

Jolimark

Jolimark Holdings Limited
映美控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2028

2025
Interim Report

Contents

2	Corporate Information
3	Management's Discussion and Analysis
8	Report on Review of Interim Financial Statements
10	Condensed Consolidated Interim Statement of Financial Position
12	Condensed Consolidated Interim Statement of Profit or Loss
13	Condensed Consolidated Interim Statement of Comprehensive Income
14	Condensed Consolidated Interim Statement of Changes in Equity
15	Condensed Consolidated Interim Statement of Cash Flows
16	Notes to the Condensed Consolidated Interim Financial Statements
37	Other Information

Corporate Information

Directors

Executive Directors

Mr. Au Pak Yin (*Chairman*)
Mr. Au Kwok Lun (*Chief Executive Officer*)

Non-Executive Director

Mr. Ou Guo Liang

Independent Non-Executive Directors

Ms. Kan Lai Kuen, Alice
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Registered Office

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong

Unit 07, 21 Floor
K. Wah Centre
191 Java Road
North Point
Hong Kong

Company Secretary

Mr. Lai Sai Wo, Ricky

Authorised Representatives

Mr. Au Kwok Lun
Mr. Lai Sai Wo, Ricky

Audit Committee

Ms. Kan Lai Kuen, Alice (*Chairman*)
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Remuneration Committee

Mr. Yeung Kwok Keung (*Chairman*)
Mr. Sun Po Yuen
Ms. Kan Lai Kuen, Alice
Mr. Au Kwok Lun

Nomination Committee

Ms. Kan Lai Kuen, Alice (*Chairman*)
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Auditor

Gary Cheng CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
12th Floor, Elite Centre
22 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Legal Adviser to the Company as to Hong Kong Law

Sidley Austin
Level 39
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal Bankers

China Construction Bank
Agricultural Bank of China
Nanyang Commercial Bank
Xiamen International Bank
China Guangfa Bank

Stock Code

2028

Website

www.jolimark.com

Management's Discussion and Analysis

Business Review

Printer Business

For the six months ended 30 June 2025, the revenue of the Group derived from the printer business was approximately RMB62,581,000, which accounted for approximately 89% of the total revenue of the Group and represented a decrease of approximately 13% as compared with that of the corresponding period in 2024. The decrease in revenue was mainly attributable to the ongoing promotion of digital e-invoice across the board in the Chinese Mainland and insufficient market demand.

Other Products

For the six months ended 30 June 2025, the revenue of the Group derived from the other products business amounted to approximately RMB7,614,000, which accounted for approximately 11% of the total revenue of the Group and represented a decrease of approximately 39% as compared with that of the corresponding period in 2024. The decrease in revenue was mainly attributable to the decrease in sales of consumables in 2025.

Future Business Outlook

In 2025, the Company has reported year-on-year decline in its traditional 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 domestic lacklustre consumer spending. Meanwhile, our medical products business has registered a steady growth. 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. Coupled with the planned launch of our medical products, we continue to be confident in our future business development.

Printing Equipment and Solutions

The dot-matrix type printer of Jolimark continued to focus on the enterprise and industry document printing market, deepened its leading position in segments such as power, weighing instruments, public security, and shipping, constantly enhanced core products competitiveness, and strengthened the positioning of "Choose Jolimark for Document Printing". It improved the cost-effectiveness and quality stability of traditional dot-matrix type printers and cloud printers by optimising product models and reducing supply chain costs, thereby consolidating the existing market share and profitability. The Company launched the web version of the E Invoicing software in the first half of 2025 for issuing, writing-off and storing invoices, whose purpose is to enhance users loyalty. Simultaneously, the Company continued to explore emerging printing scenarios, planned to launch a new version of the archive box printer and the thermal printer for grand theater tickets, striving to seek new business growth points by expanding into niche markets in industries such as archive management and cultural ticketing.

Management's Discussion and Analysis (continued)

In terms of the inkjet printer business, on the basis of continuous paper feed inkjet printers and “red letter-headed” feed inkjet printers, the “Smart Finance e-Office” series of professional printers was launched at 2024 year end to meet the financial and office needs of small and medium-sized enterprises. Equipped with a dualpaper 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 financial management. The Company is expected to launch the upgraded continuous paper feeding inkjet printers and card feed inkjet printers in 2025 to better serve a wide range of hospitals and government agencies.

In terms of the self-serviced terminals, the core technologies of the Company, such as red and black dual-colour inkjet printing, cloud printing and remote error alert, have already achieved diverse applications in various scenarios, including smart government services, medical care, and the lottery industry, and the intelligent cloud-based self-service delivery cabinets for logistics application scenarios are currently in use in many regions. In the first half of 2025, with the development of AI-powered robotic arm coffee vending machines and the increasing popularity of wearable armor, the sales of latte art machines and manicure machines in the PRC have shown an upward trend. The number of customers approaching the Company for consultation and negotiation of cooperation has increased and it is expected that the sales of latte art machines and manicure machines will record a stable growth in the future.

Medical Equipment Products

Following the obtaining of the medical product registration permit of China for the 3L, 5L and 7L-equivalent medical portable oxygen concentrators, the Company obtained the medical product registration permit of China for its 5L desktop oxygen concentrators in June 2025 and the medical quality management system certificate in April 2025. For portable oxygen concentrators, the Company will continue to develop the 4L, 6L, and 8L-equivalent models, with plans to obtain medical registration permit for new products by October 2025. By the end of 2025, the Company aims to establish a full product line of portable oxygen concentrators ranging from 3L to 8L-equivalent. For medical desktop oxygen concentrators, the Company will expand its offerings beyond the 5L desktop model to include the 7L and 10L desktop versions, ultimately forming a complete series of 5L, 7L and 10L desktop oxygen concentrators.

