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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)

## 2024 ANNUAL RESULTS ANNOUNCEMENT

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RMB'000	2023 RMB'000
Revenue	3	149,737	203,484
Cost of goods sold	5	(131,363)	(180,961)
<b>Gross profit</b>		<b>18,374</b>	22,523
Other income		2,620	4,035
Selling and marketing expenses	5	(27,123)	(30,985)
Administrative expenses	5	(32,985)	(39,158)
Research and development expenses	5	(15,064)	(20,615)
Net impairment losses on financial assets		(74)	(698)
Other gains/(losses) – net	4	684	(1,420)
<b>Operating loss</b>		<b>(53,568)</b>	(66,318)
Finance expenses – net	6	(4,665)	(5,715)
Share of gain/(loss) of investments accounted for using the equity method		40	(165)
Impairment loss on the investment in associate		(2,154)	(3,452)
<b>Loss before income tax</b>		<b>(60,347)</b>	(75,650)
Income tax credit/(expenses)	7	85	(4,143)
<b>Loss for the year</b>		<b>(60,262)</b>	(79,793)

		<b>2024</b>	2023
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Loss attributable to:</b>			
– Shareholders of the Company		<b>(59,834)</b>	(79,469)
– Non-controlling interests		<b>(428)</b>	(324)
		<u><b>(60,262)</b></u>	<u>(79,793)</u>
<b>Loss per share attributable to the</b>			
<b>shareholders of the Company during the year</b>			
<i>(expressed in RMB per share)</i>			
– Basic	8	<b>(0.098)</b>	(0.130)
– Diluted	8	<b>(0.098)</b>	(0.130)
		<u><b>(0.098)</b></u>	<u>(0.130)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Loss for the year</b>	<b>(60,262)</b>	(79,793)
<b>Other comprehensive (expense)/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	<b>(9,643)</b>	797
Income tax relating to these items	<b>2,460</b>	(243)
<b>Other comprehensive (expense)/income for the year, net of tax</b>	<b>(7,183)</b>	554
<b>Total comprehensive expense for the year</b>	<b>(67,445)</b>	(79,239)
<b>Total comprehensive expense for the year attributable to:</b>		
– Shareholders of the Company	<b>(66,649)</b>	(78,939)
– Non-controlling interests	<b>(796)</b>	(300)
	<b>(67,445)</b>	(79,239)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>58,441</b>	79,525
Right-of-use assets		<b>8,115</b>	9,105
Investment properties		<b>1,181</b>	961
Intangible assets		<b>954</b>	2,605
Investments accounted for using the equity method		<b>1,119</b>	3,233
Financial assets at fair value through other comprehensive income		<b>9,321</b>	18,964
Deferred income tax assets		<b>124</b>	–
Club membership		<b>613</b>	795
		<u><b>79,868</b></u>	<u>115,188</u>
<b>Current assets</b>			
Inventories		<b>60,626</b>	70,098
Trade and other receivables	10	<b>40,930</b>	31,613
Restricted cash		<b>280</b>	–
Cash and cash equivalents		<b>24,434</b>	37,291
		<u><b>126,270</b></u>	<u>139,002</u>
<b>Total assets</b>		<u><b>206,138</b></u>	<u>254,190</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to shareholders of the Company</b>			
Share capital and premium		<b>9,155</b>	9,155
Other reserves		<b>260,301</b>	267,115
Accumulated losses		<b>(258,252)</b>	(198,418)
		<u><b>11,204</b></u>	<u>77,852</u>
<b>Non-controlling interests</b>		<u><b>(1,873)</b></u>	<u>(1,077)</u>
<b>Total equity</b>		<u><b>9,331</b></u>	<u>76,775</u>

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>24,000</b>	21,000
Lease liabilities		<b>105</b>	1,297
Provisions for other liabilities and charges		<b>343</b>	–
Deferred income tax liabilities		–	2,360
		<u><b>24,448</b></u>	<u>24,657</u>
<b>Current liabilities</b>			
Trade and other payables	11	<b>45,272</b>	44,746
Contract liabilities		<b>7,201</b>	16,373
Current tax liabilities		<b>106</b>	214
Lease liabilities		<b>2,148</b>	1,391
Borrowings		<b>116,797</b>	90,034
Provisions for other liabilities and charges		<b>835</b>	–
		<u><b>172,359</b></u>	<u>152,758</u>
<b>Total liabilities</b>		<u><b>196,807</b></u>	<u>177,415</u>
<b>Total equity and liabilities</b>		<u><b>206,138</b></u>	<u>254,190</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 Law (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 the manufacture and sale of printers, other electronic products and other non-electronic products mainly in the mainland of the 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.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 28 March 2025.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation

(a) *Compliance with Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Companies Ordinance Cap. 622 (“HKCO”)*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the HKCO.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

(b) *Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are carried at fair value.

