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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 26 November 2015 after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing. Pursuant to the Placing Agreement, the Company has agreed to place, through the Placing Agent, up to 15,000,000 new shares in the Company to be placed at the Placing Price of HK\$1.60 per Placing Share. Under the terms of the Placing Agreement, the Placing Agent has also been granted the Option (being an upsize option) to place an additional 5,000,000 Shares at the Placing Price of HK\$1.60.

The Placing Shares represent (i) approximately 2.47% of the existing issued share capital of the Company, and (ii) approximately 2.41% 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: 26 November 2015

Parties

Issuer: the Company

Placing Agent: Changjiang Securities Brokerage (HK) 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, up to a total of 15,000,000 new shares of the Company to not less than six independent individuals, corporate and/or institutional placees. It is not expected that the Placing Agent or any placees 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 2.47% of the existing issued share capital of the Company, and (ii) approximately 2.41% 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\$1.75 per Share on 26 November 2015, the date of the Placing Agreement, the Placing Shares have a market value of HK\$26.25 million. The Placing Shares have an aggregate nominal value of HK\$0.15 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.

Option

Under the terms of the Placing Agreement, the Placing Agent has been granted the Option (being an upsize option) to place an additional 5,000,000 new Shares at the Placing Price. The Option is exercisable at the discretion of the Placing Agent on or before 6:00 p.m. on 27 November 2015. As at the time of publication of this announcement, the Placing Agent has not exercised the Option.

Placing Price

The Placing Price is HK\$1.60 per Placing Share and represents:

- (i) a discount of approximately 8.57% to the closing price of HK\$1.75 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement;

- (ii) a discount of approximately 5.88% to the average closing price of HK\$1.70 per Share as quoted on the Stock Exchange for the last five trading days up to and including 25 November 2015, the last trading day immediately preceding the date of the Placing Agreement; and
- (iii) a discount of approximately 5.88% to the average closing price of HK\$1.70 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 25 November 2015, the last trading day immediately preceding the date of the Placing Agreement.

The Placing Price was determined by the Company and the Placing Agent after arm's length negotiations with reference to the prevailing trading price of the Shares. The Directors consider that the Placing Price is fair and reasonable under the current market conditions.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

In the event that the condition to the Placing is not fulfilled on or before 10 December 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 condition to the Placing has been satisfied.

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 18 May 2015. On the date of the annual general meeting, the Company had 604,819,500 Shares in issue, and the general mandate granted to the Directors was to issue up to 120,963,900 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 carried out any buy-back of Shares in the 30 days immediately preceding the date of the Placing Agreement.

Upon completion of the Placing, assuming that the Option has been exercised, the Company will still have unused general mandate to issue up to 100,963,900 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		Shareholding upon completion of the Placing and the exercise of the Option	
	<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>	
		%		%		%
Kytronics Holdings Limited	398,315,533	65.71	398,315,533	64.13	398,315,533	63.62
Kent C. McCarthy	66,292,000	10.94	66,292,000	10.67	66,292,000	10.59
Placees	—	—	15,000,000	2.41	20,000,000	3.19
Public shareholders	<u>141,539,467</u>	<u>23.35</u>	<u>141,539,467</u>	<u>22.79</u>	<u>141,539,467</u>	<u>22.60</u>
Total	<u>606,147,000</u>	<u>100.00</u>	<u>621,147,000</u>	<u>100.00</u>	<u>626,147,000</u>	<u>100.00</u>

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

On 14 January 2015, the Company entered into a placing agreement (as supplemented on 15 January 2015) with Oriental Securities (Hong Kong) Limited in relation to the placing of new shares. The placing was completed on 5 February 2015 and an aggregate of 40,000,000 Shares was placed at the placing price of HK\$1.70 per Share raising net proceeds of approximately HK\$66 million, which was applied in the business development of the new mobile payment business and the O2O cloud printing business of the Company.

Save as disclosed above, the Company has not carried out other 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 help the Company to restore its public float. Assuming

that all the Placing Shares have been placed and immediately upon completion of the Placing, the public float of the Company will increase from that of 23.35% as at the date of this announcement to 25.79%. The Company will make further announcement if the public float of the Company is restored.

In addition, on the assumption that the Placing is completed in full, it will raise net proceeds of approximately HK\$23 million (equivalent to approximately HK\$1.53 per Share), which will be used as to approximately HK\$20 million for the development of the Company's new mobile payment business and the O2O cloud printing business, and as to approximately HK\$3 million as general working capital of the Company. If the Option is exercised by the Placing Agent, additional net proceeds of approximately HK\$8 million will be raised and the Company intends to apply such additional proceeds in the same proportion as above.

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:

“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;

“Option”	an upside option granted by the Company to the Placing Agent for the placement of an additional 5,000,000 Shares;
“Placing”	the placing of the Placing Shares (and if the Option is exercised, such number of additional Shares under the Option) pursuant to the terms of the Placing Agreement;
“Placing Agent”	Changjiang Securities Brokerage (HK) 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 26 November 2015 in relation to the Placing;
“Placing Price”	HK\$1.60 per Placing Share;
“Placing Shares”	up to a maximum of 15,000,000 Shares to be placed pursuant to the terms of the Placing Agreement;
“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, 26 November 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.