The Company is currently discussing with many automotive manufacturers for the production of vehicle-mounted oxygen concentrators. It has already provided oxygen concentrator solutions to several automakers and is expected to jointly launch vehicle-mounted oxygen concentrators with automotive production partners in the second half of the year. In the second half of 2025, the Company also plans to introduce a cloud-based version of its desktop oxygen concentrator. This version will enable real-time machine monitoring through a self-developed WeChat mini programme, while also integrating with oximeter rings to track user health data and provide instant alerts to users or their family members. On another front, the Company has signed a collaborative R&D agreement with Guangzhou Mingyi Technology (廣州明醫科技) for invasive ventilators. Leveraging Mingyi Technology's influence in respiratory hospital networks, the product is expected to replace imported ventilators upon its launch. Coupled with China's support for medical equipment localization, the ventilators will become another key medical product for the Company in the future.

Financial Review

Results Summary

For the six months ended 30 June 2025, the Group's turnover amounted to approximately RMB70,195,000, representing a decrease of approximately 17% as compared to that of the corresponding period of last year. The loss attributable to shareholders of the Company amounted to approximately RMB30,935,000, as compared with a loss of approximately RMB43,406,000 in the first half of 2024. The basic loss per share as at 30 June 2025 was approximately RMB0.050 (the basic loss per share as at 30 June 2024: RMB0.071). The loss attributable to shareholders for the first half of 2025 was mainly due to insufficient market demand as a result of ongoing promotion of digital e-invoice across the board in the Chinese Mainland, as well as the recognition of asset impairment.

Analysis of Sales and Gross Profit

Compared with the first half of 2024, due to the insufficient market demand as a result of ongoing promotion of digital e-invoice across the board in the Chinese Mainland, the Group's total sales revenue in the first half of 2025 was RMB70,195,000, represented a decrease of approximately 17% as compared with that of the corresponding period in 2024.

The Group's consolidated gross profit was RMB2,976,000, and consolidated gross profit margin increased to 4%, which was due to the substantial year-on-year decrease in asset impairment as compared to that of the corresponding period in 2024.

Capital Expenditure

For the six months ended 30 June 2025, capital expenditure of the Group amounted to approximately RMB1,629,000, which was mainly used for the acquisitions of production equipment and customization of product molds.

Financial and Liquidity Position

As at 30 June 2025, the total assets of the Group amounted to approximately RMB159,070,000 (31 December 2024: RMB206,138,000), controlling shareholder's interests amounted to approximately RMB(21,416,000) (31 December 2024: RMB11,204,000); non-controlling interests amounted to approximately RMB(1,976,000) (31 December 2024: RMB(1,873,000)); current liabilities amounted to approximately RMB153,829,000 (31 December 2024: RMB172,359,000), and the current ratio (the ratio of current assets to current liabilities) of the Group was approximately 0.60 (31 December 2024: 0.73). The decrease in current ratio was mainly attributable to a decrease in current assets of approximately RMB33,221,000 during the period.

As at 30 June 2025, the cash and cash equivalents and restricted cash of the Group amounted to approximately RMB12,128,000 (31 December 2024: RMB24,714,000) in aggregate. The outstanding bills receivables from customers amounted to approximately RMB1,886,000 (31 December 2024: approximately RMB15,617,000). The total borrowings amounted to approximately RMB115,618,000 (31 December 2024: approximately RMB140,797,000). The gearing ratio of the Group was 72.7% as at 30 June 2025 (31 December 2024: 68.3%), being a ratio of sum of borrowings of RMB115,618,000 (31 December 2024: RMB140,797,000) to total assets.

Management's Discussion and Analysis (continued)

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 2025, the fair value of the Company's investment was RMB8,645,000 (31 December 2024: RMB9,321,000). Of which, the Group's holding of 0.33% interest in 大象慧雲信息技術有限公司 (Ele-Cloud Information Technology Co., Ltd.) ("Ele-Cloud"), a company that is engaged in invoices and tax information management services solutions in the PRC, accounted for RMB6,312,000 (31 December 2024: RMB6,312,000) representing approximately 73.01% (31 December 2024: 67.72%) of the Group's financial assets at fair value through other comprehensive income. The original investment cost of the Company in Ele-Cloud in December 2020 was RMB5,009,000. Save for the investments in Ele-Cloud, the Company also hold minority interests in four other companies, ranging from 1.76% 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 2025, property, plant and equipment and right-of-use assets of RMB37,858,000 (31 December 2024: RMB38,579,000) were pledged as collateral for the Group's bank borrowings of RMB88,000,000 (31 December 2024: RMB106,000,000). As at 30 June 2025, the transferred or discounted receivables recognised in bills receivable amounted to RMB nil (31 December 2024: RMB15,436,000). The amounts repayable under these agreements are presented as secured borrowing of RMB15,397,000 as at 31 December 2024.

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 2025, 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.

Future Plans for Material Investments or Capital Assets

As at the date of this report, the Group does not have any plan for any material investments or capital assets.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: nil).

Staff

As at 30 June 2025, the Group employed a total of 541 staff members (31 December 2024: 572 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.

Miscellaneous

The board of Directors (the "Board") is of the opinion that there have been no material changes to the information published in the Company's annual report for the year ended 31 December 2024, other than those disclosed in this report.

