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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 2022

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 2022 (the “Period”) together with the comparative figures for the corresponding period of last year as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	<i>Note</i>	Six months ended 30 June	
		2022	2021
		Unaudited	Unaudited
Revenue	5	151,755	142,003
Cost of goods sold		(108,837)	(98,683)
Gross profit		42,918	43,320
Other income		1,349	1,586
Selling and marketing costs		(15,517)	(18,992)
Administrative expenses		(18,119)	(17,495)
Research and development expenses		(15,168)	(15,371)
Net impairment losses on financial assets		(1,604)	(489)
Other gains/(losses) – net		1,840	(37)

		Six months ended 30 June	
	<i>Note</i>	2022	2021
		Unaudited	Unaudited
Operating loss		(4,301)	(7,478)
Finance expenses – net		(2,605)	(3,100)
Share of loss of investments accounted for using the equity method		(106)	(190)
		<hr/>	<hr/>
Loss before income tax		(7,012)	(10,768)
Income tax (expenses)/credits	6	(2,561)	14
		<hr/>	<hr/>
Loss for the period		(9,573)	(10,754)
		<hr/> <hr/>	<hr/> <hr/>
Loss attributable to:			
– Shareholders of the Company		(9,554)	(10,703)
– Non-controlling interests		(19)	(51)
		<hr/>	<hr/>
		(9,573)	(10,754)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share for loss attributable to the shareholders of the Company (expressed in RMB per share)			
– Basic	7	(0.016)	(0.017)
– Diluted	7	(0.016)	(0.017)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
Loss for the period	(9,573)	(10,754)
Other comprehensive income		
<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	(11,728)	(148)
Income tax relating to these items	2,535	(63)
	<u>(9,193)</u>	<u>(211)</u>
Other comprehensive loss for the period, net of tax		
	(18,766)	(10,965)
Total comprehensive loss for the period	<u>(18,766)</u>	<u>(10,965)</u>
Total comprehensive loss for the period attributable to:		
– Shareholders of the Company	(18,456)	(10,948)
– Non-controlling interests	(310)	(17)
	<u>(18,766)</u>	<u>(10,965)</u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		As at	
	<i>Note</i>	30 June 2022 Unaudited	31 December 2021 Audited
ASSETS			
Non-current assets			
Property, plant and equipment		101,997	105,928
Right-of-use assets		12,313	11,891
Intangible assets		5,073	5,889
Investments accounted for using the equity method		6,988	7,094
Financial assets at fair value through other comprehensive income		19,467	31,195
Deferred income tax assets		4,082	6,661
Other assets		2,243	2,167
Restricted cash		–	441
		<u>152,163</u>	<u>171,266</u>
Current assets			
Financial assets at fair value through profit or loss		–	62,170
Inventories		124,788	112,461
Trade and other receivables	9	49,344	46,836
Other assets		–	920
Restricted cash		155	155
Cash and cash equivalents		77,274	63,325
		<u>251,561</u>	<u>285,867</u>
Total assets		<u>403,724</u>	<u>457,133</u>

		As at	
	<i>Note</i>	30 June 2022 Unaudited	31 December 2021 Audited
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium		9,155	9,155
Other reserves		265,554	274,447
Accumulated losses		<u>(87,141)</u>	<u>(77,587)</u>
		187,568	206,015
Non-controlling interests		<u>(439)</u>	<u>(129)</u>
Total equity		<u>187,129</u>	<u>205,886</u>
LIABILITIES			
Non-current liabilities			
Borrowings		16,042	16,549
Lease liabilities		3,081	3,518
Deferred income tax liabilities		<u>2,926</u>	<u>5,488</u>
		22,049	25,555
Current liabilities			
Trade and other payables	10	75,600	104,465
Contract liabilities		8,140	26,989
Lease liabilities		2,364	1,318
Borrowings		<u>108,442</u>	<u>92,920</u>
		194,546	225,692
Total liabilities		<u>216,595</u>	<u>251,247</u>
Total equity and liabilities		<u>403,724</u>	<u>457,133</u>

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 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 manufacture and sale of printers, other electronic products and other non-electronic products in the People’s Republic of China (the “PRC”).

