with effect from 17 January 2023.

On 31 October 2025, Beijing Xinghua was appointed as the Auditor of the Company with effect from 31 October 2025 following the resignation of McMillan Woods as Auditor of the Company with effect from 10 October 2025.

The consolidated financial statements of the Group for FY2025 were audited by Beijing Xinghua, who will retire and, being eligible, offer themselves for re-appointment at the 2026 AGM. A resolution to re-appoint Beijing Xinghua and to authorise the Directors to fix its remuneration will be proposed at the 2026 AGM. Save as the above, there has been no other change of Auditor of the Company in the preceding three years.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this annual report.

On behalf of the Board

Tai King Fung

Chairman

Hong Kong, 31 March 2026

INDEPENDENT AUDITOR'S REPORT



北京兴华
BEIJINGXINGHUA

TO THE SHAREHOLDERS OF JANCO HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Janco Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 52 to 109, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income for the year then ended, consolidated statement of changes in equity for the year then ended, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Impairment assessment on trade receivables

Refer to Notes 3, 4, 5 and 19 to the consolidated financial statements

The Group assessed the amount of trade receivables for impairment. The balance of trade receivables, net of impairment, of approximately HK27,355,000 as at 31 December 2025 is material to the consolidated financial statements. In addition, the measurement of forward-looking expected credit loss ("ECL") approach requires the application of significant judgment and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models. Due to the significant amount of trade receivables and the corresponding uncertainty inherent in such estimates, we consider this as a key audit matter.

Our audit procedures included, among others:

- Understanding the management's control and processes for determining the ECL allowance on trade receivables and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors involved in the estimation of ECL allowance on trade receivables;
- Performing recalculation on the mathematical accuracy of management's assessment on ECL allowance on trade receivables;
- Testing on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices;
- Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer engaged by the Group;
- Engaging our auditor's expert to assess the reasonableness of Group's ECL models by examining the model input by management to form such judgments, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and assessing whether there was an indication of management bias; and
- Reviewing the appropriateness of the disclosure of the Group's credit risk exposure and ECL assessment in the consolidated financial statements.

We consider that the Group's impairment assessment for trade receivables is supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Impairment assessment of property, plant and equipment and right-of-use assets

Refer to Notes 3, 4, 15 and 17 to the consolidated financial statements

As at 31 December 2025, the Group's net carrying amount of property, plant and equipment and right-of-use assets were approximately HK\$4,236,000 and HK\$8,431,000 respectively. Management assesses related assets for potential impairment whenever there are indications that the carrying value of an asset or a Group of assets may not be recoverable. As at 31 December 2025, management performed impairment assessment on property, plant and equipment and right-of-use assets with impairment indications at the level of cash generating unit ("CGU") to which the property, plant and equipment and right-of-use assets were allocated using the discounted cash flow model. The discounted cash flows model used for the impairment assessment of property, plant and equipment and right-of-use assets involved significant assumptions including product or service prices and discount rate. Based on the impairment test, no impairment loss was recognised by management for the year ended 31 December 2025.

We focused on auditing the impairment assessment of property, plant and equipment and right-of-use assets because their carrying amounts as at 31 December 2025 were significant, and the estimation of their recoverable amounts was subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of property, plant and equipment and right-of-use assets is considered significant due to the complexity of the model and subjectivity of significant assumptions used. Therefore, we identify impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter.

Our procedures in relation to the management's impairment assessment of property, plant and equipment and right-of-use assets included, among others:

- Understanding and evaluating the management's process for identifying impairment indicators;
- Understanding the preparation bases of the discounted cash flow forecasts on which the estimation of the recoverable amounts of the CGUs;
- Evaluating the appropriateness of identification of CGUs at which level the impairment assessment was performed;
- Assessing the arithmetical accuracy of the recoverable amount calculations;
- Engaging our auditor's expert to assist us in evaluating management's impairment assessment, testing the reasonableness of the methodology, underlying inputs, and assumptions (including revenue growth, profits margins, terminal growth rate and discount rates) adopted therein, and assessing the results of their work as part of our audit; and
- Evaluating the adequacy of disclosures in respect of the impairment of property, plant and equipment and right-of-use assets in the consolidated financial statements.

We consider that the Group's impairment assessment for property, plant and equipment and right-of-use assets is supported by the available evidence.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 28 March 2025.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Beijing Xinghua Caplegend CPA Limited

Certified Public Accountants

Leung Yee Keung, James

Practising Certificate Number P07412

Hong Kong, 31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| Revenue | 6 | 211,443 | 250,771 |
| Direct costs | | (196,369) | (228,024) |
| Gross profit | | 15,074 | 22,747 |
| Other income | 7 | 802 | 573 |
| Other gains and (losses), net | 8 | 47 | (169) |
| Administrative expenses | | (31,193) | (34,150) |
| Selling expenses | | (1,156) | (1,663) |
| (Provision for)/reversal of impairment loss on trade receivables, net | 11 | (5,417) | 1,254 |
| Impairment loss on amount due from a joint venture | 11 | (24) | (1,641) |
| Loss from operations | | (21,867) | (13,049) |
| Finance costs | 9 | (3,085) | (4,091) |
| Share of loss of a joint venture | | – | (1,049) |
| Loss before tax | | (24,952) | (18,189) |
| Income tax expenses | 10 | – | (185) |
| Loss for the year | | (24,952) | (18,374) |
| Other comprehensive income/(expense) for the year, net of tax: | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations | | – | (4) |
| Release of cumulative translation reserve upon deregistration of subsidiaries | | 443 | – |
| Other comprehensive income/(expense) for the year | | 443 | (4) |
| Total comprehensive expense for the year | | (24,509) | (18,378) |
| Loss for the year attributable to: | | | |
| Owners of the Company | | (24,955) | (18,402) |
| Non-controlling interests | | 3 | 28 |
| | | (24,952) | (18,374) |
| Total comprehensive expense for the year attributable to: | | | |
| Owners of the Company | | (24,512) | (18,406) |
| Non-controlling interests | | 3 | 28 |
| | | (24,509) | (18,378) |
| Loss per share | 14 | | |
| — Basic and diluted (HK\$) | | (4.16) | (3.07) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------|------------------|------------------|
| Non-current assets | | | |
| Property, plant and equipment | 15 | 4,236 | 5,107 |
| Computer software | 16 | 145 | 228 |
| Right-of-use assets | 17 | 8,431 | 43,169 |
| Interest in a joint venture | 18 | – | – |
| Deferred tax assets | 25 | 616 | 616 |
| Rental and other deposits | 19 | 566 | 7,474 |
| | | 13,994 | 56,594 |
| Current assets | | | |
| Trade receivables | 19 | 27,355 | 46,311 |
| Other receivables, deposits and prepayments | 19 | 10,148 | 8,228 |
| Amount due from a joint venture | 18 | – | 24 |
| Pledged bank deposits | 20 | 14,940 | 17,643 |
| Bank and cash balances | 20 | 6,703 | 13,245 |
| | | 59,146 | 85,451 |
| Current liabilities | | | |
| Trade payables | 21 | 23,351 | 27,289 |
| Other payables and accruals | 21 | 12,612 | 14,190 |
| Bank borrowings | 22 | 6,700 | 11,323 |
| Loan from a substantial shareholder | 23 | 1,200 | 1,500 |
| Lease liabilities | 24 | 4,707 | 23,205 |
| Income tax payable | | 513 | 1,334 |
| | | 49,083 | 78,841 |
| Net current assets | | 10,063 | 6,610 |
| Total assets less current liabilities | | 24,057 | 63,204 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------|------------------|------------------|
| Non-current liabilities | | | |
| Lease liabilities | 24 | 2,657 | 20,295 |
| Loan from a substantial shareholder | 23 | 3,000 | – |
| Deferred tax liabilities | 25 | 40 | 40 |
| | | 5,697 | 20,335 |
| NET ASSETS | | 18,360 | 42,869 |
| Capital and reserves | | | |
| Share capital | 26 | 6,000 | 6,000 |
| Reserves | 29 | 11,963 | 36,475 |
| Equity attributable to owners of the Company | | 17,963 | 42,475 |
| Non-controlling interests | | 397 | 394 |
| TOTAL EQUITY | | 18,360 | 42,869 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2026 and were signed on its behalf by:

Lo Wai Wah
Director

Chan Kwok Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Attributable to owners of the Company | | | | | | | Total | Non-controlling interests | Total equity |
|---|---------------------------------------|------------------------|-------------------------|--------------------------|-------------------------|------------------------|--------------------|---------------|---------------------------|---------------|
| | Share capital | Share premium | Capital reserve | Other reserve | Translation reserve | Share option reserve | Accumulated losses | | | |
| | HK\$'000 | HK\$'000 (Note (i)) | HK\$'000 (Note (ii)) | HK\$'000 (Note (iii)) | HK\$'000 (Note (iv)) | HK\$'000 (Note (v)) | HK\$'000 | HK\$'000 | HK\$'000 | |
| At 1 January 2024 | 6,000 | 47,755 | 17,659 | 4,658 | (439) | 362 | (15,114) | 60,881 | 366 | 61,247 |
| Loss for the year | - | - | - | - | - | - | (18,402) | (18,402) | 28 | (18,374) |
| Other comprehensive expense for the year | | | | | | | | | | |
| — Exchange differences on translation of foreign operations | - | - | - | - | (4) | - | - | (4) | - | (4) |
| Total comprehensive income/(expense) for the year | - | - | - | - | (4) | - | (18,402) | (18,406) | 28 | (18,378) |
| At 31 December 2024 | 6,000 | 47,755 | 17,659 | 4,658 | (443) | 362 | (33,516) | 42,475 | 394 | 42,869 |
| At 1 January 2025 | 6,000 | 47,755 | 17,659 | 4,658 | (443) | 362 | (33,516) | 42,475 | 394 | 42,869 |
| Loss for the year | - | - | - | - | - | - | (24,955) | (24,955) | 3 | (24,952) |
| Other comprehensive income for the year | | | | | | | | | | |
| — Release of foreign currency translation reserve upon deregistration of subsidiaries | - | - | - | - | 443 | - | - | 443 | - | 443 |
| Total comprehensive expense for the year | - | - | - | - | 443 | - | (24,955) | (24,512) | 3 | (24,509) |
| At 31 December 2025 | 6,000 | 47,755 | 17,659 | 4,658 | - | 362 | (58,471) | 17,963 | 397 | 18,360 |

Notes:

- (i) Under the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.
- (ii) Capital reserve is comprised 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 former controlling shareholder of the Group and a former director of the Company, Mr. Cheng Hon Yat ("**Mr. Cheng**") before the transfer of such business to Janco Global Logistics Limited, a wholly owned subsidiary of the Group, as they legally belonged to JFX Limited and are non-distributable profits of the Group; and (ii) the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Company upon completion of the group reorganisation on 29 December 2015 and the nominal value of the Company's shares issued.
- (iii) Other reserve represented an amount due to Mr. Cheng, the 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.
- (iv) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 3 to the consolidated financial statements and reclassified to profit or loss upon disposal or deregistration of the respective foreign operations.
- (v) Share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors/employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (24,952) | (18,189) |
| Adjustments for: | | |
| Amortisation of computer software | 85 | 72 |
| Depreciation of property, plant and equipment | 2,602 | 2,961 |
| Depreciation of right-of-use assets | 24,612 | 29,258 |
| Share of loss of a joint venture | – | 1,049 |
| Finance costs | 3,085 | 4,091 |
| Gain on early termination of leased properties | (818) | (234) |
| (Gain)/loss on disposal of property, plant and equipment | (13) | 122 |
| Gain on deregistration of subsidiaries | 748 | – |
| Impairment loss/(reversal of impairment loss) on trade receivables | 5,417 | (1,254) |
| Impairment loss on amount due from a joint venture | 24 | 1,641 |
| Write-off of inventories | – | 535 |
| Interest income | (388) | (445) |
| Operating profit before working capital changes | 10,402 | 19,607 |
| Decrease in inventories | – | 322 |
| Decrease in trade receivables | 13,539 | 9,721 |
| Decrease/(increase) in other receivables, deposit and prepayments | 4,988 | (1,320) |
| (Decrease)/increase in trade payables | (3,938) | 2,366 |
| Decrease in other payables and accruals | (1,883) | (2,730) |
| Cash generated from operations | 23,108 | 27,966 |
| Income tax paid | (821) | (1,311) |
| Net cash generated from operating activities | 22,287 | 26,655 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Bank interest income received | 388 | 445 |
| Purchase of property, plant and equipment | (1,920) | (620) |
| Purchase of computer software | (2) | (109) |
| Proceeds from disposal of property, plant and equipment | 202 | 10 |
| Decrease/(increase) in pledged bank deposits | 2,703 | (1,643) |
| Net cash generated from/(used in) investing activities | 1,371 | (1,917) |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| New bank borrowings raised | 24,000 | 19,523 |
| Repayment of bank borrowings | (28,623) | (11,200) |
| Interest paid | (3,085) | (4,091) |
| Principal element of lease payment paid | (25,192) | (28,920) |
| Loan from a substantial shareholder | 2,700 | 1,500 |
| Net cash used in financing activities | (30,200) | (23,188) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 13,245 | 11,699 |
| Effect of foreign exchange rate changes | - | (4) |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 6,703 | 13,245 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 6,703 | 13,245 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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 is Unit 3011, 30/F., Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 30.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the HKICPA.

These consolidated financial statements have been prepared under the historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 4.

Certain comparative figures have been regrouped to confirm with current year’s presentation of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Continued)

New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2025:

- Amendments to HKAS 21 — Lack of exchangeability

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

| | Effective for accounting periods beginning on or after |
|--|--|
| Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments | 1 January 2026 |
| Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent electricity | 1 January 2026 |
| HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 — Annual Improvements to HKFRS Accounting Standards — Volume 11 | 1 January 2026 |
| HKFRS 18, Presentation and disclosure in financial statements | 1 January 2027 |
| HKFRS 19, Subsidiaries without public accountability: disclosures | 1 January 2027 |
| Amendments to HKAS 21, Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture | To be determined |

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

ii. Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Janco Holdings Limited has joint ventures.

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated statement of financial position.

Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which joint control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(a) Principles of consolidation and equity accounting (Continued)

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 18.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|------------------------|---|
| Leasehold improvements | Over the short of term of the lease, or 20% |
| Office equipment | 20% |
| Furniture and fixtures | 20% |
| Motor vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Intangible assets

Intangible assets, including computer software, with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Computer software is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of computer software, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Computer software is amortised over its estimated useful life of 5 years using the straight-line method.

(d) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease (for example, term, country, currency and security).

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets of value below US\$5,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets

Classification

The Group classifies its financial assets to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt instruments, if appropriate, when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss. Impairment expenses are presented as separate line item in the statement of profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL is a probability-weighted estimate of credit losses (i.e. the present values of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires lifetime ECL, to be recognised from initial recognition of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets (Continued)

Impairment (Continued)

The ECL is determined based on the Group's historical observed default rates and industry credit loss rate over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the Group's historical observed default rates and industry credit loss rate are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables, deposits and amount due from a joint venture is measured as either 12-month ECL or lifetime ECL, depend on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, canceled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(f) Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Trade and other payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(k) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(l) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(m) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee is the Group's chief operating decision maker and consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

(o) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Defined contribution retirement plan

Retirement benefits to employees are provided through defined contribution plans. The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all its employees who are eligible to participate in the MPF Scheme. The MPF Scheme is administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The Group has no further payment obligations once the contributions have been paid. Contributions to the MPF Scheme are recognised as an expense in profit or loss when the services are rendered by the employees. No forfeited contributions under the MPF Scheme are available to reduce the existing level of contributions.

(iii) Defined benefit plan obligation

The Group's net obligation in respect of Long Service Payment ("LSP") under the Hong Kong Employment Ordinance is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by using the projected unit credit method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(o) Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

(v) Bonus plan

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

(vi) Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in form of share-based payments, whereby employees render services as consideration for equity instruments.

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

If the share options granted are not exercised after the vesting period, the share option reserve is transferred to the retained earnings.

(p) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(p) Taxation (Continued)

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

(q) Impairment of non-financial assets

Assets except goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollar (HK\$), which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(s) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(t) Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Company.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiaries and fellow subsidiaries is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) The entity and the Company are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity (or vice versa).
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a parent of the Company.