Events after the Period

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

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 2025 (six months ended 30 June 2024: nil).

Report on Review of Interim Financial Statements

To the Board of Directors of Jolimark Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial statements set out on pages 10 to 36, which comprises the condensed consolidated interim statement of financial position of Jolimark Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2025 and the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Report on Review of Interim Financial Statements (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the interim financial statements, which indicates that the Group incurred a net loss of approximately RMB31,000,000 during the six months ended 30 June 2025, and a net operating cash outflow of approximately RMB2,315,000. As of that date, the Group's current liabilities exceeded its current assets by approximately RMB60,780,000. The Group had total bank borrowings of approximately RMB107,712,000, of which approximately RMB80,262,000 were current bank borrowings repayable within the next twelve months from 30 June 2025, while it had cash and cash equivalents of approximately RMB11,837,000 as at 30 June 2025. As stated in Note 2(b), these conditions, along with other matters as set out in Note 2(b) to the interim financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Gary Cheng CPA Limited
Certified Public Accountants

Hong Kong, 27 August 2025

Condensed Consolidated Interim Statement of Financial Position

(All amounts in Renminbi Yuan thousands unless otherwise stated)

		As at	
	Note	30 June 2025 Unaudited	31 December 2024 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	12	48,190	58,441
Right-of-use assets	12	6,499	8,115
Investment properties		976	1,181
Intangible assets	12	85	954
Investments accounted for using the equity method	13	1,105	1,119
Financial assets at fair value through other comprehensive income	14	8,645	9,321
Deferred income tax assets		–	124
Club membership		521	613
		66,021	79,868
Current assets			
Inventories	15	51,633	60,626
Trade and other receivables	16	29,288	40,930
Restricted cash	17(a)	291	280
Cash and cash equivalents	17(b)	11,837	24,434
		93,049	126,270
Total assets		159,070	206,138
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium		9,155	9,155
Other reserves		258,616	260,301
Accumulated losses		(289,187)	(258,252)
		(21,416)	11,204
Non-controlling interests		(1,976)	(1,873)
Total equity		(23,392)	9,331

Condensed Consolidated Interim Statement of Financial Position (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	As at	
		30 June 2025 Unaudited	31 December 2024 Audited
LIABILITIES			
Non-current liabilities			
Borrowings	18	27,450	24,000
Lease liabilities		–	105
Provisions for other liabilities and charges	20	223	343
Deferred income tax liabilities		960	–
		28,633	24,448
Current liabilities			
Trade and other payables	19	54,185	45,272
Contract liabilities		10,162	7,201
Current tax liabilities		155	106
Lease liabilities		474	2,148
Borrowings	18	88,168	116,797
Provisions for other liabilities and charges	20	685	835
		153,829	172,359
Total liabilities		182,462	196,807
Total equity and liabilities		159,070	206,138

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

The interim financial statements on pages 10 to 36 were approved by the Board of Directors on 27 August 2025 and were signed on its behalf:

Mr. Au Pak Yin
Director

Mr. Au Kwok Lun
Director

Condensed Consolidated Interim Statement of Profit or Loss

(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	Six months ended 30 June	
		2025 Unaudited	2024 Unaudited
Revenue	6	70,195	84,237
Cost of goods sold	7	(67,219)	(88,210)
Gross profit/(loss)		2,976	(3,973)
Other income		1,571	691
Selling and marketing expenses	7	(10,605)	(13,276)
Administrative expenses	7	(15,127)	(17,695)
Research and development expenses	7	(7,068)	(6,768)
Net impairment losses reversed on financial assets		208	763
Other (losses)/gains – net		(660)	1,728
Operating loss		(28,705)	(38,530)
Finance expenses – net	8	(2,194)	(2,465)
Share of loss of investments accounted for using the equity method	13	(14)	(1)
Impairment loss on investment in associates	13	–	(2,499)
Loss before income tax		(30,913)	(43,495)
Income tax expenses	9	(87)	–
Loss for the period		(31,000)	(43,495)
Loss attributable to:			
– Shareholders of the Company		(30,935)	(43,406)
– Non-controlling interests		(65)	(89)
		(31,000)	(43,495)
Loss per share for loss attributable to the shareholders of the Company (expressed in RMB per share)			
– Basic	10	(0.050)	(0.071)
– Diluted	10	(0.050)	(0.071)

The above condensed consolidated interim statement of profit or loss should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Comprehensive Income

(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Six months ended 30 June	
	2025 Unaudited	2024 Unaudited
Loss for the period	(31,000)	(43,495)
Other comprehensive (loss)/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	(676)	(3,487)
Income tax relating to these items	(1,047)	713
Other comprehensive loss for the period, net of tax	(1,723)	(2,774)
Total comprehensive loss for the period	(32,723)	(46,269)
Total comprehensive loss for the period attributable to:		
– Shareholders of the Company	(32,620)	(46,100)
– Non-controlling interests	(103)	(169)
	(32,723)	(46,269)