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.

The outbreak of the 2019 Novel Coronavirus (the “COVID-19”) has brought unprecedented challenges and added uncertainties to the economy. During the six months ended 30 June 2022, the Omicron variant resulted in temporary city lockdowns in different cities in the PRC. COVID-19 may affect the financial performance and position of the Group including the decrease in sales orders and delay in production and delivery, as well as the increase in the provision for expected credit losses on trade and other receivables. Since the outbreak of COVID-19, the Group has kept continuous attention on the evolving situation of the COVID-19 and managed actively its impact on the financial position and operating results of the Group.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2022 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 condensed consolidated interim financial information is to be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”).

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 2022 for the Group:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations
Annual Improvements to HKFRS Standards 2018–2020	

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 any 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 2022 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance Contracts	1 January 2023
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendment)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendment)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Hong Kong Interpretation 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be announced

The above new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 1 January 2022 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. Since more than 91% of the Group's revenue and operating results are derived from product line of printers, no segment information has been prepared.

As at 30 June 2022, save as non-current assets amounting approximately RMB1,964,000, the other non-current assets were located in the PRC.

5. REVENUE

(a) Revenue from contracts with customers

	Six months ended 30 June	
	2022	2021
Sales of goods – at a point in time		
– Printers	138,818	138,316
– Other products	12,937	3,687
	<u>151,755</u>	<u>142,003</u>

(b) The Group is domiciled in the PRC. The revenue from external customers were as below:

	Six months ended 30 June	
	2022	2021
In the PRC	143,819	137,619
In other countries	7,936	4,384
	<u>151,755</u>	<u>142,003</u>

(c) For the six months ended 30 June 2022, approximately 19% (six months ended 30 June 2021: 19%) of total revenue are derived from a single external customer.

6. INCOME TAX EXPENSES/(CREDITS)

	Six months ended 30 June	
	2022	2021
Current income tax		
– PRC corporate income tax	8	–
Deferred income tax	2,553	(14)
	<u>2,561</u>	<u>(14)</u>

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2022 (six months ended 30 June 2021: same).

PRC corporate income tax

During the six months ended 30 June 2022 and 2021, the Group's subsidiaries in the PRC are subject to the China corporate income tax ("PRC 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 PRC, is qualified for high and new technology enterprise status and is therefore subject to a preferential income tax rate of 15%.

PRC dividend withholding tax

Dividends distributed out from the profits generated by the PRC 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 PRC subsidiaries are established in Hong Kong and meet the requirements to the tax treaty arrangements between the PRC and Hong Kong.

During the six months ended 30 June 2022 and 2021, no provision for PRC 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 Law (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.

7. 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 2022.

	Six months ended 30 June	
	2022	2021
Loss attributable to the shareholders of the Company (<i>RMB'000</i>)	(9,554)	(10,703)
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>(0.016)</u>	<u>(0.017)</u>

8. DIVIDENDS

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

9. TRADE AND OTHER RECEIVABLES

		As at	
	Note	30 June 2022	31 December 2021
Current			
Trade receivables – third parties	a	31,637	22,784
Less: loss allowance of trade receivables		<u>(2,163)</u>	<u>(472)</u>
		<u>29,474</u>	<u>22,312</u>
Bills receivables		4,918	10,863
Less: loss allowance of bills receivables		<u>(13)</u>	<u>(29)</u>
		<u>4,905</u>	<u>10,834</u>
Prepayments			
– Third parties		6,963	4,840
– Related parties		<u>21</u>	<u>20</u>
		<u>6,984</u>	<u>4,860</u>
Other receivables			
– Third parties		7,289	7,856
– Related parties		1,062	1,415
Less: loss allowance of other receivables			
– Third parties		(354)	(420)
– Related parties		<u>(16)</u>	<u>(21)</u>
		<u>7,981</u>	<u>8,830</u>
		<u>49,344</u>	<u>46,836</u>