Close members of the family of a person are those family members who maybe expected to influence, or be influenced by, that person in their dealing with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL JUDGMENTS AND KEY ESTIMATES

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Critical judgments in applying accounting policies

In the process of applying the Group's accounting policies, the directors of the Company have made the following judgments that have the most significant effect on the amounts recognised in the consolidation financial statements.

(a) Joint control assessment

The Group holds 70% of the issued share capital of Janco E-commerce Solutions (USA) Inc ("**JEC USA**"). Despite the Group holding a majority of equity, pursuant to the agreement between the Group and other two shareholders of JEC USA, unanimous approval from the Group and the other two shareholders of JEC USA is required for decisions regarding the relevant activities of JEC USA. The directors of the Company have determined that the Group and the two other shareholders have joint control over JEC USA accordingly.

(b) Consolidation of entity with 50% equity interest holding

Jandoor Supply Chain Management Limited ("**JSCML**") is a subsidiary of the Group although the Group has only 50% ownership interest and voting rights in JSCML. The Group has the 50% ownership since 28 July 2016 and the remaining 50% of shareholdings are owned by a shareholder that is unrelated to the Group.

The directors of the Company assessed whether the Group has control over JSCML based on whether the Group has the practical ability to direct the relevant activities of JSCML unilaterally. In making the judgment, the directors of the Company considered the Group has the right to appoint or approve the majority of the board seats of JSCML, indicating that the Group has control and power over that entity.

(c) Significant increase in credit risk

As explained in Note 3, ECL under general approach are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL JUDGMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment loss on trade receivables, other receivables and deposits and amount due from a joint venture

The loss allowances for trade receivables, other receivables and amount due from a joint venture are based on assumptions about risk of default and expected loss rates. The Group use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

As at 31 December 2025, the carrying amounts of trade receivables, other receivables and deposits and amount due from a joint venture were approximately HK\$27,355,000 (net of allowance for ECL of HK\$6,452,000) (2024: HK\$46,311,000 (net of allowance for ECL of HK\$9,142,000)), HK\$10,714,000 (net of allowance for ECL of HK\$Nil) (2024: HK\$14,711,000 (net of allowance for ECL of HK\$Nil)) and HK\$Nil (net of allowance for ECL of HK\$1,665,000) (2024: HK\$24,000 (net of allowance for ECL of HK\$1,641,000)), respectively.

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amounts of property, plant and equipment and right-of-use assets as at 31 December 2025 were approximately HK\$4,236,000 (2024: HK\$5,107,000) and HK\$8,431,000 (2024: HK\$43,169,000) respectively. No impairment loss was recognised for the years ended 31 December 2025 and 2024. Details refer to notes 15 and 17 to the consolidated financial statements respectively.

(c) Deferred tax asset

As at 31 December 2025, the Group had unused tax losses of HK\$100,089,000 (2024: HK\$73,182,000). A deferred tax assets in respect of tax losses of approximately HK\$3,733,000 (2024: HK\$3,733,000) has been recognized. The Group did not recognise the remaining tax losses amounting to HK\$96,356,000 (2024: HK\$69,449,000) that could be carried forward against future taxable income as the realisation of the related tax benefits through future taxable profit is not probable. Estimating the amount of deferred tax asset arising from tax losses requires a process that involves determining appropriate provisions for income tax expense, forecasting future year's taxable income and assessing our ability to utilise tax benefits through future earnings. In cases where the actual future profits generated are different from original estimates than expected, such differences will impact the recognition of deferred tax assets and income tax charges in the year in which such circumstances are changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

Transactions entered into by the Group with certain trade customers and suppliers are mainly denominated in United States Dollar ("US\$") and Renminbi ("RMB") and these foreign currencies expose the Group to market risk arising from changes in foreign exchange rates. Management monitors closely foreign currency exposure and will consider hedging any significant exposures should the need arise.

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of the reporting period that are denominated in above foreign currencies are as follows:

| | Assets | | Liabilities | |
|------|------------------|------------------|------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| US\$ | 16,497 | 21,004 | (5,501) | (6,991) |
| RMB | 3,459 | 4,315 | (57) | (1,362) |

Since HK\$ is pegged to US\$, the risk of volatility between US\$ and HK\$ is limited and the directors of the Company consider that the risk is minimal at current stage. Accordingly, no sensitivity analysis for such currency risk is presented.

The following table details the Group's sensitivity to a 5% increase in the exchange rate of RMB against HK\$. The percentage is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates a decrease in loss after tax (and the accumulated losses) for the years ended 31 December 2025 and 2024 where RMB strengthen 5% against HK\$. For a 5% weakening of RMB against HK\$, there would be an equal and opposite impact on the loss after tax (and the accumulated losses).

| | Decrease in loss after tax (and the accumulated losses) 2025 HK\$'000 | Decrease in loss after tax (and the accumulated losses) 2024 HK\$'000 |
|------------|---|---|
| RMB impact | 170 | 148 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables), from its investing activities (re: amount due from a joint venture), and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from bank balances and pledged bank deposits are limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables and amount due from a joint venture. In order to minimise the credit risk, management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of debts at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 15 to 90 days from the date of billing to its freight forwarding customers, and 30 days from the date of billing to its logistics and warehousing customers and e-commerce customers. Normally, the Group does not obtain collateral from customers.

At the end of reporting period, the Group has certain concentration of credit risk as 11% and 38% (2024: 20% and 45%) of the total trade receivables was due from the Group's largest customer and the total of five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. It considers available reasonable and supportive forwarding-looking information. The further details of the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024 are given in note 19 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, the likelihood of recovery, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The management believes that there are no significant increase in credit risk of other receivables and deposits since initial recognition and the Group provided impairment based on 12-month ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for other receivables and deposits to be insignificant, and thus no loss allowance was recognised.

Amount due from a joint venture

For amount due from a joint venture, the management makes periodic assessment on the recoverability of amount due from a joint venture based on historical settlement records, the likelihood of recovery, an also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The amount due from a joint venture was credit impaired as the management of the Company considered that there was evidence indicating the amount due cannot be recovered. Further details of the Group's ECL for the amount due from a joint venture as at 31 December 2025 and 2024 are set out in Note 18 to the consolidated financial statements.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

| | Less than 1 year HK\$'000 | Between 1-2 years HK\$'000 | Between 2-5 years HK\$'000 | Total undiscounted cash flow HK\$'000 | Carrying amount HK\$'000 |
|--|---------------------------------|----------------------------------|----------------------------------|--|--------------------------------|
| At 31 December 2025 | | | | | |
| Trade payables | 23,351 | – | – | 23,351 | 23,351 |
| Other payables and accruals | 12,612 | – | – | 12,612 | 12,612 |
| Bank borrowings | 6,749 | – | – | 6,749 | 6,700 |
| Loan from a substantial shareholder | 1,209 | 3,277 | – | 4,486 | 4,200 |
| Lease liabilities | 4,978 | 2,666 | 72 | 7,716 | 7,364 |
| | 48,899 | 5,943 | 72 | 54,914 | 54,227 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

| | Less than 1 year HK\$'000 | Between 1-2 years HK\$'000 | Between 2-5 years HK\$'000 | Total undiscounted cash flow HK\$'000 | Carrying amount HK\$'000 |
|--|---------------------------------|----------------------------------|----------------------------------|--|--------------------------------|
| At 31 December 2024 | | | | | |
| Trade payables | 27,289 | – | – | 27,289 | 27,289 |
| Other payables and accruals | 14,190 | – | – | 14,190 | 14,190 |
| Bank borrowings | 11,323 | – | – | 11,323 | 11,323 |
| Loan from a substantial shareholder | 1,500 | – | – | 1,500 | 1,500 |
| Lease liabilities | 25,409 | 20,865 | 178 | 46,452 | 43,500 |
| | 79,711 | 20,865 | 178 | 100,754 | 97,802 |

(d) Interest rate risk

The Group's lease liabilities, pledged bank deposit and loan from a substantial shareholder bore interests at fixed interest rates and were therefore subject to fair value interest rate risks.

The Group's was also exposed to cash flow interest-rate risk arising from its bank balances and bank borrowings. Bank balances and borrowings bore interests at variable rates varied with the then prevailing market condition.