(c) *Going concern basis*

For the year ended 31 December 2024, the Group recorded a loss of approximately RMB60,262,000 and a loss attributable to owners of the Company of approximately RMB59,834,000. As at 31 December 2024, the Group’s current liabilities exceeded its current assets by approximately RMB46,089,000. The Group had total bank borrowings of approximately RMB136,431,000, of which approximately RMB112,431,000 were current bank borrowings repayable within twelve months, while it had cash and cash equivalents of approximately RMB24,434,000 as at 31 December 2024.

Given the countrywide application of the fully digitalised electronic invoice, domestic market demand of the dot-matrix printers decreased significantly, which led to a decrease of approximately 26% in revenue for the Printers Segment and resulted in net operating cash outflows for the year ended 31 December 2024.

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 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. The 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. The Group has drawn down new interest-free loans of RMB15,000,000 from the controlling shareholder in February 2025, as well as a new bank loan of RMB5,000,000 from its existing banking facilities in January 2025. The Group also successfully renewed bank borrowings of RMB30,000,000 during January 2025 and February 2025 from its major banking facilities, with a total facility limit of RMB91,000,000. Based on past experience, the directors of the Company believes the Group's existing bank facilities will be able to be extended or renewed upon maturity as most of these borrowings are secured by the Group's property, plant and equipment and right-of-use assets;
- (ii) The Group anticipates that the domestic market demand for dot-matrix printers will stabilise. The Group will continue to develop and enhance the functionalities of its dot-matrix printers and expand its sales channels. Additionally, the Group also continues to expand its product offerings in the emerging consumer printing equipment and medical equipment market. The directors of the Company are optimistic to the potential and growth of the sales which will provide steady and additional cash inflows to the Group;
- (iii) The Group has taken certain strict cost and expenditures control measures during the year, and will continue to implement such measures to reduce its operating cash outflow; and
- (iv) The Group obtained a standby facility of RMB35,000,000, including an unutilised amount of RMB20,000,000 to act as a safeguard for obtaining financial resources from the controlling shareholder when required.

The directors of the Company have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than twelve months from 31 December 2024. In light of the above and taking into account the anticipated net operating cash inflows as well as the above plans and measures, the directors of the Company believes 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 31 December 2024. Accordingly, the directors of the Company 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 and the timely renewal of its bank borrowing 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, to provide further liabilities which might arise 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 these consolidated financial statements.

## 2.2 Accounting Policies

### (a) *Amended standards adopted by the Group*

The Group has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 January 2024. The adoption of these standards, amendments and interpretation does not have significant impact on the consolidated financial statements of the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease liability in Sales and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

*(b) New and amended standards and interpretations not yet adopted*

Certain new accounting standards and amendments and interpretations to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standard – 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
Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation 5 Presentation of Financial Statements Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

**3. 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 year ended 31 December 2024 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>	<b>130,139</b>	<b>19,598</b>	<b>149,737</b>
<b>Segment results</b>	<b>(21,569)</b>	<b>(2,244)</b>	<b>(23,813)</b>
Other income			2,620
Administrative expenses			(32,985)
Net impairment losses on financial assets			(74)
Other gains – net			684
Finance expenses – net			(4,665)
Share of gain of investments accounted for using the equity method			40
Impairment loss on the investment in associate			(2,154)
Income tax credit			85
Loss for the year			<b>(60,262)</b>
<b>Segment results include:</b>			
Selling and marketing expenses	(24,297)	(2,826)	(27,123)
Research and development expenses	(11,010)	(4,054)	(15,064)

The segment revenue and results and the reconciliation with loss for the year ended 31 December 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>	176,848	26,636	203,484
<b>Segment results</b>	<b>(31,627)</b>	<b>2,550</b>	<b>(29,077)</b>
Other income			4,035
Administrative expenses			(39,158)
Net impairment losses on financial assets			(698)
Other losses – net			(1,420)
Finance expenses – net			(5,715)
Share of loss of investments accounted for using the equity method			(165)
Impairment loss on the investment in associate			(3,452)
Income tax expenses			(4,143)
Loss for the year			<b>(79,793)</b>
<b>Segment results include:</b>			
Selling and marketing expenses	(28,257)	(2,728)	(30,985)
Research and development expenses	(17,208)	(3,407)	(20,615)