- (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 30 June 2022 and 31 December 2021, the ageing analysis of the trade receivables is as follows:

	As at	
	30 June 2022	31 December 2021
Less than 30 days	15,815	9,087
31–90 days	4,796	8,259
91–180 days	775	2,831
181–365 days	8,414	1,373
Over 365 days	<u>1,837</u>	<u>1,234</u>
	<u>31,637</u>	<u>22,784</u>

The Group applies the simplified approach prescribed by HKFRS 9 to provide for expected credit losses.

10. TRADE AND OTHER PAYABLES

	As at	
	30 June 2022	31 December 2021
Trade payables – third parties	54,503	66,502
Other payables		
– Third parties	10,180	21,036
– Related parties	394	593
Payroll payable	4,584	7,068
Deposits	4,665	4,489
Other taxes payable	878	4,381
Dividends payable	396	396
	<u>75,600</u>	<u>104,465</u>

At 30 June 2022 and 31 December 2021, the ageing analysis of the trade payables based on invoice date is as follows:

	As at	
	30 June 2022	31 December 2021
Less than 30 days	39,608	35,931
31–90 days	12,202	24,724
91–180 days	402	2,454
181–365 days	1,005	1,040
Over 365 days	1,286	2,353
	<u>54,503</u>	<u>66,502</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

Business Review

Printer Business

For the six months ended 30 June 2022, the revenue of the Group derived from the printer business was approximately RMB138,818,000, which accounted for approximately 91% of the total revenue of the Group, almost remained stable as compared with that of in the first half of 2021.

Other Products

For the six months ended 30 June 2022, the revenue of the Group derived from the other products business amounted to approximately RMB12,937,000, which accounted for approximately 9% of the total revenue of the Group and represented an increase of approximately 251% as compared with that of the corresponding period in 2021. The increase was mainly attributable to the increase of sales of raw materials and projectors in the first half of 2022.

Future Business Outlook

During the first half of 2022, recurring epidemic outbreaks were reported in several regions in Mainland China. In particular, Shanghai had been subject to lockdown measures for several months, and our business had been affected to a certain extent. Nevertheless, thanks to the vigorous united effort of our staff, the Company sustained stable development in the first half of 2022, during which the commercial production and delivery of medical portable oxygen concentrators and medical nebulisers was completed.

Printing and Cloud Applications

Dot-matrix printers represent a traditional business in which the Company has been deeply engaged in for many years. In recent years, we have been making consistent effort to identify new opportunities in the industry and market. For example, the Company’s portable dot-matrix mini-printer is now able to address the shortcoming of thermal printing that its output cannot be kept for a prolonged period, and can also meet the requirement of multi-page printing, hence commanding extensive market application demands in sectors such as emergency centre ambulance service and the distribution business. With the further implementation of “cross-provincial operation” of the nationwide public security authorities, Jolimark’s red and black identification document printing products have been highly commended in applications relating to “cross-provincial operation” of the public security authorities, and are currently put to extensive applications by the public security authorities in Guizhou, Fuzhou, Anhui and Chongqing. During the first half of 2022, the Company added a paper roll feeder support device and a direct-current power supply source designed for use on vessels to its 80-column roller printer to complete its development of a specialized printer for offshore vessels and obtained new orders for the product.

The Company continued to develop its inkjet printing business, the products of which included inkjet printers for medicine bags and prescription notes for the medical sector, official “red letter-headed” printers for government, colour inkjet printers for homes and offices, colour label printers for the manufacturing and commercial sectors, and the coffee art machine and manicure machine for personal customers and the commercial sector.