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

Condensed Consolidated Interim Statement of Changes in Equity

(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital and premium	Other reserves	Accumulated losses	Total			
Balance at 1 January 2025 (Audited)	9,155	260,301	(258,252)	11,204	(1,873)		9,331
Comprehensive loss							
Loss for the period	–	–	(30,935)	(30,935)	(65)		(31,000)
Other comprehensive loss for the period	–	(1,685)	–	(1,685)	(38)		(1,723)
Total comprehensive loss for the period	–	(1,685)	(30,935)	(32,620)	(103)		(32,723)
Balance at 30 June 2025 (Unaudited)	9,155	258,616	(289,187)	(21,416)	(1,976)		(23,392)
Balance at 1 January 2024 (Audited)	9,155	267,115	(198,418)	77,852	(1,077)		76,775
Comprehensive loss							
Loss for the period	–	–	(43,406)	(43,406)	(89)		(43,495)
Other comprehensive loss for the period	–	(2,694)	–	(2,694)	(80)		(2,774)
Total comprehensive loss for the period	–	(2,694)	(43,406)	(46,100)	(169)		(46,269)
Contributions by the shareholders of the Company recognised directly in equity							
Employee share option scheme – value of employee services	–	5	–	5	–		5
Total contributions by the shareholders of the Company recognised directly in equity	–	5	–	5	–		5
Balance at 30 June 2024 (Unaudited)	9,155	264,426	(241,824)	31,757	(1,246)		30,511

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

Condensed Consolidated Interim Statement of Cash Flows

(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	Six months ended 30 June	
		2025 Unaudited	2024 Unaudited
Cash flows from operating activities			
Cash used in operations		(161)	(16,766)
Interest paid		(2,154)	(2,118)
Net cash used in operating activities		(2,315)	(18,884)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,629)	(2,001)
Purchase of other assets		–	(171)
Disposals of property, plant and equipment		87	134
Dividend received from an investee company		–	199
Interest received		29	198
Net cash used in investing activities		(1,513)	(1,641)
Cash flows from financing activities			
Proceeds from borrowings		67,386	55,000
Repayments of borrowings		(75,322)	(43,276)
Principal elements of lease payments		(833)	(967)
Net cash (used in)/generated from financing activities		(8,769)	10,757
Net decrease in cash and cash equivalents		(12,597)	(9,768)
Cash and cash equivalents at beginning of the period	17	24,434	37,291
Exchange gains on cash and cash equivalents		–	16
Cash and cash equivalents at end of the period	17	11,837	27,539

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

Notes to the Condensed Consolidated Interim Financial Statements

(All amounts in Renminbi Yuan thousands unless otherwise stated)

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 statements has not been audited.

2. Basis of preparation

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

This condensed consolidated interim financial statements for the six months ended 30 June 2025 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”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “Listing Rules”) of the Stock Exchange.

The condensed consolidated interim financial statements does not include all the notes of the type normally included in an annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards, and the disclosure requirements of the HKCO.

(b) Going concern basis

For the six months ended 30 June 2025, the Group recorded a loss of approximately RMB31,000,000 and a net operating cash outflow of approximately RMB2,315,000. As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately RMB60,780,000. The Group had total bank borrowings of approximately RMB107,712,000, of which approximately RMB80,262,000 were current bank borrowings repayable within the next twelve months from 30 June 2025, while it had cash and cash equivalents of approximately RMB11,837,000 as at 30 June 2025.

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 2025, which led to a continuous decrease in revenue of Printers Segment as defined in Note 6 and resulted in net operating cash outflows for the six months ended 30 June 2025.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

2. Basis of preparation (continued)

(b) Going concern basis (continued)

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 meet 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. The Group successfully renewed bank borrowings of RMB20,000,000 during August 2025 from its major banking facilities, with a total facility limit of RMB88,000,000. 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 anticipated that the domestic market demand for dot-matrix printers will stabilize. 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 period, and 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 RMB31,500,000 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 management, which cover a period not less than twelve months from 30 June 2025. 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 believe 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 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

2. Basis of preparation (continued)

(b) Going concern basis (continued)

Notwithstanding the above, a material uncertainty exists as to whether the Group will be 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 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 statements.

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 amended standards as set out below.

3.1 Amended standards adopted by the Group

The following amended standards are mandatory for adoption for the financial year beginning 1 January 2025 for the Group:

Amendments to HKAS 21	Lack of Exchangeability
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The Group has assessed the impact of the adoption of these 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.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

3. Accounting policies (continued)

3.2 New and amended standards issued but are not effective for financial year beginning 1 January 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	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
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

The Group has already commenced an assessment of the impact of these new standards and amendments and interpretations, certain of which are relevant to the Group's operations, and not expected to have a material impact on the Group in the current or future reporting period.

4. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing of this condensed consolidated interim financial statements, significant judgments were made by management in applying the Group's accounting policies and the key sources of estimation uncertainty was the same as those applied to the preparation of the consolidated financial statements for the year ended 31 December 2024.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

There have been no significant changes in risk management policies during the six months ended 30 June 2025.

(a) Liquidity risk

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors of the Company have a reasonable expectation that the Group could renew its banking facilities when they expire and therefore has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial statements.

5.2 Fair value estimation

The Group's financial assets include cash and cash equivalents, restricted cash, trade and other receivables and financial assets at fair value through other comprehensive income ("FVOCI"). The Group's financial liabilities include trade and other payables, lease liabilities and borrowings. The fair value for financial assets and liabilities with maturities less than one year are assumed to approximate their carrying amounts due to their short term maturities.

The different levels of fair value hierarchy are defined as below:

Level 1 – The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2 – The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

5. Financial risk management (continued)

5.2 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair values at 30 June 2025 and 31 December 2024.

