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## **JOLIMARK HOLDINGS LIMITED**

**映美控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2028)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **UNAUDITED CONSOLIDATED RESULTS**

The board (the “Board”) of directors (the “Directors”) of Jolimark Holdings Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 (the “Period”) together with the comparative figures for the corresponding period in 2023 as follows:

#### **CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Revenue	4	<b>84,237</b>	117,988
Cost of goods sold		<b>(88,210)</b>	(95,707)
<b>Gross (loss)/profit</b>		<b>(3,973)</b>	22,281
Other income		<b>691</b>	1,023
Selling and marketing costs		<b>(13,276)</b>	(15,709)
Administrative expenses		<b>(17,695)</b>	(25,923)
Research and development expenses		<b>(6,768)</b>	(11,644)
Net impairment losses on financial assets		<b>763</b>	(317)
Other gains – net		<b>1,728</b>	468

		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
		<b>Unaudited</b>	Unaudited
<i>Note</i>		<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating loss</b>		<b>(38,530)</b>	(29,821)
Finance expenses – net		<b>(2,465)</b>	(3,195)
Share of loss of associates accounted for using the equity method		<b>(1)</b>	(58)
Impairment loss on investment in associate		<b>(2,499)</b>	(1,299)
		<hr/>	<hr/>
<b>Loss before income tax</b>		<b>(43,495)</b>	(34,373)
Income tax expenses	5	<b>–</b>	(58)
		<hr/>	<hr/>
<b>Loss for the period</b>		<b>(43,495)</b>	(34,431)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss attributable to:</b>			
– Shareholders of the Company		<b>(43,406)</b>	(34,232)
– Non-controlling interests		<b>(89)</b>	(199)
		<hr/>	<hr/>
		<b>(43,495)</b>	(34,431)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss attributable to shareholders of the Company arises from:</b>			
– Continuing operations		<b>(43,406)</b>	(34,232)
– Discontinued operations		<b>–</b>	–
		<hr/>	<hr/>
		<b>(43,406)</b>	(34,232)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss per share for loss attributable to the shareholders of the Company (<i>expressed in RMB per share</i>)</b>			
– Basic	6	<b>(0.071)</b>	(0.056)
– Diluted	6	<b>(0.071)</b>	(0.056)
		<hr/> <hr/>	<hr/> <hr/>

The above condensed consolidated interim income statement should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss for the period</b>	<b>(43,495)</b>	<b>(34,431)</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	(3,487)	1,719
Income tax relating to these items	713	(515)
	<u>(2,774)</u>	<u>1,204</u>
<b>Other comprehensive (loss)/gain for the period, net of tax</b>		
	<u>(2,774)</u>	<u>1,204</u>
<b>Total comprehensive loss for the period</b>	<b><u>(46,269)</u></b>	<b><u>(33,227)</u></b>
<b>Total comprehensive loss for the period attributable to:</b>		
– Shareholders of the Company	(46,100)	(33,099)
– Non-controlling interests	(169)	(128)
	<u>(46,269)</u>	<u>(33,227)</u>
<b>Total comprehensive loss for the period attributable to shareholders of the Company arises from:</b>		
– Continuing operations	(46,100)	(33,099)
– Discontinued operations	–	–
	<u>(46,100)</u>	<u>(33,099)</u>

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		As at	
		30 June	31 December
		2024	2023
		Unaudited	Audited
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		56,515	79,525
Right-of-use assets		8,945	9,105
Investment properties		913	961
Intangible assets		1,451	2,605
Investments accounted for using the equity method		733	3,233
Financial assets at fair value through other comprehensive income		15,477	18,964
Other assets		792	807
		<u>84,826</u>	<u>115,200</u>
<b>Current assets</b>			
Inventories		63,094	70,098
Trade and other receivables	8	31,250	31,601
Cash and cash equivalents		27,539	37,291
		<u>121,883</u>	<u>138,990</u>
<b>Total assets</b>		<u><u>206,709</u></u>	<u><u>254,190</u></u>