Jolimark’s electronic invoice cloud printing standards represent an important strategic partner for WeChat and Alipay for their electronic invoice cloud printing services. Jolimark electronic invoice cloud printers and cloud printing solutions have been widely adopted by leading customers in many industries, such as State Grid, China Telecom, Aisino of China (中國航天信息), PetroChina, Sinopec and other large customers. The Company’s cloud printing platform has provided cloud printing services across networks in different locations to customers. We are engaged in close cooperation with leading suppliers of sales, purchase & inventory management software, such as Kingdee, Guanjiapo and Qin Silk.

On the back of cloud printing, the Company has been actively engaged in the research and promotion of SAAS applications. Currently, the Company has launched a variety of SAAS cloud applications. “E Invoicing (E開單)” has gradually entered the phase where it is able to charge software service fees, as users have been switching to paid subscription. We will carry on with content output via the new media platform in the latter half of the year, when business promotion of the product will be conducted also with the benefit of the private traffic platform, which is currently under construction. During the first half of 2022, Jolimark Cloud Printing successfully deployed its products at the outlets of chain-store business partners such as M.Y.J to provided unmanned self-service document printing service for users. In the second half of the year, we expect to open stores for vendors’ direct deployment. The Company will integrate a number of SAAS cloud application products to enhance the cross-marketing effect between products and users, so as to increase user stickiness with Jolimark.

Medical Equipment Products

Following the testing and rigorous examination procedure on medical equipment conducted by national authorities, the Company successfully obtained medical product registration permit and production permit for its medical portable oxygen concentrator in early 2022. This product is mainly designed for patients dependent on oxygen concentrators for breathing support, such as those suffering from retarded lung functions, chronic obstructive pulmonary disease and asthma. Its minute size and light weight allow patients to remain socially engaged. It is also useful for mountaineering, high-altitude tourism, or for use personally in the office or in domestic oxygen bars. It helps to improve memory and reduce fatigue for overstressed brain of workers and enhance the arterial blood oxygen content of expectant mothers for the benefit of their babies’ growth. Following promotional initiatives and trial use by patients during the first half of the year and in response to demands reflected in market surveys and feedback, we plan to develop a model with larger capacity, the 6L medical portable oxygen concentrator, as well as a portable oxygen concentrator with smart control of oxygen supply volume. To address the needs of patients suffering from severe illness, we will conduct research electronic pulse oxygen concentrators capable of supplying oxygen with 93% concentration and an

output volume of over 10 litres. In terms of function, it will support inhalation therapy with oxygen nebulisation to provide better therapeutic effects to patients. In the meantime, we plan to develop wearable ring oxygen monitors and heart-rate monitors, among others, to form a range of oxygen-based healthcare equipment including categories such as medical oxygen therapy, medical nebuliser, healthcare oxygen therapy and supplementary oxygen for travellers, in a bid to develop the medical equipment business into a core business segment of the Company.

Self-serviced Terminals

Offered in a range of formats, including cabinet, operating platform and desktop, among others, the Jolimark self-serviced terminal product line has been applied in multiple scenarios for sectors such as smart government service, medical care, State Grid service hall, tax administration halls and welfare lottery centres, using the Company's core technologies such as cloud printing. Given the enormous market demand for self-serviced terminals, the Company is planning to forge it into a core business.

The self-serviced terminal supplied to the Beijing Municipal Administrative Center in support of government services is a high-performance man-machine interactive product developed to facilitate the digitization of the "Five-One" platform and a self-serviced government service terminal which integrates administrative approval, process management and self-servicing. The terminal has started to be installed in selected street and rural township service halls in Beijing since 2022. During the first half of 2022, the Company's self-serviced lottery printer terminal CSLCMT passed the test conducted by an authoritative national third-party testing agency. This self-serviced equipment is capable of printing lottery tickets with different specifications issued by different provinces and cities in China, and is expected to be launched in the second half of the year. Meanwhile, on top of its existing 21.5-inch screenless self-serviced terminal, the Company has launched the APM-15W series, a red-and-black electronic bill self-serviced terminal with a 15.6-inch screen operating platform to provide customers with additional choices from an enriched product line.