	As at	
	30 June 2025	31 December 2024
Level 3		
Financial assets at FVOCI (note 14)	8,645	9,321

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case by case basis. At each reporting date, the Group would assess the fair value of the Group's level 3 instruments by using valuation techniques, including:

- the use of quoted market prices or dealer quotes for similar instruments;
- the recent market transactions for the same or a similar asset; and
- for other financial instruments – discounted cash flow analysis or market approach.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement:

Description	Fair value at 30 June 2025	Valuation techniques	Unobservable inputs	Range of inputs at 30 June 2025	Relationship of unobservable inputs to fair value
Financial assets at FVOCI – unlisted equity securities	–	Market approach	Price Earnings Ratio ("P/E")	P/E: 14.73-66.12	The higher P/E, the higher fair value
	2,333	Market approach	Price-to-Book Ratio ("P/B")	P/B: 0.35-1.5	The higher P/B, the higher fair value
	6,312	Market approach	Recent market price per share	26.83	The higher recent market price per share, the higher fair value

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

6. 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 2025 are as follows:

	Printers	Other products	Total
Revenue from external customers (note (a))	62,581	7,614	70,195
Timing of revenue recognition			
At a point in time	62,581	7,614	70,195
Over time	–	–	–
Segment results	(12,872)	(1,825)	(14,697)
Other income			1,571
Administrative expenses			(15,127)
Net impairment losses reversed on financial assets			208
Other losses – net			(660)
Finance expenses – net			(2,194)
Share of losses of investments accounted for using the equity method			(14)
Income tax expenses			(87)
Loss for the period			(31,000)
Segment results include:			
Selling and marketing expenses	(8,247)	(2,358)	(10,605)
Research and development expenses	(6,954)	(114)	(7,068)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

6. Segment information (continued)

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

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

- (a) Revenues from external customers are for sales of goods. There is no inter-segment sales for the six months ended 30 June 2025 and 2024.
- (b) The Group is domiciled in the Chinese Mainland. The revenue from external customers are as follows:

	Six months ended 30 June	
	2025	2024
In the Chinese Mainland	67,216	82,009
In overseas	2,979	2,228
	70,195	84,237

- (c) For the six months ended 30 June 2025, approximately 24% of total revenue (six months ended 30 June 2024: 44%) are derived from a single external customer, which is attributable to the segment of printers.
- (d) For the six months ended 30 June 2025 and 2024, the Group's non-current assets were mainly located in the Chinese Mainland.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

7. Expenses by Nature

	Six months ended 30 June	
	2025	2024
Raw materials and consumables recognised in cost of goods sold and expenses	47,692	51,608
Employee benefit expenses	27,389	26,819
Provision for inventories	2,950	8,580
Depreciation and amortisation	6,342	6,913
Impairment of property, plant and equipment and intangible assets	7,077	20,078
Transportation expenses	1,400	2,113
Travel and entertainment expenses	1,295	2,132
Advertising and promotion fees	890	875
Repairs and maintenance	665	963
Operating leases	223	735
Auditor's remuneration	150	575
Outsourcing labour costs	35	–
Service fees for product development	822	680
Legal and professional fees	587	1,004
Others	2,502	2,874
	100,019	125,949

8. Finance expenses – net

	Six months ended 30 June	
	2025	2024
Interest expenses		
– Bank borrowings	1,893	2,335
– Discounted bills without recourse	237	–
– Loan from a non-controlling shareholder	40	57
– Lease liabilities	15	67
Exchange losses on bank borrowings	9	6
	2,194	2,465

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

9. Income tax expenses

	Six months ended 30 June	
	2025	2024
Current income tax expenses		
– Hong Kong profits tax	25	–
– Dividend withholding tax	25	–
Deferred income tax	37	–
	87	–

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2025 (six months ended 30 June 2024: 16.5%).

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% (2024: 15%) for the six months ended 30 June 2025. The effective CIT rate of other group entities in the Chinese Mainland is 25% (2024: 25%).

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.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

9. Income tax expenses (continued)

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.

10. 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 (31 December 2024: 700,000) 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 2025.

	Six months ended 30 June	
	2025	2024
Loss attributable to the shareholders of the Company (RMB'000)	(30,935)	(43,406)
Weighted average number of ordinary shares in issue (shares in thousands)	612,882	612,882
Basic and diluted loss per share (RMB per share)	(0.050)	(0.071)

11. Dividends

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

12. Property, plant and equipment, right-of-use assets and intangible assets

	Property, plant and equipment	Right-of-use assets	Intangible assets		
Goodwill			Others	Total	
Six months ended 30 June 2025					
Opening net book amount as at 1 January 2025	58,441	8,115	–	954	67,510
Additions	1,629	293	–	–	1,922
Disposals	(396)	–	–	–	(396)
Termination	–	(1,140)	–	–	(1,140)
Depreciation and amortisation	(5,040)	(769)	–	(236)	(6,045)
Impairment losses (Note 12b)	(6,444)	–	–	(633)	(7,077)
Closing net book amount as at 30 June 2025	48,190	6,499	–	85	54,774
Six months ended 30 June 2024					
Opening net book amount as at 1 January 2024	79,525	9,105	48	2,557	91,235
Additions	2,000	924	–	–	2,924
Disposals	(260)	(45)	–	–	(305)
Depreciation and amortisation	(5,319)	(1,039)	–	(507)	(6,865)
Impairment losses (Note 12b)	(19,431)	–	–	(647)	(20,078)
Closing net book amount as at 30 June 2024	56,515	8,945	48	1,403	66,911

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

12. Property, plant and equipment, right-of-use assets and intangible assets (continued)

- (a) As at 30 June 2025, property, plant and equipment of approximately RMB31,725,000 (31 December 2024: RMB32,202,000) and right-of-use assets of approximately RMB6,133,000 (31 December 2024: RMB6,277,000) were pledged as collateral for the Group's bank borrowings (note 18).