		As at	
		30 June 2024	31 December 2023
		Unaudited	Audited
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY</b>			
<b>Capital and reserves attributable to shareholders of the Company</b>			
Share capital and premium		9,155	9,155
Other reserves		264,426	267,115
Accumulated losses		(241,824)	(198,418)
		<u>31,757</u>	<u>77,852</u>
<b>Non-controlling interests</b>		<b>(1,246)</b>	<b>(1,077)</b>
		<u>30,511</u>	<u>76,775</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		18,207	21,525
Lease liabilities		754	1,297
Deferred income tax liabilities		1,647	2,360
		<u>20,608</u>	<u>25,182</u>
<b>Current liabilities</b>			
Trade and other payables	9	44,774	47,245
Contract liabilities		7,436	16,373
Lease liabilities		1,913	1,391
Borrowings		101,467	87,224
		<u>155,590</u>	<u>152,233</u>
<b>Total liabilities</b>		<b>176,198</b>	<b>177,415</b>
		<u>206,709</u>	<u>254,190</u>
<b>Total equity and liabilities</b>		<b>206,709</b>	<b>254,190</b>

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

## **1. GENERAL INFORMATION**

Jolimark Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 22 July 2004 as an exempted company with limited liability under the Companies Act (2003 Revision) of the Cayman Islands. The address of its registered offices is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “Group”) are manufacture and sale of printers, other electronic products and other non-electronic products mainly in the mainland of People’s Republic of China (the “Chinese Mainland”).

The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 29 June 2005.

This condensed consolidated interim financial information has not been audited.

## **2. BASIS OF PREPARATION**

This condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this announcement is to be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”), and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622 (“HKCO”).

### **Going concern basis**

For the six months ended 30 June 2024, the Group recorded a loss of approximately RMB43,495,000 and a net operating cash outflow of approximately RMB18,686,000. As at 30 June 2024, the Group’s current liabilities exceeded its current assets by approximately RMB33,707,000. The Group had total bank borrowings of approximately RMB119,674,000, of which approximately RMB101,467,000 were current bank borrowings repayable within the next twelve months from 30 June 2024, while it had cash and cash equivalents of approximately RMB27,539,000 as at 30 June 2024.

Given the countrywide application of the fully digitalized electronic invoice, domestic market demand of the dot-matrix printers decreased continuously, the sales of dot-matrix printers, which was the Group’s main products, decreased during the six months ended 30 June 2024, which led to a 31% decrease in revenue of Printers Segment (as defined note 4) and resulted in net operating cash outflows.

The above conditions indicated the existence of a material uncertainty which may cast a significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing to assess whether the Group will have sufficient financial resources to fulfil its financial obligations to continue as a going concern. Plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position, including but not limited to the following:

- (i) The Group will closely monitor its compliance of covenants related to bank borrowings and will seek for extension and renewal of its existing bank borrowings upon maturity. In August 2024, the Group has successfully renewed a bank loan of RMB20,000,000. In addition, the Group will have certain bank borrowings amounted to RMB30,000,000 to be matured in January 2025 which the renewal conditions require repayment before drawing of new facilities. The controlling shareholder of the Company has committed to provide a standby facility as a safeguard of a sufficient amount from now to 31 January 2025 to facilitate the renewal of these bank borrowings when needed. Management believes the Group’s existing facilities will be continually available and the Group will be successful in the extension and renewal of its bank borrowings as most of these borrowings are secured by the Group’s property, plant and equipment and right-of-use assets.
- (ii) The Group anticipated that the domestic market demand for dot-matrix printers has stabilized. The Group continues to develop and enhance the functionalities of its dot-matrix printers and expand its sales channels. The Directors of the Group are confident that the sales of dot-matrix printers can contribute steady cash inflows to the Group.

Built on the strong foundation of its research and development as well as production capacity, the Group continues to expand its product offerings in the emerging consumer printing equipment and medical equipment markets. The Directors of the Group are optimistic about the potential and growth of the sales in these two markets which will provide additional cash inflows to the Group in 2024 and 2025.

- (iii) The Group has taken certain strict cost and expenditures control measures in the second quarter of 2024, and will continue to implement such measures to reduce operating cash outflow.

The Directors have reviewed the Group’s cash flow projections prepared by management, which cover a period not less than twelve months from 30 June 2024. In light of the above and taking into account the anticipated net operating cash inflows as well as the above plans and measures, Directors are of the view that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due in the coming twelve months from 30 June 2024. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group’s ability to generate adequate cash flows through:

- (i) continued availability of the existing bank facilities of the Group, the standby facility as a safeguard of a sufficient amount from the controlling shareholder as and when required and successful and timely extension and renewal of its bank borrowings upon maturity;
- (ii) successful implementation of the plans and measures to improve the operation performance of the business of printers and medical equipment products to generate operating cash inflow; and
- (iii) successful implementation of the measures to strictly control cost and expenditures payments to reduce operating cash outflow.

