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JOLIMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2028)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 14 January 2015 after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Company has agreed to place, through the Placing Agent, up to 70,000,000 new shares in the Company to places at the placing price range of between HK\$1.70 and HK\$2.00 per Placing Share.

The Placing Shares represent (i) approximately 12.42% of the existing issued share capital of the Company, and (ii) approximately 11.05% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The Placing is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Placing Agreement as set out in the section headed “Conditions of the Placing”. As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Placing Agreement

Date: 14 January 2015

Parties

Issuer: the Company

Placing Agent: Orient Securities (Hong Kong) Limited

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placing Shares

The Placing Agent has conditionally agreed with the Company to place, on a best effort basis, to no fewer than six independent individuals, corporate and/or institutional placees, up to a total of 70,000,000 new shares of the Company. It is not expected that the Placing Agent or any placee will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

The Placing Shares represent (i) approximately 12.42% of the existing issued share capital of the Company, and (ii) approximately 11.05% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. Based on the closing price of the Shares of HK\$1.77 per Share on 14 January 2015, the date of the Placing Agreement, the Placing Shares have a market value of HK\$123.90 million. The Placing Shares have an aggregate nominal value of HK\$0.7 million.

The Placing Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price will be fixed at between HK\$1.70 and HK\$2.00 per Placing Share. The final Placing Price will be determined by the Company and the Placing Agent by the execution of the Price Determination Agreement on the Price Determination Date in the manner as set out in the section headed "Price determination" in this announcement below.

The maximum Placing Price of HK\$2.00 represents:

- (i) a premium of approximately 12.99% to the closing price of HK\$1.77 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement;

- (ii) a premium of approximately 11.11% to the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last five trading days up to and including 13 January 2015, the last trading day immediately preceding the date of the Placing Agreement; and
- (iii) a premium of approximately 11.11% to the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 13 January 2015, the last trading day immediately preceding the date of the Placing Agreement.

The minimum Placing Price of HK\$1.70 represents:

- (i) a discount of approximately 3.95% to the closing price of HK\$1.77 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement;
- (ii) a discount of approximately 5.56% to the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last five trading days up to and including 13 January 2015, the last trading day immediately preceding the date of the Placing Agreement; and
- (iii) a discount of approximately 5.56% to the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 13 January 2015, the last trading day immediately preceding the date of the Placing Agreement.

The Placing Price range was negotiated on an arm's length basis between the Company and the Placing Agent and was determined with reference to the current trading price of the Shares. The Directors consider that the Placing Price range is fair and reasonable under the current market conditions.

Price determination

The Placing Price will be fixed by agreement (if agreement can be reached) between the Company and the Placing Agent on the Price Determination Date in Hong Kong dollar after the demand for the Placing has been determined, which price (exclusive of brokerage, fees and levies) will not exceed HK\$2.00 per Placing Share and not lower than HK\$1.70 per Placing Share. The Placing Price will upon its determination be recorded in the Price Determination Agreement to be executed at such time.

If the Company and the Placing Agent cannot reach agreement over the Placing Price and no Price Determination Agreement was entered into, or if the Company fails to comply with the requirements of Rule 13.36(5) of the Listing Rules on the Placing Price on the date of the Placing Agreement and the Price Determination Date, the Placing will lapse and will not proceed. The Company will publish an announcement on the final Placing Price if the Price Determination Agreement is entered into.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares;

- (b) the Placing Price having been fixed on the Price Determination Date in accordance with the terms of the Placing Agreement and the Price Determination Agreement having been executed by the Company and the Placing Agent; and
- (c) the Company having complied with Rule 13.36(5) of the Listing Rules with respect to the range of the Placing Price on the date of the Placing Agreement and on the Price Determination Date.

In the event that the conditions to the Placing are not fulfilled on or before 13 February 2015 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement and all rights and obligations thereunder will cease and terminate.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Force majeure

The Placing is subject to termination on the occurrence of certain events before 10:00 a.m. (Hong Kong time) on the completion date of the Placing Agreement including:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities).

The Board is not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing is expected to take place on the second Business Day (or such other time or date as the Company and the Placing Agent may agree in writing) after the latter of the satisfaction of the conditions to the Placing Agreement and the Price Determination Date.