(b) Impairment

The impairment occurred on two levels.

(i) Assets level impairment

The accumulated impairment losses of RMB5,252,000 (31 December 2024: RMB5,252,000) relates to the moulds that identified as obsolete and dormant assets due to the iteration of the relevant products. No additional loss was recognised in the condensed consolidated interim statement of profit or loss for the six months ended 30 June 2025.

(ii) Cash generated unit ("CGU") level impairment

Given the countrywide application of the fully digitalized electronic invoice, domestic market demand of the dot-matrix printers decreased continuously, the operating cash inflows from sales of dot-matrix printers, which was the Group's main products, were decreased during the six months ended 30 June 2025. As a result, the actual net operating cash flows or operating profit or loss flowing from the asset being used for the printer business were significantly worse than management's expectation. Both circumstances contribute to the indication of impairment of long-term assets. The management has conducted impairment tests on long-term assets accordingly.

The Group classifies the long-term assets comprising property, plant and equipment, intangible assets and right-of-use assets being used for the printer business as a CGU ("Printer CGU") to conduct impairment test of the long-term assets.

The long-term assets in the Printer CGU were written down from their carrying amount of approximately RMB52,293,000 (six months ended 30 June 2024: RMB78,435,000) to its recoverable amount of approximately RMB45,216,000 (six months ended 30 June 2024: RMB58,357,000), which was determined by the value-in-use of CGU and the pre-tax discount rate used in the value-in-use calculation is 10.83% (six months ended 30 June 2024: 14.19%).

For the six months ended 30 June 2025 and 2024, additional impairment losses related to the Printer CGU are recognised in the condensed consolidated interim statement of profit or loss, amounted at RMB7,077,000 (six months ended 30 June 2024: RMB20,078,000), among which approximately RMB6,444,000 (six months ended 30 June 2024: RMB19,431,000) and approximately RMB633,000 (six months ended 30 June 2024: RMB647,000) were allocated to the property, plant and equipment and intangible assets, respectively.

For the six months ended 30 June 2025 and 2024, the impairment losses of approximately RMB7,077,000 (six months ended 30 June 2024: RMB17,692,000) and RMB nil (six months ended 30 June 2024: RMB2,386,000) are respectively recognised in cost of sales and administrative expenses in the condensed consolidated interim statement of profit or loss.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

13. Investments accounted for using the equity method

	Six months ended 30 June	
	2025	2024
Balance at 1 January	1,119	3,233
Share of loss – net	(14)	(1)
Impairment charged	–	(2,499)
Balance at 30 June	1,105	733

14. Financial assets at fair value through other comprehensive income

	Six months ended 30 June	
	2025	2024
Level 3		
Balance at 1 January	9,321	18,964
Fair value losses – net (note)	(676)	(3,487)
Balance at 30 June	8,645	15,477

Note: During the six months ended 30 June 2025, the fair value losses are mainly derived from the investments in Guangdong Aerospace Information Aisino Technology Co., Ltd (“Aisino”). Aisino mainly engages in providing tax related software services to issue electronic invoices in China.

15. Inventories

During the six months ended 30 June 2025, the cost of inventories recognised in condensed consolidated interim statement of profit or loss amounted to approximately RMB60,142,000 (six months ended 30 June 2024: RMB70,586,000), which included provision for inventories amounting to approximately RMB2,950,000 (six months ended 30 June 2024: RMB8,580,000).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

16. Trade and other receivables

	Note	As at	
		30 June 2025	31 December 2024
Current			
Trade receivables – third parties		15,014	14,396
Less: loss allowance of trade receivables		(667)	(856)
	a	14,347	13,540
Bills receivables		1,886	15,617
Less: loss allowance of bills receivables		(8)	(70)
	b	1,878	15,547
Deposits paid to acquisition of intangible assets			
– Related parties	21(c)	100	100
Prepayments			
– Third parties		2,995	1,557
Other receivables			
– Third parties		9,955	9,944
– Related parties	21(c)	173	359
Less: loss allowance of other receivables			
– Third parties		(157)	(112)
– Related parties		(3)	(5)
		9,968	10,186
		29,288	40,930

- (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 2025 and 31 December 2024, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at	
	30 June 2025	31 December 2024
Less than 30 days	5,704	7,681
31–90 days	4,950	3,335
91–180 days	2,647	2,109
181–365 days	1,043	415
Over 365 days	3	–
	14,347	13,540

The Group applies the simplified approach prescribed by HKFRS 9 to provide for expected credit losses. As at 30 June 2025, trade receivables of approximately RMB5,101,000 (31 December 2024: RMB3,715,000) were past due.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

16. Trade and other receivables (continued)

- (b) As at 30 June 2025 and 31 December 2024, bills receivables represent bank acceptance bills.

As at 30 June 2025, the transferred or discounted receivables recognised in bills receivable amounted to RMB nil (31 December 2024: RMB15,436,000). The cash received by transferring or discounting such bills receivables are presented as secured borrowing (note 18).

17. Cash and cash equivalents

(a) Restricted cash

As at 30 June 2025, restricted cash held at banks amounted to approximately RMB291,000 is legally frozen due to the legal claim as set out in Note 20.