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated interim financial information.

### 3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

#### 3.1 New and amended standards adopted by the Group

The following new and amended standards are mandatory for adoption for the financial year beginning 1 January 2024 for the Group:

HKAS 1 (Amendment)	Classification of Liabilities as current or non-current
HKAS 1 (Amendment)	Non-current liabilities with covenants
HKFRS 16 (Amendment)	Lease liability in sale and leaseback
HKAS 7 and HKFRS 7 (Amendment)	Supplier Finance Arrangements

The Group has assessed the impact of the adoption of these new and amended standards that are effective for the first time for this financial year and has concluded that they do not have significant impact on the Group's accounting policies and do not require retrospective amendments and interpretation adjustments.

#### 3.2 New and amended standards, and interpretations to standards issued but are not effective for financial year beginning 1 January 2024 and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
HKAS 21 (Amendment)	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7 (Amendment)	Classification and measurement of Financial Instruments	1 January 2026

The above new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 1 January 2025 and 1 January 2026 and have not been applied in preparing this condensed consolidated interim financial information. None of these is expected to have a significant effect on the condensed consolidated interim financial information of the Group.



#### 4. SEGMENT INFORMATION

The directors and chief executive officer of the Group are the chief operating decision-makers (the “CODM”) of the Group. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM manages the Group’s business from the perspective of different product lines of the Group, i.e. printers and others. The CODM assesses the performances of the operating segments based on a measure of segment revenue and segment results.

The segment revenue and results and the reconciliation with loss for the six months ended 30 June 2024 are as follows:

	<b>Printers</b> <i>RMB’000</i>	<b>Other products</b> <i>RMB’000</i>	<b>Total</b> <i>RMB’000</i>
<b>Revenue (from external customers) (note (a))</b>	<b>71,741</b>	<b>12,496</b>	<b>84,237</b>
Timing of revenue recognition			
At a point in time	71,741	12,496	84,237
Over time	–	–	–
<b>Segment results</b>	<b>(24,390)</b>	<b>373</b>	<b>(24,017)</b>
Other income			691
Administrative expenses			(17,695)
Net impairment losses on financial assets			763
Other gains – net			1,728
Finance expenses – net			(2,465)
Share of losses of associates accounted for using the equity method			(1)
Impairment loss on investment in associate			(2,499)
Loss for the period			<b>(43,495)</b>
<b>Segment results include:</b>			
Selling and marketing costs	(12,499)	(777)	(13,276)
Research and development expenses	(5,452)	(1,316)	(6,768)

The segment revenue and results and the reconciliation with profit for the year ended 30 June 2023 are as follows:

	Printers <i>RMB'000</i>	Other products <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue (from external customers) (note (a))</b>	<u>104,227</u>	<u>13,761</u>	<u>117,988</u>
Timing of revenue recognition			
At a point in time	104,227	13,761	117,988
Over time	–	–	–
<b>Segment results</b>	<u>(7,190)</u>	<u>2,118</u>	(5,072)
Other income			1,023
Administrative expenses			(25,923)
Net impairment losses on financial assets			(317)
Other gains – net			468
Finance expenses – net			(3,195)
Share of losses of associates accounted for using the equity method			(58)
Impairment loss on investment in associate			(1,299)
Income tax expenses			<u>(58)</u>
Loss for the period			<u>(34,431)</u>
<b>Segment results include:</b>			
Selling and marketing costs	(14,269)	(1,440)	(15,709)
Research and development expenses	<u>(9,873)</u>	<u>(1,771)</u>	<u>(11,644)</u>

- (a) Revenues from external customers are for sales of goods. There is no inter-segment sales for the six months ended 30 June 2024 and 2023.
- (b) The Group is domiciled in the Chinese Mainland. The revenue from external customers are as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
In the Chinese Mainland	<b>82,009</b>	111,397
In overseas	<u><b>2,228</b></u>	<u>6,591</u>
	<u><b>84,237</b></u>	<u>117,988</u>

- (c) For the six months ended 30 June 2024, approximately 44% of total revenue (six months ended 30 June 2023: 19%) are derived from a single external customer, which is attributable to the segment of printers.
- (d) For the six months ended 30 June 2024, the Group's non-current assets were mainly located in the Chinese Mainland.