The management considers that the Group's exposure to cash flow interest rate risk on bank balance and bank borrowings as a result of the change of market interest rate is insignificant due to its short-term maturity and thus no sensitivity analysis is prepared for interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital using a gearing ratio calculated on the basis of borrowings and lease liabilities over total equity. The Group's goal in capital management is to maintain the gearing ratio at a reasonable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The gearing ratio is regularly reviewed by senior management. The gearing ratios as at the end of the reporting periods are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-------------------------------------|------------------|------------------|
| Bank borrowings | 6,700 | 11,323 |
| Lease liabilities | 7,364 | 43,500 |
| Loan from a substantial shareholder | 4,200 | 1,500 |
| | 18,264 | 56,323 |
| Total equity | 18,360 | 42,869 |
| Gearing ratio | 99% | 131% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments at 31 December

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Financial assets: | | |
| Financial assets at amortised cost (including cash and cash equivalents) | 58,674 | 91,934 |
| Financial liabilities: | | |
| Financial liabilities at amortised cost | 46,863 | 54,302 |
| Lease liabilities | 7,364 | 43,500 |
| | 54,227 | 97,802 |

(g) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the steering committee of the Company which consist of the chief executive officer, the chief financial officer and the manager for corporate planning, for the purposes of allocating resources and assessing performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

- (i) Freight forwarding — provision of air freight and ocean freight forwarding services
- (ii) Logistics and warehousing — provision of warehousing and other ancillary logistics services
- (iii) E-commerce — provision of fulfillment services and trading of consumables through online platform

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers:

| | Freight forwarding | | Logistics and warehousing | E-Commerce | Total |
|---|-------------------------|---------------------------|---------------------------|--------------|-----------------|
| | Air Freight HK\$'000 | Ocean Freight HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| For the year ended 31 December 2025 | | | | | |
| Disaggregated by timing of revenue recognition | | | | | |
| At a point in time | - | - | - | - | - |
| Over time | 78,141 | 19,967 | 79,679 | 33,656 | 211,443 |
| | 78,141 | 19,967 | 79,679 | 33,656 | 211,443 |
| Segment results | 6,391 | 1,909 | 4,671 | 2,103 | 15,074 |
| Other income | | | | | 802 |
| Other gains, net | | | | | 47 |
| Administrative expenses | | | | | (31,193) |
| Selling expenses | | | | | (1,156) |
| Impairment loss on trade receivables, net | | | | | (5,417) |
| Impairment loss on amount due from a joint venture | | | | | (24) |
| Finance costs | | | | | (3,085) |
| Loss before tax | | | | | (24,952) |
| For the year ended 31 December 2024 | | | | | |
| Disaggregated by timing of revenue recognition | | | | | |
| At a point in time | - | - | - | 14 | 14 |
| Over time | 89,559 | 30,520 | 92,711 | 37,967 | 250,757 |
| | 89,559 | 30,520 | 92,711 | 37,981 | 250,771 |
| Segment results | 8,526 | 3,382 | 11,134 | (295) | 22,747 |
| Other income | | | | | 573 |
| Other losses, net | | | | | (169) |
| Administrative expenses | | | | | (34,150) |
| Selling expenses | | | | | (1,663) |
| Reversal of impairment loss on trade receivables | | | | | 1,254 |
| Impairment loss on amount due from a joint venture | | | | | (1,641) |
| Share of loss of a joint venture | | | | | (1,049) |
| Finance costs | | | | | (4,091) |
| Loss before tax | | | | | (18,189) |

Segment results mainly represented loss before tax incurred by each segment without allocation of other income, net other gains and losses, administrative and selling expenses, reversal of impairment loss/impairment loss on trade receivables, impairment loss on amount due from a joint venture, share of loss of a joint venture and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations revenue, assets and liabilities are substantially located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Customer A — revenue generated from air freight and ocean freight forwarding segment | 37,343 | 40,408 |

Air freight services, ocean freight services, logistics and warehousing service and e-commerce fulfillment service income

The Group provides air freight, ocean freight, logistics and warehousing and e-commerce fulfillment services to the customers.

Revenue from these services is recognised as a performance obligation satisfied over time as the Group is entitled to receive its income according to the relevant operating performance from the customers and the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

E-commerce — trading of goods through an online platform

The Group sold trading goods to the customers in the financial year ended 31 December 2024. Revenue from sale of trading goods were recognised at a point in time when control of the products has transferred, being when the products are delivered to a customer, there was no unfulfilled obligation that could affect the customer's acceptance of the products and the customer had obtained legal titles to the products.

A receivable was recognised when the products were delivered to the customers as this was the point in time that the consideration was unconditional because only the passage of time was required before the payment had been due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OTHER INCOME

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------------|------------------|------------------|
| Bank interest income | 388 | 445 |
| Sundry income | 414 | 128 |
| | 802 | 573 |

8. OTHER GAINS AND (LOSSES), NET

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Net exchange difference | (36) | (281) |
| Loss on deregistration of subsidiaries (Note 27) | (748) | – |
| Gain/(loss) on disposal of property, plant and equipment | 13 | (122) |
| Gain on early termination of leased properties | 818 | 234 |
| | 47 | (169) |

9. FINANCE COSTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Lease interests | 2,273 | 3,554 |
| Interest on bank borrowings | 749 | 519 |
| Interest on loan from a substantial shareholder | 63 | 18 |
| | 3,085 | 4,091 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX EXPENSES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------------|------------------|------------------|
| Hong Kong Profits Tax | | |
| — Current tax | – | 295 |
| — Over-provision in prior year | – | (110) |
| | – | 185 |

Under the two-tiered Hong Kong Profits Tax regime, the first HK\$2,000,000 of profits of a qualifying group entity established in Hong Kong is taxed at 8.25%, and profits above that amount are subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Hong Kong Profits Tax regime will continue to be taxed at a rate of 16.5%.

On 23 May 2023, the International Accounting Standards Board (“IASB”) issued International Tax Reform — Pillar Two Model Rules — Amendments to HKAS 12 which clarify that HKAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The Group has adopted these amendments. However, they are not yet applicable for the current reporting year as the Group’s consolidated revenue is currently below the threshold of €750 million.

The reconciliation between the income tax credit and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Loss before tax | (24,952) | (18,189) |
| Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned | (4,117) | (3,001) |
| Tax effect of income that is not taxable | (345) | (302) |
| Tax effect of expenses that are not deductible | 958 | 445 |
| Tax effect of tax losses not recognised | 3,295 | 2,836 |
| Tax effect of deductible temporary differences not recognised | 209 | 311 |
| Over-provision in prior years | – | (110) |
| Tax effect of share of loss of an joint venture | – | 173 |
| Tax concession | – | (167) |
| Income tax expenses | – | 185 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Auditor's remuneration | 540 | 700 |
| Amortisation of computer software | 85 | 72 |
| Depreciation of property, plant and equipment | 2,602 | 2,961 |
| Depreciation of right-of-use assets | 24,612 | 29,258 |
| Cost of inventories sold | – | 13 |
| Expenses relating to short-term lease (included in cost of sales and administrative and selling expenses) | 1,043 | 640 |
| Impairment loss/(reversal of impairment loss) on trade receivables, net | 5,417 | (1,254) |
| Impairment loss on amount due from a joint venture | 24 | 1,641 |
| Write-off of inventories (included in cost of inventories sold) | – | 535 |
| Directors' remuneration (Note 12) | 3,815 | 3,890 |
| Other staff costs | | |
| Salaries, bonus and allowances | 29,406 | 33,458 |
| Retirement benefits scheme contributions | 1,478 | 1,209 |
| Total staff costs | 34,699 | 38,557 |
| Staff costs included in: | | |
| — Cost of sales | 24,325 | 27,472 |
| — Administrative expenses | 9,495 | 9,733 |
| — Selling expenses | 879 | 1,352 |
| | 34,699 | 38,557 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments of each director were as follows:

| | Fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Discretionary bonus HK\$'000 | Retirement benefit scheme contributions HK\$'000 | Total emoluments HK\$'000 |
|---|------------------|--|------------------------------------|--|---------------------------------|
| <i>For the year ended 31 December 2025</i> | | | | | |
| Executive directors: | | | | | |
| Mr. Lai Chung Wing (note i) | - | 700 | - | 15 | 715 |
| Mr. Lo Wai Wah (note ii) | - | 696 | - | 18 | 714 |
| Mr. Chan Kwok Wai (note iii) | - | 1,400 | - | 18 | 1,418 |
| Ms. Lam Lai Wan Bondie (note iv) | - | 183 | - | 3 | 186 |
| | - | 2,979 | - | 54 | 3,033 |
| Non-executive directors: | | | | | |
| Mr. Tam Tsz Yeung Alan (note v) | 200 | - | - | - | 200 |
| Mr. Liang Yuxi (note vi) | 90 | - | - | - | 90 |
| Mr. Tai King Fung (note vii) | 60 | - | - | - | 60 |
| | 350 | - | - | - | 350 |
| Independent non-executive directors: | | | | | |
| Mr. Moy Yee Wo Matthew | 144 | - | - | - | 144 |
| Mr. Yu Kwok Fai | 144 | - | - | - | 144 |
| Ms. Chik Wai Chun (note viii) | 144 | - | - | - | 144 |
| | 432 | - | - | - | 432 |
| | 782 | 2,979 | - | 54 | 3,815 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

| | Fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Discretionary bonus HK\$'000 | Retirement benefit scheme contributions HK\$'000 | Total emoluments HK\$'000 |
|---|------------------|--|------------------------------------|--|---------------------------------|
| <i>For the year ended 31 December 2024</i> | | | | | |
| Executive directors: | | | | | |
| Mr. Cheng Tak Yuen (note ix) | – | 200 | 100 | 3 | 303 |
| Mr. Heung Ka Lok (note x) | – | 1,040 | – | 17 | 1,057 |
| Mr. Lai Chung Wing (note i) | – | 841 | – | 18 | 859 |
| Mr. Lo Wai Wah (note ii) | – | 630 | – | 15 | 645 |
| Mr. Chan Kwok Wai (note iii) | – | 45 | – | 1 | 46 |
| | – | 2,756 | 100 | 54 | 2,910 |
| Non-executive directors: | | | | | |
| Mr. Tam Tsz Yeung Alan (note v) | 300 | – | – | – | 300 |
| Mr. Liang Yuxi (note vi) | 160 | – | – | – | 160 |
| Ms. Cheung Man Yee Kara (note xi) | 40 | – | – | – | 40 |
| | 500 | – | – | – | 500 |
| Independent non-executive directors: | | | | | |
| Mr. Chan William (note xii) | 155 | – | – | – | 155 |
| Mr. Moy Yee Wo Matthew | 160 | – | – | – | 160 |
| Mr. Yu Kwok Fai | 160 | – | – | – | 160 |
| Ms. Chik Wai Chun (note viii) | 5 | – | – | – | 5 |
| | 480 | – | – | – | 480 |
| | 980 | 2,756 | 100 | 54 | 3,890 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) Mr. Lai Chung Wing resigned as an executive director of the Company on 31 October 2025.
- (ii) Mr. Lo Wai Wah was appointed as an executive director of the Company on 1 March 2024.
- (iii) Mr. Chan Kwok Wai was appointed as an executive director of the Company on 18 December 2024.
- (iv) Ms. Lam Lai Wan Bondie was appointed as an executive director of the Company on 31 October 2025 and resigned on 31 January 2026.
- (v) Mr. Tam Tsz Yeung Alan resigned as a non-executive director of the Company on 1 September 2025.
- (vi) Mr. Liang Yuxi resigned as non-executive directors of the Company on 15 August 2025.
- (vii) Mr. Tai King Fung was appointed as a non-executive director of the Company on 1 September 2025.
- (viii) Ms. Chik Wai Chun was appointed as an independent non-executive director of the Company on 18 December 2024.
- (ix) Mr. Cheng Tak Yuen resigned as an executive director of the Company on 1 March 2024.
- (x) Mr. Heung Ka Lok resigned as an executive director of the Company on 30 November 2024.
- (xi) Ms. Cheung Man Yee Kara resigned as a non-executive director of the Company on 1 March 2024.
- (xii) Mr. Chan William resigned as an independent non-executive director of the Company on 18 December 2024.

The remuneration of directors including the discretionary bonus is determined having regard to their performance and the market trend by the remuneration committee of the Company.

There was no arrangement under which a director or the chief executive of the Company waived or agreed to waive any remuneration during both years.

No emoluments were paid by the Group to any of the directors or the chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

Save for disclosed above and in note 31 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Five highest paid individual emoluments

The five highest paid individuals in the Group during the year included 3 (2024: 4) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 2 (2024: 1) individuals are set out below:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Salaries, allowances and benefits in kind | 1,623 | 648 |
| Retirement benefit scheme contributions | 36 | 18 |
| | 1,659 | 666 |

The emoluments fell within the following band:

| | Number of employees | |
|-------------------|---------------------|------|
| | 2025 | 2024 |
| Nil–HK\$1,000,000 | 2 | 1 |

The remuneration of five highest paid individuals including the discretionary bonus is determined having regard to their performance and the market trend.

During the years ended 31 December 2024 and 2025, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for 2025 (2024: nil) and no dividend has been proposed since the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$24,955,000 (2024: HK\$18,402,000) and the weighted average number of ordinary shares of approximately 600,000,000 (2024: 600,000,000) in issue during the year.

For the years ended 31 December 2025, the Group's share option scheme could potentially dilute basic loss per share in the future, but are not included in the calculation of diluted loss per share because they are anti-dilutive for the year ended 31 December 2025.

The calculation of the basic and diluted earnings per share is based on the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Loss | | |
| Loss for the purpose of calculating basic and diluted earnings per share | 24,955 | 18,402 |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares in issue during the year for the purposes of calculating basic and diluted loss per share | 600,000 | 600,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvements HK\$'000 | Office equipment HK\$'000 | Furniture and fixtures HK\$'000 | Motor Vehicles HK\$'000 | Total HK\$'000 |
|---|------------------------------------|------------------------------|------------------------------------|----------------------------|-------------------|
| COST: | | | | | |
| At 1 January 2024 | 3,912 | 19,171 | 10,840 | 3,753 | 37,676 |
| Additions | 222 | 164 | – | 234 | 620 |
| Disposals | – | (227) | – | – | (227) |
| Write-off | (1,147) | (5,755) | (2,722) | (3,263) | (12,887) |
| At 31 December 2024 and 1 January 2025 | 2,987 | 13,353 | 8,118 | 724 | 25,182 |
| Additions | 391 | 28 | – | 1,501 | 1,920 |
| Disposals | – | – | – | (154) | (154) |
| Write-off | (40) | – | – | – | (40) |
| At 31 December 2025 | 3,338 | 13,381 | 8,118 | 2,071 | 26,908 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT: | | | | | |
| At 1 January 2024 | 3,521 | 14,731 | 8,549 | 3,295 | 30,096 |
| Charge for the year | 248 | 1,828 | 765 | 120 | 2,961 |
| Write back on disposals | – | (95) | – | – | (95) |
| Write-off | (1,147) | (5,755) | (2,722) | (3,263) | (12,887) |
| At 31 December 2024 and 1 January 2025 | 2,622 | 10,709 | 6,592 | 152 | 20,075 |
| Charge for the year | 177 | 1,457 | 678 | 290 | 2,602 |
| Write-off | (5) | – | – | – | (5) |
| At 31 December 2025 | 2,794 | 12,166 | 7,270 | 442 | 22,672 |
| CARRYING AMOUNT: | | | | | |
| At 31 December 2025 | 544 | 1,215 | 848 | 1,629 | 4,236 |
| At 31 December 2024 | 365 | 2,644 | 1,526 | 572 | 5,107 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. COMPUTER SOFTWARE

| | Total HK\$'000 |
|---|--------------------------|
| COST: | |
| At 1 January 2024 | 1,313 |
| Additions | 109 |
| Write-off | (571) |
| At 31 December 2024 and 1 January 2025 | 851 |
| Additions | 2 |
| At 31 December 2025 | 853 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT: | |
| At 1 January 2024 | 1,122 |
| Charge for the year | 72 |
| Write-off | (571) |
| At 31 December 2024 and 1 January 2025 | 623 |
| Charge for the year | 85 |
| At 31 December 2025 | 708 |
| CARRYING AMOUNT: | |
| At 31 December 2025 | 145 |
| At 31 December 2024 | 228 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

| | Properties HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|--|------------------------|----------------------------|-------------------|
| At 1 January 2024 | 18,358 | 2,631 | 20,989 |
| Additions | 52,701 | 1,696 | 54,397 |
| Depreciation charges | (28,342) | (916) | (29,258) |
| Termination of lease | (2,959) | – | (2,959) |
| At 31 December 2024 and 1 January 2025 | 39,758 | 3,411 | 43,169 |
| Additions | 5,391 | – | 5,391 |
| Depreciation charges | (23,622) | (990) | (24,612) |
| Termination of lease | (15,517) | – | (15,517) |
| At 31 December 2025 | 6,010 | 2,421 | 8,431 |