- (a) Revenues from external customers are for sales of goods. There is no inter-segment sales for the year ended 31 December 2024 and 2023.
- (b) The Group is domiciled in the Chinese Mainland. The revenue from external customers are as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
In the Chinese Mainland	<b>139,265</b>	190,017
In overseas	<b>10,472</b>	13,467
	<b>149,737</b>	203,484

- (c) For the year ended 31 December 2024, approximately 33% of total revenue (2023: 18%) were derived from a single external customer, which is attributable to the segment of printers.
- (d) As at 31 December 2024 and 2023, the Group's non-current assets were mainly located in the Chinese Mainland.

#### 4. OTHER GAINS/(LOSSES) – NET

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Foreign exchange gains/(losses) – net	<b>170</b>	(1,239)
(Losses)/gains from disposal of assets	<b>(363)</b>	(67)
– Property, plant and equipment	<b>(363)</b>	(87)
– Intangible assets	–	20
Gain on early termination of lease	<b>1</b>	–
Written off of prepayments	<b>(313)</b>	–
Written off of trade and other payables	<b>277</b>	118
Compensation income	<b>200</b>	–
Others	<b>712</b>	(232)
	<b>684</b>	(1,420)

## 5. EXPENSES BY NATURE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation and amortisation	15,002	16,497
– Property, plant and equipment	11,095	12,575
– Right-of-use assets	2,632	2,270
– Intangible assets	682	1,275
– Investment properties	411	200
– Club membership	182	177
Raw materials and consumables recognised in cost of goods sold and expenses	88,319	125,731
Employee benefit expenses	53,142	66,556
Transportation expenses	4,120	4,648
Travel and entertainment expenses	4,043	5,087
Repairs and maintenance	2,641	2,399
Outsourcing labor costs	31	276
Expenses relating to short-term leases	372	1,243
Provision for inventories	10,009	24,705
Service fees for product development	2,221	1,532
Auditor's remuneration	750	1,620
– Audit services	750	1,600
– Non-audit services	–	20
Advertising and promotion fees	1,863	2,655
Impairment losses of intangible assets and property, plant and equipment	12,256	8,430
Legal and professional fees	2,542	795
Others	9,224	9,545
	<u>206,535</u>	<u>271,719</u>

## 6. FINANCE EXPENSES – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expenses		
– Bank borrowings	4,082	4,836
– Discounted bills with recourse	344	647
– Lease liabilities	142	160
– Loan from a non-controlling shareholder	81	56
Exchange losses on bank borrowings	16	16
	<u>4,665</u>	<u>5,715</u>

## 7. INCOME TAX (CREDIT)/EXPENSES

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax expenses			
– Hong Kong profits tax	a	129	–
– Corporate income tax	b	–	33
– Dividend withholding tax	c	18	–
		<u>147</u>	<u>33</u>
Under/(over) provision in prior years			
– Hong Kong profits tax	a	101	–
– Corporate income tax	b	(309)	–
		<u>(208)</u>	<u>–</u>
Deferred income tax		<u>(24)</u>	4,110
		<u>(85)</u>	<u>4,143</u>

### (a) Hong Kong profits tax

The applicable Hong Kong tax rate is 16.5% for the year ended 31 December 2024 (2023: 16.5%).

### (b) Corporate income tax

The main business of the Group is conducted by Kong Yue Electronics & Information Industry (Xinhui) Limited (“**Kongyue Information**”), which is a foreign investment company based in Jiangmen City, the Chinese Mainland. The corporate income tax (the “**CIT**”) of Kongyue Information is provided for on the basis of its profit reported in the Chinese Mainland statutory financial statements, adjusted for income and expenses items, which are not assessable or deductible for income tax purpose.

Pursuant to the Chinese Mainland Corporate Income Tax Law (the “**CIT Law**”), the CIT rate is 25%. As Kongyue Information has been qualified as High and New Technology Enterprises (“**HNTE**”) for three years from 2023 to 2026, it enjoys a preferential CIT rate at 15% (2023: 15%) for the year ended 31 December 2024. The effective CIT rate of other group entities in the Chinese Mainland is 25% (2023: 25%).