## 5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– Corporate income tax	–	20
Deferred income tax	–	38
	<u>–</u>	<u>58</u>

### Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2024 (six months ended 30 June 2023: same).

### Corporate income tax

During the six months ended 30 June 2024 and 2023, the Group's subsidiaries in the Chinese Mainland are subject to the China corporate income tax ("CIT") at a rate of 25% on estimated assessable profits, except that Kong Yue Electronics & Information Industry (Xinhui) Limited, the Group's major subsidiary in the Chinese Mainland, is qualified for high and new technology enterprise status and is therefore subject to a preferential income tax rate of 15%.

### Dividend withholding tax

Dividends distributed out from the profits generated by the Chinese Mainland companies to their foreign investors should be subject to a withholding income tax of 10%, and a lower 5% withholding tax rate may be applied when the immediate holding companies of the Chinese Mainland subsidiaries are established in Hong Kong and meet the requirements to the tax treaty arrangements between the Chinese Mainland and Hong Kong.

During the six months ended 30 June 2024 and 2023, no provision for dividend withholding tax is necessary.

### Overseas income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (2003 Revision) of Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. Subsidiaries of the Company in the British Virgin Islands (the "BVI") are incorporated under the International Business Companies Act of the BVI and, accordingly, are exempted from income tax in the BVI.

## 6. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding on an assumption of conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. The options granted and remained unexercised are not included in the calculation of diluted loss per share because they are antidilutive for the six months ended 30 June 2024.

	Six months ended 30 June	
	2024	2023
Loss attributable to the shareholders of the Company ( <i>RMB'000</i> )	(43,406)	(34,232)
Weighted average number of ordinary shares in issue ( <i>shares in thousands</i> )	612,882	612,882
Basic and diluted loss per share ( <i>RMB per share</i> )	<u>(0.071)</u>	<u>(0.056)</u>

## 7. DIVIDENDS

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 8. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	<b>As at</b>	
		<b>30 June 2024 RMB'000</b>	<b>31 December 2023 RMB'000</b>
<b>Current</b>			
Trade receivables – third parties	a	<b>14,398</b>	14,457
Less: loss allowance of trade receivables		<b>(1,243)</b>	(1,911)
		<b>13,155</b>	12,546
Bills receivables	b	<b>5,071</b>	5,772
Less: loss allowance of bills receivables		<b>(19)</b>	(22)
		<b>5,052</b>	5,750
Prepayments			
– Third parties		<b>3,057</b>	4,118
– Related parties		<b>1</b>	–
		<b>3,058</b>	4,118
Other receivables			
– Third parties		<b>9,968</b>	9,146
– Related parties		<b>377</b>	493
Less: loss allowance of other receivables			
– Third parties		<b>(322)</b>	(444)
– Related parties		<b>(38)</b>	(8)
		<b>9,985</b>	9,187
		<b>31,250</b>	31,601

- (a) The Group's sales to customers are generally granted with credit terms that range from 30 days to 90 days or extended as considered appropriate by the directors of the Company. As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on invoice date is as follows:

	<b>As at</b>	
	<b>30 June 2024 RMB'000</b>	<b>31 December 2023 RMB'000</b>
Less than 30 days	<b>6,206</b>	5,266
31–90 days	<b>2,707</b>	3,538
91–180 days	<b>1,992</b>	2,144
181–365 days	<b>2,187</b>	394
Over 365 days	<b>63</b>	1,204
	<b>13,155</b>	12,546

The Group applies the simplified approach prescribed by HKFRS 9 to provide for expected credit losses. As at 30 June 2024, trade receivables of approximately RMB 5,248,000 (31 December 2023: RMB3,745,000) were past due respectively.

- (b) As at 30 June 2024, bills receivables represent bank acceptance bills (31 December 2023: bank acceptance bills).

As at 30 June 2024, the transferred or discounted receivables recognised in bills receivable amounted to RMB 4,921,000 (31 December 2023: RMB 5,742,000). The cash received by transferring or discounting such bills receivables are presented as secured borrowing.