Financial Review

Results Summary

For the six months ended 30 June 2022, the Group's turnover amounted to approximately RMB151,755,000, representing a slight increase of approximately 7% as compared to that of the corresponding period of last year. The raw material price continued its increasing trend from the second half of 2021, resulting in a decrease of the Group's consolidated gross profit margin from approximately 31% to approximately 28% as compared to the corresponding period of last year. The loss attributable to shareholders of the Company amounted to approximately RMB9,554,000, representing a decrease of approximately RMB1,149,000 in loss as compared with that of in the first half of 2021. The basic loss per share as at 30 June 2022 was approximately RMB0.016 (the basic loss per share as at 30 June 2021: RMB0.017). The loss attributable to shareholders for the first half of 2022 was mainly due to the decline in commercial activities and market demand owing to recurring epidemic outbreaks in certain regions in Mainland China, as well as rising prices for materials resulting in a year-on-year decline in gross profit margin to 28%.

Capital Expenditure

For the six months ended 30 June 2022, capital expenditure of the Group amounted to approximately RMB2,851,000, which was mainly used for the acquisitions of production equipment and customization of product molds.

Financial and Liquidity Position

As at 30 June 2022, the total assets of the Group amounted to approximately RMB403,724,000 (31 December 2021: RMB457,133,000), controlling shareholder's interests amounted to approximately RMB187,568,000 (31 December 2021: RMB206,015,000); non-controlling interests amounted to approximately RMB(439,000) (31 December 2021: RMB(129,000)); current liabilities amounted to approximately RMB194,546,000 (31 December 2021: RMB225,692,000), and the current ratio (the ratio of current assets to current liabilities) of the Group was approximately 1.29 (31 December 2021: 1.27), representing a slight increase.

As at 30 June 2022, the cash and cash equivalents and restricted cash of the Group amounted to approximately RMB77,429,000 (31 December 2021: RMB63,921,000) in aggregate. The outstanding bills receivables from customers amounted to approximately RMB4,918,000 (31 December 2021: RMB10,863,000). The bank loans amounted to approximately RMB124,484,000 (31 December 2021: approximately RMB109,469,000).

Pledge of Assets

As at 30 June 2022, property, plant and equipment of RMB35,119,000 (31 December 2021: RMB4,339,000) and right-of-use assets of RMB7,000,000 (31 December 2021: nil) were pledged as collateral for the Group's bank borrowings of RMB114,900,000 (31 December 2021: RMB15,000,000). As at 30 June 2022, the transferred receivables recognised in bills receivable amounted to RMB2,710,000 (31 December 2021: 7,442,000). The amounts repayable under these agreements are presented as secured borrowing of RMB2,692,000 (31 December 2021: RMB7,423,000).

Foreign Currency Risks

The Group mainly operates in Mainland China 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 2022, the Group had more monetary financial liabilities than financial assets outside mainland China.

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 2022 (31 December 2021: nil).

Staff

As at 30 June 2022, the Group employed a total of 792 staff members (31 December 2021: 781 staff members). Apart from 19 employees employed in Hong Kong and overseas, all employees of the Group were based in mainland China. The Group determined its remuneration and bonus policies for all employees with reference to the business results and individual performance of the staff. 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 2022 (six months ended 30 June 2021: 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 14 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 2022, 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 ongoing restrictions on cross border travels and social distancing caused by the COVID-19 epidemic and 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 25 May 2022. 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 2022, 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 10 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 2022 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 2022.

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, Dr. Zhong Xiaolin and Mr. Yeung Kwok Keung. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2022 had been reviewed by the Audit Committee.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2022 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) and the Company (www.jolimark.com). The interim report of the Company for the six months ended 30 June 2022 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, 23 August 2022

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, Dr. Zhong Xiaolin and Mr. Yeung Kwok Keung.