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
|--|------------------|------------------|

Year ended 31 December:

Depreciation charge of right-of-use asset

| | | |
|--|---------------|--------|
| — Properties | 23,622 | 28,342 |
| — Motor vehicles | 990 | 916 |
| | 24,612 | 29,258 |
| Lease interests | 2,273 | 3,554 |
| Expenses related to short-term leases | 1,043 | 640 |
| Total cash outflow for leases | 27,465 | 32,474 |
| Addition to right-of-use assets | 5,391 | 54,397 |
| Gain on early termination of leased properties | 818 | 234 |

The Group leases various properties and motor vehicles for its operations. Lease agreements are typically made for fixed periods of two to five years (2024: two to five years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. INTEREST IN A JOINT VENTURE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
|--|------------------|------------------|

Unlisted overseas investments

| | | |
|---------------------|---|---|
| Share of net assets | - | - |
|---------------------|---|---|

Particulars of the Group's joint venture as at 31 December 2025 and 2024 are as follows:

| Name | Place of incorporation/ registration and operation | Issued and paid up capital | Percentage of ownership interest | | Principal activities |
|---------|---|-----------------------------|-------------------------------------|------|-------------------------|
| | | | 2025 | 2024 | |
| JEC USA | United States of America | US\$100,000 ordinary shares | 70% | 70% | Inactive |

On 1 January 2020, Janco Global Logistics Limited, a wholly-owned subsidiary of the Company, entered into an agreement with two individual third parties. Pursuant to the agreement, Janco Global Logistics Limited was required to contribute US\$70,000 (equivalent to approximately HK\$543,000) for 7,000 shares in JEC USA. On 1 January 2020, JEC USA was established. The Group holds 70% of the issued share capital of JEC USA. However, unanimously approved is required for the decisions about the relevant activities of JEC USA from the Group and the other two shareholders of JEC USA. Therefore, JEC USA is regarded as a joint venture of the Group. During the year ended 31 December 2025, the share of loss in JEC USA of approximately HK\$Nil (2024: approximately HK\$1,049,000) was recognised in the profit or loss. The Group has not recognised loss for the year amounting to HK\$Nil (2024: HK\$2,082,000). The accumulated losses not recognised were approximately HK\$2,082,000 (2024: approximately HK\$2,082,000) as at 31 December 2025.

The following table shows the Group's share of the amounts of the joint venture that are accounted for using the equity method:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------------|------------------|------------------|
| At 31 December: | | |
| Non-current assets | 212 | 212 |
| Current assets | 919 | 1,100 |
| Current liabilities | (4,852) | (5,033) |
| Net liabilities | (3,721) | (3,721) |
| Year ended 31 December: | | |
| Loss before tax | (4,037) | (4,473) |
| Loss for the year | (4,037) | (4,473) |
| Total comprehensive loss | (4,037) | (4,473) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. INTEREST IN A JOINT VENTURE (Continued)

As at the end of each reporting period, the unlisted investments in joint ventures represented the 70% equity interest in JEC USA.

The joint venture had no contingent liabilities or capital commitment as at 31 December 2025 and 2024.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Amount due from a joint venture | 1,665 | 1,665 |
| Less: Impairment loss on amount due from a joint venture | (1,665) | (1,641) |
| | - | 24 |

Amount due from a joint venture is unsecured, interest-free and repayable on demand.

Reconciliation of loss allowance for amount due from a joint venture

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------|------------------|------------------|
| At 1 January | 1,641 | - |
| Provision for the year | 24 | 1,641 |
| At 31 December | 1,665 | 1,641 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 17 to 33 days. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Trade receivables | 33,807 | 55,453 |
| Provision for loss allowance | (6,452) | (9,142) |
| Carrying amount | 27,355 | 46,311 |
| Rental deposits | 4,365 | 8,838 |
| Prepayments | 1,038 | 991 |
| Other deposits | 5,311 | 5,873 |
| | 10,714 | 15,702 |
| Trade and other receivables | 38,069 | 62,013 |
| Analysed as: | | |
| Current assets: | | |
| Trade receivables | 27,355 | 46,311 |
| Other receivables, deposits and prepayments | 10,148 | 8,228 |
| | 37,503 | 54,539 |
| Non-current assets: | | |
| Rental and other deposits | 566 | 7,474 |
| | 38,069 | 62,013 |

The Group allows a credit period ranging from 15 to 90 days (2024: 15 to 90 days) to its air and ocean freight forwarding customers, and a credit period of 30 days (2024: 30 days) to its logistics and warehousing customers and e-commerce customers for its trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------|------------------|------------------|
| 0 to 30 days | 15,342 | 17,585 |
| 31 to 60 days | 7,375 | 9,850 |
| 61 to 90 days | 2,778 | 2,937 |
| 91 to 365 days | 1,860 | 3,241 |
| Over 365 days | – | 12,698 |
| | 27,355 | 46,311 |

Reconciliation of loss allowance for trade receivables:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| At 1 January | 9,142 | 10,217 |
| Provision for/(reversal of) impairment loss for the year (Written-off)/bad debt recovery | 5,417 (8,107) | (1,254) 179 |
| At 31 December | 6,452 | 9,142 |

| | Current past due | 1 to 30 days past due | 31 to 60 days past due | 61 to 90 days past due | 91 to 365 days past due | Over 365 days past due | Total |
|-------------------------------------|---------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|---------|
| At 31 December 2025 | | | | | | | |
| Weighted average expected loss rate | 3% | 3% | 8% | 28% | 43% | 100% | |
| Gross carrying amount (HK\$'000) | 10,865 | 10,028 | 4,914 | 1,227 | 2,978 | 3,795 | 33,807 |
| Expected credit loss (HK\$'000) | (303) | (318) | (406) | (346) | (1,284) | (3,795) | (6,452) |
| At 31 December 2024 | | | | | | | |
| Weighted average expected loss rate | 1% | 2% | 3% | 6% | 12% | 40% | |
| Gross carrying amount (HK\$'000) | 17,746 | 10,036 | 2,866 | 1,071 | 2,973 | 20,761 | 55,453 |
| Expected credit loss (HK\$'000) | (128) | (162) | (96) | (62) | (370) | (8,324) | (9,142) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of the Group's trade and other receivables, which are denominated in currencies other than functional currency of the relevant group entities, are set out below:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------|------------------|------------------|
| RMB | 3,014 | 3,925 |
| US\$ | 15,289 | 17,646 |
| | 18,303 | 21,571 |

20. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------------------------|------------------|------------------|
| Cash at banks | 6,703 | 13,245 |
| Short-term bank deposits | 14,940 | 17,643 |
| | 21,643 | 30,888 |
| Less: Pledged bank deposits | (14,940) | (17,643) |
| Cash and cash equivalents | 6,703 | 13,245 |

As at 31 December 2025 and 2024, the pledged bank deposits represented deposits pledged to banks to secure certain short-term banking facilities granted to the Group and were therefore classified as current assets. The pledged bank deposits would be released upon settlement of the relevant bank borrowings. The pledged bank deposits carry fixed interest at rates of 1.35% (2024: 3.50%) per annum.

Bank balances carry interest at prevailing market interest rates at 0.10% (2024: 0.25%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. TRADE AND OTHER PAYABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------|------------------|------------------|
| Trade payables | 23,351 | 27,289 |
| Other payables | 143 | 1,595 |
| Accruals | 12,469 | 12,595 |
| | 12,612 | 14,190 |
| Trade and other payables | 35,963 | 41,479 |

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---------------|------------------|------------------|
| 0 to 30 days | 11,353 | 11,071 |
| 31 to 60 days | 4,971 | 6,627 |
| 61 to 90 days | 2,122 | 3,514 |
| Over 90 days | 4,905 | 6,077 |
| | 23,351 | 27,289 |

As at 31 December 2025 and 2024, certain banks have given performance guarantees covering the Group for payment to their major suppliers.