### (c) Dividend withholding tax

Pursuant to the Detailed Implementation Regulations for implementation of the CIT Law issued on 6 December 2007, dividends distributed out from the profits generated by the Chinese Mainland companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, 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 fulfil the requirements to the tax treaty arrangements between the Chinese Mainland and Hong Kong.

Withholding tax of 21% is imposed on dividends distributed in respect of profits earned by investee company located in Taiwan that are received by non-Taiwan resident entity.

**(d) Overseas income tax**

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2013 Revision) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Subsidiaries of the Company in the BVI are incorporated under the International Business Companies Act of the BVI and, accordingly, are exempted from income tax in the BVI.

**8. 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 700,000 (2023: 1,600,000) options granted and remained unexercised are not included in the calculation of diluted loss per share because they are antidilutive for the year ended 31 December 2024. These options could potentially dilute basic loss per share in the future.

	2024	2023
Loss attributable to the shareholders of the Company <i>(RMB'000)</i>	<b>(59,834)</b>	(79,469)
Weighted average number of ordinary shares in issue <i>(shares in thousands)</i>	<u>612,882</u>	<u>612,882</u>
Basic and diluted loss per share <i>(RMB per share)</i>	<u><b>(0.098)</b></u>	<u>(0.130)</u>

**9. DIVIDENDS**

No dividend was recommended by the board of directors for both years.

## 10. TRADE AND OTHER RECEIVABLES

		As at 31 December	
	<i>Note</i>	2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables			
– Third parties		14,396	14,457
Less: loss allowance of trade receivables		(856)	(1,911)
	a	<u>13,540</u>	<u>12,546</u>
Bills receivables		15,617	5,772
Less: loss allowance of bills receivables		(70)	(22)
		<u>15,547</u>	<u>5,750</u>
Deposits paid to acquisition of intangible assets			
– Related party		100	–
Prepayments			
– Third parties		1,557	4,130
Other receivables			
– Third parties		9,944	9,146
– Related party		359	493
Less: loss allowance of other receivables			
– Third parties		(112)	(444)
– Related party		(5)	(8)
		<u>10,186</u>	<u>9,187</u>
<b>Current portion</b>		<b><u>40,930</u></b>	<b><u>31,613</u></b>

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

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	7,681	6,535
31–90 days	3,335	3,472
91–180 days	2,109	2,104
181–365 days	415	386
Over 365 days	–	49
	<u>13,540</u>	<u>12,546</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024 a provision of RMB856,000 (2023: RMB1,911,000) was made against the gross amounts of trade receivables.

## 11. TRADE AND OTHER PAYABLES

		As at 31 December	
	<i>Note</i>	2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Trade payables			
– Third parties	a	26,874	27,978
Other payables and accrued expenses			
– Third parties	b	12,362	14,756
– Related parties		4,779	397
Refund liabilities			
– Third parties	c	861	1,219
Dividends payable		396	396
<b>Current portion</b>		<b>45,272</b>	<b>44,746</b>

- (a) As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	4,755	8,235
31–90 days	14,051	18,522
91–180 days	6,606	18
181–365 days	385	13
Over 365 days	1,077	1,190
	<b>26,874</b>	<b>27,978</b>

- (b) Other payables and accrued expenses mainly consist of accrued employee costs, deposits received and payables for other operating expenses.
- (c) Refund liabilities are recognised for volume discounts payable to customers.

## 12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification was considered to provide a more appropriate presentation of the state of affairs of the Group.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Business Review

#### *Printer Business*

For the year ended 31 December 2024, the revenue of the Group derived from the printer business was approximately RMB130,139,000, which accounted for approximately 87% of the total revenue of the Group and represented a decrease of approximately 26% as compared with that in 2023. The decrease in revenue was mainly attributable to the full implementation of digital e-invoicing in Mainland China in 2024 and shrinking market demand.

#### *Other Products*

For the year ended 31 December 2024, the revenue of the Group derived from the other products business amounted to approximately RMB19,598,000, which accounted for approximately 13% of the total revenue of the Group and represented a decrease of approximately 26% from the year of 2023. The decrease was mainly attributable to the decrease in sales of medical products in 2024 as a result of the easing of the pandemic.

### Future Business Outlook

In 2024, the Company has reported year-on-year decline in its printer business as the demand for invoice printers continued to decrease given the general trend of the use of electronic invoices in China, coupled with diminished retail and commercial activities in the market with lacklustre consumer spending. Meanwhile, our medical equipment products business has registered a slight decrease year-on-year due to delays in launching the products to the market and the easing of the pandemic. In 2025, the Chinese Government is expected to launch a series of policies aimed at stimulating consumer spending and in assisting the manufacturing sector. It is hoped that resumption of market demand will materialize. In view of such recovery coupled with the planned launch of our medical products, we continue to be confident in our future business development.