## 9. TRADE AND OTHER PAYABLES

	As at	
	30 June 2024 <i>RMB'000</i>	31 December 2023 <i>RMB'000</i>
Trade payables		
– Third parties	30,235	27,978
– Related parties	9	–
Other payables		
– Third parties	13,791	18,474
– Related parties	343	397
Dividends payable	396	396
	<b>44,774</b>	<b>47,245</b>
	<b>44,774</b>	<b>47,245</b>

At 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables based on invoice date is as follows:

	As at	
	30 June 2024 <i>RMB'000</i>	31 December 2023 <i>RMB'000</i>
Less than 30 days	8,637	8,235
31–90 days	16,145	18,522
91–180 days	3,741	18
181–365 days	534	13
Over 365 days	1,187	1,190
	<b>30,244</b>	<b>27,978</b>
	<b>30,244</b>	<b>27,978</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### Business Review

#### *Printer Business*

For the six months ended 30 June 2024, the revenue of the Group derived from the printer business was approximately RMB71,741,000, which accounted for approximately 85% of the total revenue of the Group and represented a decrease of approximately 31% as compared with that of the corresponding period in 2023. The decrease in revenue was mainly attributable to the full implementation of digital e-invoicing in Mainland China in a continuous manner and the lack of sufficient market demand.

#### *Other Products*

For the six months ended 30 June 2024, the revenue of the Group derived from the other products business amounted to approximately RMB12,496,000, which accounted for approximately 15% of the total revenue of the Group and represented a decrease of approximately 9% as compared with that of the corresponding period in 2023. The decrease in revenue was mainly attributable to the delayed market launch of medical products in the first half of 2024.

### Future Business Outlook

In the first half of 2024, the Company’s reported a year-on-year decline in its business given the ongoing promotion of the use of electronic invoices in Mainland China, coupled with diminished retail and commercial activities in the market amidst lacklustre sentiments in the real estate and consumer spending sectors. In the second half of the year, the Company will focus on strengthening the application of dot-matrix printers in the manufacturing industry, e-commerce, logistics, combined document printing, financial vouchers and remote printing managed internally by the trade enterprises and to increase the market development of medical equipment products.

### Printing Equipment and Printing Solutions

The Company’s “PC cloud printer” which came online in 2023 has upgraded the traditional Jolimark printer to a cloud printer through the computer and the cloud environment, a move which is set to enhance the market competitiveness of the Jolimark printers. The Company will shortly launch the “Smart Finance e-Office” series of professional printers for the financial management business, which is capable of identifying the contents of printing with the aid of smart functions and combining the binding mode to change paper of different specifications automatically in different paper feeders. It facilitates professional and standardised printing of account books and evidence in a convenient manner, while providing corporate management systems such as invoice data management, mobile reimbursement management and corporate document printing management to realise multiple functions in one machine and the dual roles of printing and management, thereby significantly enhancing the efficiency of corporate management.

## **Self-serviced Terminals**

Offered in a range of formats, including desk, cabinet, operating platform, desktop and screenless terminals by leveraging the Company's unique core technologies such as red and black dual-colour inkjet printing, cloud printing, 2,000-page paper feed and remote error alert, the Jolimark self-serviced terminal product line has already been successfully adopted in smart government services, medical care, state grid service hall, tax administration halls, welfare lottery centres and postal service.

## **Big Data and SAAS Cloud Application**

By taking advantage of Jolimark's expertise in cloud printing, the Company has developed a variety of SAAS cloud applications. Applications that are already in operation currently include the "E Invoicing (E開單)" app which is specifically tailored for small to medium wholesalers to enable them to print invoices remotely through mini-programs and to facilitate management of store commodities and customers. The "Hassle-free reimbursement" app for financial reimbursement is targeted at small and medium enterprises enabling them to process online reimbursement approvals, print reimbursement bills and invoices remotely and conduct verification and duplication checks on invoices. In addition, the "Jolimark Cloud Printing" platform provides shared paid printing and advertising functions, while "Digital Electronic Printing" (數電易) is catered to business operators that provide daily-living services, fulfilling business operators' need to issue digitalised electronic invoices in a convenient and efficient manner and complemented by AI digitalised electronic mini-invoice device which facilitates automated issuance of digitalised electronic invoices and collection of operation data.

## **Medical Equipment Products**

The medical-grade compressor-based nebulisers launched by the Company in 2021 have been widely praised in the market for its outstanding performance underpinned by minute granularity, low noise generation and multi-level volume adjustment.