The carrying amounts of the Group's trade and other payables, which are denominated in currencies other than functional currencies of the relevant group entities, are set out below:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------|------------------|------------------|
| RMB | 57 | 1,362 |
| US\$ | 5,501 | 6,759 |
| EUR | 20 | – |
| | 5,578 | 8,121 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. BANK BORROWINGS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---------------------------------------|------------------|------------------|
| Secured variable-rate bank borrowings | 6,700 | 11,323 |

The carrying amounts of bank borrowings that contain a repayment on demand clause but repayable:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------------|------------------|------------------|
| Within one year or on demand | 6,700 | 11,323 |

The Group's bank borrowings are denominated in HK\$. The effective interest rate of bank borrowings is ranged from 2.80% to 6.81% (2024: 5.90% to 6.62%) per annum.

All of the Group's banking facilities are subject to the fulfilment of covenants. At the end of the reporting period, the unutilised banking facilities are HK\$10,300,000 (2024: HK\$6,300,000).

As at 31 December 2025 and 2024, the bank borrowings are secured by:

- (i) pledged bank deposits of approximately HK\$14,940,000 (2024: HK\$17,643,000); and
- (ii) corporate guarantee by the Company and its certain subsidiaries.

The carrying amounts of the Group's bank borrowing, which are denominated in currency other than functional currencies of the relevant group entities, are set out below:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------|------------------|------------------|
| US\$ | – | 232 |

23. LOAN FROM A SUBSTANTIAL SHAREHOLDER

On 3 July 2025, the Company entered into a loan agreement with Million Venture Holdings Limited, a substantial shareholder of the Company, pursuant to which a substantial shareholder agreed to lend and the Company agreed to borrow an aggregate principal amount of HK\$1,200,000. As at 31 December 2025, the loan was unsecured, carried interest at 5% per annum, and was repayable in monthly instalments with the final maturity on 9 July 2026.

On 5 November 2025, the Company entered into a term loan facility agreement with the same shareholder for an aggregate principal amount of up to HK\$5,000,000, of which HK\$3,000,000 had been drawn down as at 31 December 2025. This facility is unsecured, bears interest at 5% per annum, and is repayable on 5 November 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. LEASE LIABILITIES

| | Lease payments | | Present value of lease payments | |
|---|------------------|------------------|---------------------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| Within one year | 4,978 | 25,409 | 4,707 | 23,205 |
| In the second to fifth years, inclusive | 2,738 | 21,043 | 2,657 | 20,295 |
| | 7,716 | 46,452 | | |
| Less: Future finance charges | (352) | (2,952) | | |
| Present value of lease liabilities | 7,364 | 43,500 | 7,364 | 43,500 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | | | (4,707) | (23,205) |
| Amount due for settlement after 12 months | | | 2,657 | 20,295 |
| Analysed by: | | | | |
| Properties | | | 6,343 | 41,307 |
| Motor vehicles | | | 1,021 | 2,193 |
| | | | 7,364 | 43,500 |

At 31 December 2025, the average effective borrowing rate was 6.247% (2024: 5.625%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred income tax assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------|------------------|------------------|
| Deferred tax assets | 616 | 616 |
| Deferred tax liabilities | (40) | (40) |
| | 576 | 576 |

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

| | (Decelerated)/ accelerated tax depreciation HK\$'000 | Tax losses HK\$'000 | Total HK\$'000 |
|--|---|------------------------|-------------------|
| At 1 January 2024, 31 December 2024 and 1 January 2025 | (40) | 616 | 576 |
| Credited consolidated to profit or loss for the year | - | - | - |
| At 31 December 2025 | (40) | 616 | 576 |

At 31 December 2025, the Group had unused tax losses of approximately HK\$96,898,000 (2024: HK\$73,333,000), available to offset against future profits. As at 31 December 2025, deferred tax asset has been recognised in respect of approximately HK\$3,733,000 (2024: HK\$3,733,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$93,165,000 (2024: HK\$69,600,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group had deductible temporary differences arising from decelerated tax depreciation of HK\$307,000 (2024: HK\$723,000) and expected credit losses of HK\$1,353,000 (2024: HK\$1,508,000). No deferred tax assets have been recognised in relation to these deductible temporary differences as it is not probable that sufficient taxable profit will be available to utilise the deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. SHARE CAPITAL

| | Number of Shares '000 | Amount HK\$'000 |
|---|-----------------------------|--------------------|
| Authorised: | | |
| Ordinary shares of HK\$0.01 (2024: HK\$0.01) each | | |
| At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 | 1,500,000 | 15,000 |
| Issued and fully paid: | | |
| Ordinary shares of HK\$0.01 (2024: HK\$0.01) each | | |
| At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 | 600,000 | 6,000 |

27. DEREGISTRATION OF SUBSIDIARIES

During the year ended 31 December 2025, the Group has completed the deregistration of two inactive subsidiaries named Hubble Aviation Agency Service (Shanghai) Company Limited and Shenzhen Jungao Trading Company Limited. The deregistration of the above subsidiaries did not have any material impact on the Group's consolidated financial position or results of operations.

The net assets of the subsidiaries at the date of deregistration were as follows:

| | 2025 HK\$'000 |
|---|------------------|
| Net assets being deregistration of | 305 |
| Release of foreign currency translation reserve | 443 |
| Loss on deregistration of subsidiaries | 748 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Non-current assets | | |
| Investments in subsidiary — cost | 1 | 1 |
| Investments in subsidiary — deemed contribution (note) | 42,394 | 42,394 |
| | 42,395 | 42,395 |
| Current assets | | |
| Amount due from a subsidiary | 4,110 | 1,500 |
| | 4,110 | 1,500 |
| Current liabilities | | |
| Other payables and accruals | – | – |
| Amounts due to a subsidiary | 4,175 | 4,175 |
| Loan from a substantial shareholder | 1,200 | 1,500 |
| | 5,375 | 5,675 |
| NET CURRENT ASSETS | (1,265) | (4,175) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 41,130 | 38,220 |
| NON-CURRENT LIABILITIES | | |
| Loan from a substantial shareholder | 3,000 | – |
| NET ASSETS | 38,130 | 38,220 |
| Capital and reserves | | |
| Share capital | 6,000 | 6,000 |
| Reserves | 32,130 | 32,220 |
| TOTAL EQUITY | 38,130 | 38,220 |

Note:

The amount of HK\$42,394,000 represents the loan advanced to Janco (BVI) Group Limited and such amount was subsequently capitalised as part of the interest in Janco (BVI) Group Limited during the year ended 31 December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

| | Share premium HK\$'000 | Share premium HK\$'000 | Other reserve HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|--|---------------------------|---------------------------|---------------------------|--------------------------------|-------------------|
| At 1 January 2024, 31 December 2024, 1 January 2025 | 47,755 | 1 | 4,658 | (20,194) | 32,220 |
| Loss for the year | – | – | – | (90) | (90) |
| At 31 December 2025 | 47,755 | 1 | 4,658 | (20,284) | 32,130 |

30. PARTICULARS OF MAJOR SUBSIDIARIES OF THE COMPANY

Details of the Company's major subsidiaries as at 31 December 2025 and 2024 are as follows:

| Name of subsidiaries | Place of incorporation and operation/date of incorporation | Issued and fully paid share capital | Equity interest attributable to the Group as at | | Principal activities |
|--|--|-------------------------------------|---|------|--|
| | | | 2025 | 2024 | |
| Indirectly held by the Company: | | | | | |
| Janco Global Logistics Limited | Hong Kong/ 23 June 2015 | HK\$500,000 ordinary shares | 100% | 100% | Provision of air and ocean freight forwarding services |
| Janco Logistics (HK) Limited | Hong Kong/ 21 March 2005 | HK\$100,000 ordinary shares | 100% | 100% | Provision of logistics and warehousing services |
| Janco HealthCare Limited | Hong Kong/ 6 June 2019 | HK\$100,000 ordinary shares | 100% | 100% | Provision of logistics and warehousing services |
| Janco Express Limited | Hong Kong/ 25 February 2016 | HK\$10,000 ordinary shares | 100% | 100% | Provision of logistics and warehousing services |
| Janco E-commerce Solutions Limited | Hong Kong/ 1 February 2017 | HK\$10,000 ordinary shares | 100% | 100% | Provision for e-commerce fulfillment services |
| JSCML | Hong Kong/ 28 July 2016 | HK\$8,000,000 ordinary shares | 50% | 50% | Provision for e-commerce fulfillment services |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. RELATED PARTY TRANSACTIONS

(a) Summary of significant related party transactions

| | Note | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------|------------------|------------------|
| Interest expense on loan from a substantial shareholder | (i) | 6 | 18 |

Note

- (i) Interest expenses charged by Million Venture Holdings Limited, a substantial shareholder of the Company, on a loan from the substantial shareholder (note 23).