## Printing Equipment and Printing Solutions

In view of the growing application of electronic invoices and electronic bills for financial operations, the Company has been exploring demands for dot-matrix printers in sub-segment sectors and has achieved considerable results in the markets for electrical products, weighing instruments, and the printing of identification documents for public security and hospitals. In the meantime, we adjusted the positioning of the dot-matrix type printer to “Choose Jolimark for Document Printing”. The traditional Jolimark printer has been upgraded to a cloud printer through the promotion of the “PC cloud printer”, enabling easy sharing and remote printing of documents across various software, networks, and regions whilst equipped with Jolimark’s SaaS software, as the Company will continue to deepen its presence in the dot-matrix type printer market. For instance, the launch of the “E Invoicing (E開單)” app which is specifically tailored for small to medium wholesalers enabled them to print invoices remotely and to manage store commodities and customers in an integrated manner. In 2024, we introduced “Digital Electronic Printing (數電易)” catering to business operators that provide daily-living services and the AI digitalised electronic mini-invoice device to facilitate automated issuance of digitalised electronic invoices and collection of big data without requiring conversion of the existing cashier systems of the business operators.

In terms of the inkjet printer business, on the basis of continuous paper feed inkjet printers, “red letter-headed” feed inkjet printers and digital electronic invoice feed inkjet printers, the “Smart Finance e-Office” series of professional printers was launched in 2024 to meet the financial and office needs of small and medium-sized enterprises. Equipped with a dual-paper feeder design, these printers are capable of identifying the contents of printing through AI and intelligently switching between invoice and office document printing to provide functions such as professional binding modes, enterprise reimbursement, and print management, thereby significantly enhancing the efficiency of corporate management. The Company is expected to release more cost-effective multifunctional inkjet printers and laser printer products in the second quarter of 2025.

In terms of the self-serviced terminals, the Company has already achieved diverse applications in various scenarios, including smart government services, medical care, and the lottery industry by leveraging its unique core technologies such as red and black dual-colour inkjet printing, cloud printing and remote error alert. It is anticipated that by 2025, an intelligent cloud-based self-service delivery cabinet for logistics application scenarios will be introduced.

In 2024, the Company initiated a collaboration with schools to offer personalized wearable armor customization courses and also expanded its partnership with coffee robot enterprises. The Company believes that with the comprehensive application of AI technology and the rapid development of intelligent automation, its businesses in relation to latte art machines and manicure machines are poised to embrace growth opportunities.

## **Medical Equipment Products**

Following the obtaining of the medical product registration permit of China for the 3L and 7L-equivalent medical portable oxygen concentrators, the Company obtained the medical product registration permit of China for its 5L-equivalent medical portable oxygen concentrators in April 2024 and started to launch the product in the domestic market. Additionally, the Company commenced research and development of the 5L medical desktop oxygen concentrators in the second half of 2024, and anticipated to obtain the medical product registration permit of China for the 5L medical desktop oxygen concentrators by May 2025.

In response to the plateau oxygen subsidy policy introduced by the government at the end of 2024, the Company plans to launch an oxygen concentrator specifically designed for use in a plateau environment in the first half of 2025. Moving forward, the Company will continue to develop 4L, 6L, 8L and 15L-equivalent portable oxygen concentrators, ultimately forming a comprehensive series of 3L, 4L, 5L, 6L, 7L, 8L and 15L-equivalent portable oxygen concentrators. In 2025, the Company also plans to introduce wearable oximeter rings that monitor blood oxygen and heart rate, enabling precise and intelligent oxygen supply based on the patient's blood oxygen saturation levels to ensure optimal oxygen intake during oxygen therapy. Concurrently, the Company is actively preparing the documentation and procedures for the medical quality management system certification, and expected to obtain the ISO 13485 medical quality management system certificate by May 2025. With the launch of new products and the increasing variety of the product line, it is anticipated that the medical products business will enter a period of rapid development, gradually becoming a significant profit driver for the Company.