(b) Cash and cash equivalents

	As at	
	30 June 2025	31 December 2024
Cash	239	76
Cash at bank	11,425	24,228
Other cash equivalents	173	130
	11,837	24,434

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

18. Borrowings

		As at	
	Note	30 June 2025	31 December 2024
Non-current			
Guaranteed bank borrowings	a	13,450	10,000
Secured bank borrowings	b	21,000	21,000
Less: current portion of non-current borrowings		(7,000)	(7,000)
		27,450	24,000
Current			
Guaranteed bank borrowing	a	1,762	534
Secured bank borrowings	b	67,000	100,397
Add: current portion of non-current borrowings		7,000	7,000
– Guaranteed bank borrowing		6,000	6,000
– Secured bank borrowing		1,000	1,000
Unsecured bank borrowing	c	4,500	4,500
Unsecured loan from an associate	d	2,000	2,000
Unsecured loan from a controlling shareholder	e	3,500	–
Unsecured loan from a non-controlling shareholder	f	2,406	2,366
		88,168	116,797
		115,618	140,797

- (a) Bank borrowings of RMB15,212,000 (31 December 2024: RMB10,534,000) were guaranteed by the directors of the Group, Mr. Au Pak Yin and Mr. Au Kwok Lun. The borrowings bear an interest rate from 2.50% to 3.15% per annum (31 December 2024: 2.50% to 3.10%) below the prime lending rate for HK dollars.

Of the guaranteed bank borrowing, approximately RMB212,000 (31 December 2024: RMB534,000) include a clause that gives the lender the unconditional right to call the loans at any times and were classified as current liabilities.

- (b) As at 30 June 2025, property, plant and equipment of approximately RMB31,725,000 (31 December 2024: RMB32,302,000) and land use right (recorded as right-of-use assets) of approximately RMB6,133,000 (31 December 2024: RMB6,277,000) were pledged as collateral of the Group's bank borrowings of RMB88,000,000 (31 December 2024: RMB106,000,000).

The amounts presented bank borrowings bearing fixed interest rates ranging from 3.0% to 3.6% (31 December 2024: 3.5% to 3.7%) as at 30 June 2025.

- (c) The unsecured borrowing of approximately RMB4,500,000 (31 December 2024: RMB4,500,000) bears an interest rate of 3.6% (31 December 2024: 3.6%).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

18. Borrowings (continued)

- (d) The balance represents an unsecured loan from an associate of RMB2,000,000 (31 December 2024: RMB2,000,000) was originally repayable in April 2025 with interest rate of 0.5%. In April 2025, the repayment term was extended to September 2025.
- (e) This balance represents an unsecured, interest-free loan of RMB3,500,000 from Mr. Au Kwok Lun, a controlling shareholder of the Company. Originally repayable in May 2025, the repayment term was extended to July 2025.
- (f) The loan from a non-controlling shareholder was originally interest free and repayable on demand in June 2016. The due interest was bearing at 5% per annum until the repayment date.

19. Trade and other payables

	Note	As at	
		30 June 2025	31 December 2024
Current			
Trade payables			
– Third parties	a	38,742	26,874
Other payables and accrued expenses	b		
– Third parties		13,820	12,362
– Related parties	21(c)	585	4,779
Refund liabilities			
– Third parties	c	642	861
Dividends payable		396	396
		54,185	45,272

- (a) At 30 June 2025 and 31 December 2024, the aging analysis of the trade payables based on invoice date is as follows:

	As at	
	30 June 2025	31 December 2024
Less than 30 days	2,314	4,755
31–90 days	22,757	14,051
91–180 days	11,719	6,606
181–365 days	578	385
Over 365 days	1,374	1,077
	38,742	26,874

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

19. Trade and other payables (continued)

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

20. Provisions for other liabilities and charges

	As at 30 June					
	2025		Total	2024		Total
	Current	Non-current		Current	Non-current	
Warranties provision (note (i))	319	223	542	469	343	812
Legal claim (note (i))	366	–	366	366	–	366
	685	223	908	835	343	1,178

(i) Information about individual provisions and significant estimates

Warranties provision

The warranties provision represents management's best estimate of the Group's liability under 5-year assurance-type warranty granted on certain printer products, based on prior experience.

Legal claim

During the year ended 31 December 2024, the Group had a dispute with the former employees. Provision has been made against the legal claim according to the court's judgement.

(ii) Movement in provisions

Movements in each class of provision during the financial year are set out below:

	Service warranties	Legal claim	Total
Six months ended 30 June 2025			
Carrying amount as at 1 January 2025	812	366	1,178
Credited to profit or loss	(270)	–	(270)
Carrying amount as at 30 June 2025	542	366	908

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

21. Significant related party transactions

The ultimate holding company of the Company is Au Pak Yin, Tai Noi Kit Family Holdings Limited, which is incorporated in the British Virgin Islands.

Major related parties that had transactions with the Group during the six months ended 30 June 2025 and 2024 were Au Family, the parties controlled by Au Family*, associates and company beneficially owned by Mr. Au Pak Yin and close Au Family Members.

* Mr. Au Pak Yin, Ms. Tai Noi Kit, Mr. Au Kwok Lun, Mr. Ou Guo Liang and Ms. Ou Ri Ai (together, "Au Family") are the beneficial owner of the Company.