General Mandate

The Placing Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed at the annual general meeting of the Company held on 14 May 2014. On the date of the annual general meeting, the Company had 561,456,988 Shares in issue, and the general mandate granted to the Directors was to issue up to 112,291,397 Shares, representing 20% of the number of shares of the Company in issue as at the date of the passing of the resolution.

As at the date of this announcement, no Shares have been issued pursuant to such general mandate, and the Company has not repurchased any Shares in the 30 days immediately preceding the date of the Placing Agreement.

Upon Completion, the Company will still have unused general mandate to issue up to 42,291,397 Shares.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING

Set out below is the table of the shareholdings in the Company before and after completion of the Placing:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Kytronics Holdings Limited	394,285,533	69.96	394,285,533	62.23
Kent C. McCarthy	78,880,000	14.00	78,880,000	12.45
Placees	—	—	70,000,000	11.05
Public shareholders	<u>90,426,454</u>	<u>16.04</u>	<u>90,426,454</u>	<u>14.27</u>
Total	<u>563,591,987</u>	<u>100.00</u>	<u>633,591,987</u>	<u>100.00</u>

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any capital raising activities during the 12 months immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and sale of printers, tax control equipment and other electronic products in the PRC.

On 15 October 2014, the Company announced that the number of Shares held by the public has fallen below the minimum requirement of 25% as required by Rule 8.08 of the Listing Rules. During the period from 15 October 2014, the Company has explored various ways to restore the public float of the Company. The Placing is being conducted to improve the public float of the Company. Immediately upon Completion and assuming that all of the Placing Shares have been placed, the public float of the Company will increase from the 16.04% as at the day of this announcement to 25.32%. In addition, the Placing will raise proceeds for the development of the Company's new mobile payment business and the O2O cloud printing business, and as general working capital of the Company.

Based on the maximum Placing Price of HK\$2.00 per Placing Share, the net price per Placing Share is expected to be approximately HK\$1.95 and the net proceeds from the Placing is expected to be approximately HK\$136.17 million. It is expected that approximately HK\$100 million from the net proceeds will be used for the business development of the Company in new mobile payment business and O2O cloud printing business, and the remaining net proceeds will be used by the Company as general working capital.

Based on minimum Placing Price of HK\$1.70 per Placing Share, the net price per Placing Share is expected to be approximately HK\$1.65 and the net proceeds from the Placing is expected to be approximately HK\$115.70 million. It is expected that approximately HK\$100 million from the net proceeds will be used for the business development of the Company in new mobile payment business and O2O cloud printing business, and the remaining net proceeds will be used by the Company as general working capital.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Placing Agreement as set out in the section headed "Conditions of the Placing". As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

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| “Board” | the board of Directors; |
| “Business Day” | any day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong; |
| “Company” | Jolimark Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange; |
| “connected persons” | has the meaning ascribed thereto under the Listing Rules; |
| “Director(s)” | director(s) of the Company from time to time; |

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board;
“Placing”	the placing of Placing Shares pursuant to the terms of the Placing Agreement;
“Placing Agent”	Orient Securities (Hong Kong) Limited, a corporation licensed to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 14 January 2015 in relation to the Placing;
“Placing Price”	the placing price per Placing Share which is expected to be not higher than HK\$2.00 per Placing Share and not lower than HK\$1.70 per Placing Share;
“Placing Shares”	up to a maximum of 70,000,000 Shares to be placed pursuant to the terms of the Placing Agreement;
“Price Determination Agreement”	the letter agreement to be entered into between the Placing Agent and the Company immediately following the determination of the Placing Price in accordance with the terms of the Placing Agreement;
“Price Determination Date”	the date, expected to be on or around 30 January 2015, but no later than 3 February 2015, on which the Placing Price is determined;
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;
“%” per cent.

By order of the Board of
Jolimark Holdings Limited
Au Kwok Lun
Director

Hong Kong, 14 January 2015

As at the date of this announcement, the executive directors of the Company are Mr. Au Pak Yin, Mr. Au Kwok Lun and Mr. Ou Guo Liang, and the independent non-executive directors of the Company are Mr. Lai Ming, Joseph, Mr. Meng Yan, Mr. Xu Guangmao and Mr. Yeung Kwok Keung.