The Company obtained the medical product registration permits for its 3L-equivalent (PMO30 and PMO50) and 7L-equivalent (PMO720 Series) portable oxygen concentrator in early 2022 and late 2023 and for its 5L-equivalent (PMO530 Series) portable oxygen concentrator in April 2024. The Company's minute-size and lightweight product equipped with a built-in battery not only enables patients to carry supplementary oxygen around to sustain and enhance their normal blood oxygen saturation level, but also frees them from the physical constraints of the traditional desk-top oxygen concentrator and allows them to remain socially engaged as usual and embrace outdoor activities at a normal rhythm.



The Company commenced research and development of the 5L vertical oxygen concentrator (HM500 Series) in May 2024. This product features the balanced four-cylinder compressor, an exclusive product of the Company which employs the state-of-the-art VPSA (vacuum pressure swing adsorption) oxygen concentration system and unique air drying and patented noise reduction technology to achieve minimum noise level (28db at the lowest) and optimal performance (molecular sieve life of over 20,000 hours). The product is scheduled for launch in the first half of 2025. In the meantime, our development of the ring oximeter has entered the stage of clinical test and the product is scheduled for launch by the end of 2024 to become the first-ever product linking oxygen concentrator, oximeter and information of the human body.

## **Financial Review**

### ***Results Summary***

For the six months ended 30 June 2024, the Group's turnover amounted to approximately RMB84,237,000, representing a decrease of approximately 29% as compared to that of the corresponding period of last year. The loss attributable to shareholders of the Company amounted to approximately RMB43,406,000, as compared with a loss of approximately RMB34,232,000 in the first half of 2023. The basic loss per share as at 30 June 2024 was approximately RMB0.071 (the basic loss per share as at 30 June 2023: RMB0.056). The loss attributable to shareholders for the first half of 2024 was mainly due to the full implementation of digital e-invoicing in Mainland China in a continuous manner and the lack of sufficient market demand as well as the recognition of asset impairment.

### ***Analysis of Sales and Gross Profit***

Compared with the first half of 2023, due to the full implementation of digital e-invoicing in Mainland China in a continuous manner and insufficient market demand, the Group's total sales revenue in the first half of 2024 was RMB84,237,000, represented a decrease of approximately 29% as compared with that of the corresponding period in 2023.

The Group's consolidated gross loss was RMB3,973,000, and consolidated gross profit margin decreased to -5%, which was due to the provision of impairment of approximately RMB8,580,000 and approximately RMB17,692,000 for inventories and long-term assets respectively. If the provision for impairment of long-term assets is added back, the Group's consolidated gross profit would be RMB13,719,000 and the consolidated gross profit margin would be 16%.

### ***Capital Expenditure***

For the six months ended 30 June 2024, capital expenditure of the Group amounted to approximately RMB2,172,000, which was mainly used for the acquisitions of production equipment and customization of product molds.

### ***Financial and Liquidity Position***

As at 30 June 2024, the total assets of the Group amounted to approximately RMB206,709,000 (31 December 2023: RMB254,190,000), controlling shareholder's interests amounted to approximately RMB31,757,000 (31 December 2023: RMB77,852,000); non-controlling interests amounted to approximately RMB(1,246,000) (31 December 2023: RMB(1,077,000)); current liabilities amounted to approximately RMB155,590,000 (31 December 2023: RMB152,233,000), and the current ratio (the ratio of current assets to current liabilities) of the Group was approximately 0.78 (31 December 2023: 0.91). The decrease in current ratio was mainly attributable to a decrease in current assets of approximately RMB17,107,000 during the year.

As at 30 June 2024, the cash and cash equivalents and restricted cash of the Group amounted to approximately RMB27,539,000 (31 December 2023: RMB37,291,000) in aggregate. The outstanding bills receivables from customers amounted to approximately RMB5,052,000 (31 December 2023: approximately RMB5,750,000). The bank loans amounted to approximately RMB119,674,000 (31 December 2023: approximately RMB108,749,000). The gearing ratio of the Group was 57.9% as at 30 June 2024 (31 December 2023: 42.8%), being a ratio of sum of bank loans of RMB119,674,000 (31 December 2023: RMB108,749,000) to total assets.

### ***Financial Assets at Fair Value through Other Comprehensive Income***

The amount represents the Group's medium to long term equity investments in private enterprises.

