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Janco Holdings Limited

駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8035)

DISCLOSABLE TRANSACTION IN RELATION TO RENEWAL OF LEASE

On 26 April 2024, (i) Janco Healthcare, an indirect wholly-owned subsidiary of the Company, as tenant; and (ii) the Landlord, as landlord, entered into the Lease in respect of renewal of the existing tenancy of the Premises for a term of two years commencing from 2 May 2024 for logistics and storage purpose.

Pursuant to HKFRS 16, following the conclusion of the Lease, the Group shall recognise the Premises as a right-of-use asset. Therefore, the transactions contemplated under the Lease will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The value of right-of-use asset to be recognised by the Group under the Lease shall amount to approximately HK\$6.4 million.

As one or more of the applicable percentage ratio as defined under the GEM Listing Rules in respect of the transactions contemplated under the Lease based on the value of right-of-use asset to be recognised by the Group pursuant to HKFRS 16 is more than 5% and all are below 25%, the Lease constitutes a disclosable transaction for the Company and is subject to the notification and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 26 April 2024, (i) Janco Healthcare, an indirect wholly-owned subsidiary of the Company, as tenant; and (ii) the Landlord, as landlord, entered into the Lease in respect of renewal of the existing tenancy of the Premises for a term of two years commencing from 2 May 2024 for logistics and storage purpose.

THE LEASE

Principal terms of the Lease are as follow:

Date:	26 April 2024
Parties:	(i) Janco Healthcare, as tenant; and (ii) the Landlord, as landlord.
Premises:	Units A and B on 3rd Floor, Wing Shan Industrial Building, No.428 Cha Kwo Ling Road, Yau Tong, Kowloon, Hong Kong.
Term:	Two years commencing from 2 May 2024 and expiring on 1 May 2026 (both days inclusive).
Usage:	Logistics and storage
Monthly Rent:	HK\$291,720 per calendar month payable in advance, inclusive of rates, government rent and management fee but exclusive of other charges, which shall be paid by internal resources of the Group.
Payment Term:	The rent is payable in advance on the first day of each calendar month.
Deposit:	HK\$875,160 (HK\$875,160 of which will be transferred from the existing tenancy)

INFORMATION OF THE PARTIES

The Group principally engages in the provision of (i) air and ocean freight forwarding services, (ii) logistics and warehousing services and (iii) e-commerce fulfillment services and others.

The Landlord is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of World Grand Limited, a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the business nature of the Landlord is investment holding and the ultimate beneficial owner of the Landlord is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE LEASE

The Group principally engages in logistics business and in its efforts to continue to expand its e-commerce and fulfillment business. In addition to the Group's core freight forwarding services, the Group strategically offers ancillary logistics services primarily at its warehouses in response to the rising demand from the Group's customers, which require customised value-added logistics services. The ancillary logistics services the Group offers include warehousing, repacking, labelling, palletising and local delivery within Hong Kong. The Group integrates its ancillary logistics services into its core freight forwarding services to strategically create a distinct corporate identity among its shipper customers. Since the lease term stipulated in the existing lease will expire on 1 May 2024, Janco Healthcare entered into the Lease to continue its use of the Premises as logistics center and warehouse. The Group has been using the Premises to provide logistics and warehousing services since 2013.

As the Group considers Hong Kong as its base, the Premises is a prime location for providing value-added logistics services arising from cross-border e-commerce traffic from overseas as well as outbound traffic from China to worldwide. The utilisation of the Premises is expected to enhance the Group's logistics capability and strengthen its last mile delivery transit time.

In addition, the adjacent traffic of the Premises allows the Group's logistics fleet to easily gain access to and location of the Premises is well suited for warehouse and storage purpose and provision of value-added logistics services by the Group.

The terms of the Lease, including the rent (inclusive of rates, government rent and management fee but exclusive of other charges), were determined after arm's length negotiations between the Parties and with reference to the open market rate of comparable properties and the historical rent under the existing tenancy of the Premises, which is the same as the monthly rent under the Lease. The entering into of the Lease is necessary for the operation of the businesses of the Group and is in the ordinary and usual course of business of the Group. Therefore, the Directors, including the independent non-executive Directors, considered that the terms of the Lease are on normal commercial terms and are fair and reasonable and the entering into of the Lease is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to HKFRS 16, following the conclusion of the Lease, the Group shall recognise the Premises as a right-of-use asset. Therefore, the transactions contemplated under the Lease will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The value of right-of-use asset to be recognised by the Group under the Lease shall amount to approximately HK\$6.4 million.

As one or more of the applicable percentage ratio as defined under the GEM Listing Rules in respect of the transactions contemplated under the Lease based on the value of right-of-use asset to be recognised by the Group pursuant to HKFRS 16 is more than 5% and all are below 25%, the Lease constitutes a disclosable transaction for the Company and is subject to the notification and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“Board”	board of Directors
“Company”	Janco Holdings Limited (駿高控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 8035)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons under the GEM Listing Rules
“Landlord”	Ever Sun International Holdings Limited, a company incorporated in Hong Kong with limited liability, being the landlord of the Premises
“Lease”	the tenancy agreement entered into between Janco Healthcare and the Landlord on 26 April 2024 in respect of renewal of the existing tenancy of the Premises for two years
“Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Premises”	the premises situated at Units A and B on 3rd Floor, Wing Shan Industrial Building, No.428 Cha Kwo Ling Road, Yau Tong, Kowloon, Hong Kong

“Janco Healthcare” or “Tenant”	Janco Healthcare Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 26 April 2024

As at the date of this announcement, the executive Directors are Mr. Heung Ka Lok, Mr. Lai Chung Wing and Mr. Lo Wai Wah, the non-executive Directors are Mr. Tam Tsz Yeung Alan (Chairman), and Mr. Liang Yuxi, and the independent non-executive Directors are Mr. Chan William, Mr. Moy Yee Wo Matthew and Mr. Yu Kwok Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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