## **Financial Review**

### ***Results Summary***

For the year ended 31 December 2024, the Group's turnover amounted to approximately RMB149,737,000, representing a decrease of approximately 26% as compared with last year. The loss attributable to shareholders of the Company amounted to approximately RMB59,834,000, representing a decrease in loss by RMB19,635,000 as compared to 2023. The basic loss per share as at 31 December 2024 was approximately RMB0.098 (the basic loss per share as at 31 December 2023: RMB0.130). Loss in 2024 was mainly attributable to shrinking demand in the printer market resulting from the full implementation of digital e-invoicing in Mainland China and the recognition of impairment for assets.

### ***Analysis of sales and gross profit***

Compared with 2023, the Group's total revenue for 2024 decreased by approximately 26%. Such decrease was attributable to the full implementation of digital e-invoicing in Mainland China and the lack of sufficient market demand. However, the gross profit margin increased from 11% in the previous year to 12% due to less provisions made for inventories.

### ***Capital Expenditure***

For the year ended 31 December 2024, capital expenditure of the Group amounted to approximately RMB1,797,000, which was mainly used for the purchase of production equipment and customized manufacturing of product moulds.

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

As at 31 December 2024, the total assets of the Group amounted to approximately RMB206,138,000 (31 December 2023: RMB254,190,000), controlling shareholder's interests amounted to approximately RMB11,204,000 (31 December 2023: RMB77,852,000); non-controlling interests amounted to approximately RMB(1,873,000) (31 December 2023: RMB(1,077,000)); current liabilities amounted to approximately RMB172,359,000 (31 December 2023: RMB152,758,000), and the current ratio (the ratio of current assets to current liabilities) of the Group was approximately 0.73 (31 December 2023: 0.91). The decrease in current ratio was mainly attributable to an increase in borrowings of approximately RMB26,763,000 during the year.

As at 31 December 2024, the cash and cash equivalents and restricted cash of the Group amounted to approximately RMB24,714,000 (31 December 2023: RMB37,291,000) in aggregate. The outstanding bank acceptance bills from customers amounted to approximately RMB15,617,000 (31 December 2023: approximately RMB5,772,000). The borrowings amounted to approximately RMB140,797,000 (31 December 2023: approximately RMB111,034,000).

### ***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 31 December 2024, the fair value of the Company's investment was RMB9,321,000 (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 RMB845,000, (31 December 2023: RMB10,654,000) representing approximately 9% (31 December 2023: 56%) 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 0.33% 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 31 December 2024, property, plant and equipment of RMB32,302,000 (31 December 2023: RMB33,703,000) were pledged as collateral for the Group's bank borrowings of RMB106,000,000 (31 December 2023: RMB97,000,000). As at 31 December 2024, the transferred receivables recognised in bills receivable amounted to RMB15,436,000 (31 December 2023: RMB5,742,000). The amounts repayable under these agreements are presented as secured borrowing of RMB15,397,000 (31 December 2023: RMB5,719,000).

### ***Foreign Currency Risks***

The Group mainly operates in 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, and Japanese Yen 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 31 December 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 year under review.

### ***Contingent Liabilities***

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

### ***Staff***

As at 31 December 2024, the Group employed a total of 572 staff members (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.

## **Important Events After Reporting Period**

Subsequent to reporting date, the Group obtained loans from the controlling shareholder which are unsecured, interest-free and payable within twelve months from the reporting date.

Save as disclosed otherwise, there were no significant events affecting the Group after 31 December 2024 and up to the date of this announcement.

## **Final Dividend**

The Board of directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2024 (Year ended 31 December 2023: nil).

## **Closure of Register of Members**

The annual general meeting of the Company will be held on Wednesday, 28 May 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Thursday, 22 May 2025 to Wednesday, 28 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 21 May 2025.

## **Scope of Work of Gary Cheng CPA Limited**

The figures in respect of this announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's external auditor, Gary Cheng CPA Limited ("**Gary Cheng**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Gary Cheng in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Gary Cheng on this announcement.

## **Audit Committee**

The audit committee of the Company (the "**Audit Committee**") comprises Ms. Kan Lai Kuen, Alice, as the chairlady, Mr. Sun Po Yuen and Mr. Yeung Kwok Keung. All of them are independent non-executive Directors. The Audit Committee assists the Board in providing an independent review of the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the results of the Group for the year ended 31 December 2024.

## **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 to the 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 year ended 31 December 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 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.

Further information on the corporate governance practice of the Company will also be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

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

During the year ended 31 December 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 year ended 31 December 2024 and all Directors confirmed that they have fully complied with the requirements set out in the Model Code during the year ended 31 December 2024.

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

This annual 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 annual report of the Company for the year ended 31 December 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, 28 March 2025

*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.*