(b) Compensation of key management personnel

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Fees | 782 | 980 |
| Salaries and other allowances | 2,979 | 2,756 |
| Discretionary bonus | – | 100 |
| Retirement benefit scheme contributions | 54 | 54 |
| | 3,815 | 3,890 |

The remuneration of key management personnel consisted of the directors of the Company as disclosed in note 12, is determined with regard to the performance of the individuals and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. SHARE OPTION SCHEME

Pursuant to the written resolution of the sole shareholder of the Company dated 23 September 2016, the share option scheme (the “**Scheme**”) was approved and adopted conditionally. The Scheme was established for the purpose of providing incentives or rewards for the contribution of directors of the Company and eligible persons, and will expire on 22 September 2026. Under the Scheme, the directors of the Company may at their discretion grant options to the eligible persons. The adoption of the Scheme became unconditional upon the success of the Listing on 7 October 2016.

The total number of shares of the Company in respect of which options may be granted under the Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the total number of the share capital of the Company in issue as at the listing date of the Company.

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options granted must be taken up within 21 days of the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company’s shares on the date of grant, (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share.

On 24 June 2020, a total of 10,500,000 share options (the “**Options**”) were granted under the Scheme at a exercise price of HK\$0.2066 per share to two former directors and three employees. For further details, please refer to the Company’s announcement dated 24 June 2020.

As at 31 December 2025, a total of 3,000,000 (2024: 3,000,000) share options granted under the Scheme remained outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. SHARE OPTION SCHEME (Continued)

Movement of the Options, during the years ended 31 December 2025 and 2024 are listed below in accordance with Rule 23.07 of the GEM Listing Rules:

| Category | Date of grant | Vesting date | Outstanding as at | | | | | | Outstanding as at 31/12/2025 | Exercise price | Exercise period | Vesting period |
|-------------|---------------|-----------------|-------------------|---------|-----------|-----------|--------|--------------|------------------------------|----------------|-----------------------|----------------|
| | | | 1/1/2025 | Granted | Exercised | Cancelled | Lapsed | Reclassified | | | | |
| 1 Employees | 24/6/2020 | 24/6/2021 (50%) | 1,500,000 | - | - | - | - | - | 1,500,000 | 0.2066 | 24/06/2021–23/06/2030 | 12 months |
| | 24/6/2020 | 24/6/2022 (50%) | 1,500,000 | - | - | - | - | - | 1,500,000 | 0.2066 | 24/06/2022–23/06/2030 | 24 months |
| Total | | | 3,000,000 | - | - | - | - | - | 3,000,000 | | | |

| Category | Date of grant | Vesting date | Outstanding as at | | | | | | Outstanding as at 31/12/2024 | Exercise price | Exercise period | Vesting period |
|--|---------------|-----------------|-------------------|---------|-----------|-----------|--------|--------------|------------------------------|----------------|-----------------------|----------------|
| | | | 1/1/2024 | Granted | Exercised | Cancelled | Lapsed | Reclassified | | | | |
| 1. Director Cheng Tak Yuen (note 12(a)(i)) | 24/6/2020 | 24/6/2021 (50%) | 750,000 | - | - | - | - | (750,000) | - | 0.2066 | 24/06/2021–23/06/2030 | 12 months |
| | 24/6/2020 | 24/6/2022 (50%) | 750,000 | - | - | - | - | (750,000) | - | 0.2066 | 24/06/2022–23/06/2030 | 24 months |
| 2. Employees | 24/6/2020 | 24/6/2021 (50%) | 750,000 | - | - | - | - | 750,000 | 1,500,000 | 0.2066 | 24/06/2021–23/06/2030 | 12 months |
| | 24/6/2020 | 24/6/2022 (50%) | 750,000 | - | - | - | - | 750,000 | 1,500,000 | 0.2066 | 24/06/2022–23/06/2030 | 24 months |
| Total | | | 3,000,000 | - | - | - | - | - | 3,000,000 | | | |

No expenses was recognised by Group in relation to share options granted by the Company for the years ended 31 December 2025 and 2024.

No share options were granted and exercised during the years ended 31 December 2025 and 2024.

At the end of the reporting period, the Company had 3,000,000 (2024: 3,000,000) share options outstanding under the Scheme, representing 0.5% of the total number of shares in issue of the Company. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 3,000,000 (2024: 3,000,000) additional ordinary shares of the Company as at 31 December 2025.

The maximum number of options that were available to be granted under the Scheme was 49,500,000 (2024: 49,500,000) representing approximately 8.25% of the total number of Shares in issue of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly contribution of HK\$1,500 (2024: HK\$1,500). Contributions to the plan vest immediately.

Save for the above, the Group has no other obligation. No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the Group to reduce the existing level of contributions.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

| | Loan from a substantial shareholder HK\$'000 | Lease liabilities HK\$'000 | Bank borrowings HK\$'000 | Total liabilities from financing activities HK\$'000 |
|---|---|----------------------------------|--------------------------------|---|
| At 1 January 2024 | – | 21,449 | 3,000 | 24,449 |
| Changes in cash flows from financing activities | 1,500 | (28,920) | 8,323 | (19,097) |
| Interest expenses | – | (3,554) | – | (3,554) |
| Other changes | | | | |
| — new finance leases | – | 54,164 | – | 54,164 |
| — early termination of leased properties | – | (3,193) | – | (3,193) |
| — finance costs recognised | – | 3,554 | – | 3,554 |
| At 31 December 2024 and 1 January 2025 | 1,500 | 43,500 | 11,323 | 56,323 |
| Changes in cash flows from financing activities | 2,700 | (25,192) | (4,623) | (27,115) |
| Interest expenses | – | (2,273) | – | (2,273) |
| Other changes | | | | |
| — new finance leases | – | 5,697 | – | 5,697 |
| — early termination of leased properties | – | (16,641) | – | (16,641) |
| — finance costs recognised | – | 2,273 | – | 2,273 |
| At 31 December 2025 | 4,200 | 7,364 | 6,700 | 18,264 |

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2026.

FINANCIAL SUMMARY

| | For the year ended 31 December | | | | |
|---|--------------------------------|------------------|------------------|------------------|------------------|
| | 2021 HK\$'000 | 2022 HK\$'000 | 2023 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 |
| Revenue | 568,962 | 512,672 | 265,640 | 250,771 | 211,443 |
| (Loss)/profit before tax | 20,243 | 7,126 | (18,743) | (18,189) | (24,952) |
| Income tax credit/(expense) | (2,130) | (1,783) | 230 | (185) | - |
| (Loss)/profit for the year | 18,113 | 5,343 | (18,513) | (18,374) | (24,952) |
| (Loss)/profit for the year attributable to: | | | | | |
| Owners of the Company | 17,338 | 4,452 | (18,173) | (18,402) | (24,955) |
| Non-controlling interests | 775 | 891 | (340) | 28 | 3 |
| | 18,113 | 5,343 | (18,513) | (18,374) | (24,952) |
| | As at 31 December | | | | |
| | 2021 HK\$'000 | 2022 HK\$'000 | 2023 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 |
| Total assets | 351,090 | 350,835 | 129,912 | 142,045 | 73,140 |
| Total liabilities | (274,934) | (268,999) | (68,665) | (99,176) | (54,780) |
| | 76,156 | 81,836 | 61,247 | 42,869 | 18,360 |
| Equity attributable to: | | | | | |
| Owners of the Company | 74,270 | 79,059 | 60,881 | 42,475 | 17,963 |
| Non-controlling interests | 1,886 | 2,777 | 366 | 394 | 397 |
| | 76,156 | 81,836 | 61,247 | 42,869 | 18,360 |