As at 30 June 2024, the fair value of the Company's investment was RMB15,477,000 (31 December 2023: RMB18,964,000). Of which, the Group's holding of 1.76% interest in 廣東航天信息愛信諾科技有限公司 (Guangdong Aerospace Information Aisino Technology Co., Ltd.) ("Guangdong Aisino"), a company that is engaged in electronic invoices and related software development business, accounted for RMB8,515,000 (31 December 2023: RMB10,654,000) representing approximately 55.02% (31 December 2023: 56.18%) of the Group's financial assets at fair value through other comprehensive income. The original investment cost of the Company in Guangdong Aisino in February 2018 was RMB528,000. Save for the investments in Guangdong Aisino, the Company also hold minority interests in four other companies, ranging from 0.35% to 10%.

The investment strategy of the Company is to invest in companies that are engaged in upstream or downstream industries and have synergy effects to the business of the Group.

## **Pledge of Assets**

As at 30 June 2024, property, plant and equipment and right-of-use assets of RMB38,443,000 (31 December 2023: RMB42,089,000) were pledged as collateral for the Group's bank borrowings of RMB109,000,000 (31 December 2023: RMB97,000,000). As at 30 June 2024, the transferred or discounted receivables recognised in bills receivable amounted to RMB4,921,000 (31 December 2023: RMB5,742,000). The amounts repayable under these agreements are presented as secured borrowing of RMB4,913,000 (31 December 2023: RMB5,719,000).

## **Foreign Currency Risks**

The Group mainly operates in the Chinese Mainland with most of the transactions denominated and settled in RMB. However, the Group is exposed to foreign exchange risks for assets and liabilities denominated in Hong Kong dollars, United States dollars, Taiwanese dollars and Euro arising from the import of certain raw materials and machinery, sales of goods to overseas customers and borrowings that are denominated in foreign currencies. As at 30 June 2024, the Group had more monetary financial liabilities than financial assets outside Chinese Mainland.

The Group manages and monitors its foreign exchange risks by performing regular review of the Group's net foreign exchange exposures and mitigates the impact of exchange rate fluctuations by reducing the financial liabilities if needed.

## **Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

## **Staff**

As at 30 June 2024, the Group employed a total of 621 staff members (31 December 2023: 670 staff members). Apart from 6 employees employed in Hong Kong and overseas, all employees of the Group were based in Chinese Mainland. The Group applies its remuneration and bonus policies for employees with reference to business results and individual staff performance. In addition, fringe benefits, such as social security insurance, medical allowance and housing provident fund, were provided to ensure the Group remains as a competitive employer. In addition, the Group has maintained a share option scheme to reward and incentivize its employees.

## **Events after the Period**

There were no other significant events after the Period and up to the date of this announcement.

## **Interim Dividend**

The Board of directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## **Compliance with the Corporate Governance Code**

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high corporate governance standard and has complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as in effect from time to time (the "CG Code") during the six months ended 30 June 2024, save for the deviation from code provision F.2.2 of the CG Code:

In accordance with the requirements of code provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. However, due to the other business commitments, the chairman of the Board, Mr. Au Pak Yin, was unable to attend the annual general meeting of the Company held on 27 May 2024. Mr. Au Kwok Lun, an executive Director, acted as chairman at the annual general meeting.

## **Purchase, Sale or Redemption of the Company's Listed Securities**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **Model Code for Securities Transactions**

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company has made specific enquiries with all Directors regarding any non-compliance with the Model Code during the six months ended 30 June 2024 and all Directors confirmed that they have fully complied with the requirements set out in the Model Code during the six months ended 30 June 2024.

## **Review of Condensed Consolidated Interim Financial Information**

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors namely, Ms. Kan Lai Kuen, Alice, Mr. Sun Po Yuen and Mr. Yeung Kwok Keung. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 had been reviewed by the Audit Committee.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 had also been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **Publication of Interim Results Announcement and Interim Report**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jolimark.com](http://www.jolimark.com)). The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available on the above websites in due course.

By order of the Board  
**Jolimark Holdings Limited**  
**Au Pak Yin**  
*Chairman*

Hong Kong, 27 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Au Pak Yin and Mr. Au Kwok Lun; the non-executive director of the Company is Mr. Ou Guo Liang; and the independent non-executive directors of the Company are Ms. Kan Lai Kuen, Alice, Mr. Sun Po Yuen and Mr. Yeung Kwok Keung.*