(a) Transactions with related parties

Save as disclosed elsewhere in the interim financial statements, during the six months ended 30 June 2025 and 2024, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	Six months ended 30 June	
	2025	2024
Parties controlled by the Au Family		
Sales of goods and services	47	–
Purchases of goods and services	202	500
Lease income	120	110
Lease payment	384	408
Interest income	1	65

(b) Key management compensation

The remuneration of executive directors of the Group and other members of key management of the Group during the year was as follows:

	Six months ended 30 June	
	2025	2024
Salary and other short-term employee benefits	1,349	1,123
Retirement scheme contribution	59	34
	1,408	1,157

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

21. Significant related party transactions (continued)

(c) Balances with related parties

As at 30 June 2025 and 31 December 2024, the Group had the following material balances with related parties:

	As at	
	30 June 2025	31 December 2024
Other receivables and deposits		
paid to acquisition of intangible assets (note 16)		
– An associate (note (i), (ii))	273	459
Other payables and accrued expenses (note 19)		
– Companies beneficially owned by Mr. Au Pak Yin and close Au Family Members (note (ii))	585	4,779
Loan from an associate (note 18)		
– An associate (note (iii))	2,000	2,000
Loan from a controlling shareholder (note 18)		
– Mr. Au Kwok Lun (note (iv))	3,500	–

- (i) The balance represents the deposits paid to acquisition of intangible assets of approximately RMB100,000 (31 December 2024: RMB100,000) and a secured loan to an associate company, Wuhan Hong Rui Da Information Technology Limited Company, which was originally interest free with three-year maturity due in July 2020 and was extended for another 4.5 years upon the original due date. The renewed loan is due in five instalments in July 2021, July 2022, July 2023, July 2024 and January 2025 with interest rate of 4.65% per annum.
- (ii) These amounts due from/to related parties are unsecured, interest-free and repayable/(payable) on demand.
- (iii) The balance represents an unsecured loan from an associate of RMB2,000,000 (31 December 2024: RMB2,000,000) was originally repayable in April 2025 with interest rate of 0.5%. In April 2025, the repayment term was extended to September 2025.
- (iv) This balance represents an unsecured, interest-free loan of RMB3,500,000 from Mr. Au Kwok Lun, a controlling shareholder of the Company. Originally repayable in May 2025, the repayment term was extended to July 2025.

22. Capital Commitments

The future aggregate minimum payments of property, plant and equipment and intangible assets are as follows:

	As at	
	30 June 2025	31 December 2024
Not later than 1 year	100	306

Other Information

Disclosure of Interests

(a) Interests and Short Positions of the Directors and chief executive of the Company

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set forth in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Company/Name of associated corporation	Capacity	Number of ordinary shares held ^(Note 1)	Percentage in the relative class of share capital (approx.)
Mr. Au Pak Yin (“Mr. Au”)	Company	Interest in controlled corporation ^(Note 2)	445,027,533 (L)	72.61%
Mr. Au	Kytronics Holdings Limited (“Kytronics”)	Beneficial owner	5 (L)	100%

Notes:

1. The letter “L” denotes the Director’s long position in such securities.
2. 445,027,533 Shares were owned by Kytronics. The issued share capital of Kytronics is owned as to 100% by Kytronics Growth Limited, which in turn is 100% held by Au Pak Yin, Tai Noi Kit Family Holdings Limited, a company wholly-owned by Mr. Au. Mr. Au is therefore deemed to be interested in these shares by virtue of his interests in Kytronics pursuant to Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Information (continued)

(b) Substantial Shareholders' Interest in the Shares

As at 30 June 2025, as far as is known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Company/Name of associated corporation	Capacity	Number of ordinary shares held	Percentage in the relevant class of share capital (approx.) ^(Note 1)
Kytronics	Company	Beneficial Owner	445,027,533 ^(Note 2)	72.61%(L)
Kent C. McCarthy	Company	Interest in controlled corporation	31,200,000 ^(Note 3)	5.09%(L)

Notes:

1. The letter "L" denotes the person's long position in such securities.
2. 445,027,533 Shares were held directly by Kytronics. The issued share capital of Kytronics is owned as to 100% by Kytronics Growth Limited, which in turn is 100% held by Au Pak Yin, Tai Noi Kit Family Holdings Limited, a company wholly-owned by Mr. Au. Mr. Au is therefore deemed to be interested in these shares by virtue of his interests in Kytronics pursuant to Part XV of the SFO. Ms. Tai Noi Kit is the spouse of Mr. Au. Accordingly, Ms. Tai Noi Kit is deemed to be interested in all the shares in which Mr. Au is interested.
3. 31,200,000 Shares were held by Jayhawk Private Equity Fund II, L.P. which is wholly-owned by Kent C. McCarthy.

Saved as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at 30 June 2025, had any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Share Option Scheme

Details of the share option scheme adopted on 18 May 2015 (the "2015 Scheme") were set out in the published annual report of the Company for the year ended 31 December 2024. Since adoption, 2,900,000 share options have been granted on 25 September 2020 under the 2015 Scheme. No share option was granted under the 2015 Scheme during the six months ended 30 June 2025. As at the beginning of the six months ended 30 June 2025, the number of options available for grant under the 2015 Scheme was 59,781,950 shares. The 2015 Scheme had a term of ten years and expired on 17 May 2025.

In the annual general meeting of the Company held on 28 May 2025, as the 2015 scheme adopted on 18 May 2015 was due to expire on 17 May 2025, the shareholders adopted a new share option scheme (the "2025 Scheme"), which shall be valid and effective until 27 May 2035, being 10 years after the date of its adoption. The adoption of the 2025 Scheme and the expiration of the 2015 Scheme will not in any way affect the terms of the options already granted under the 2015 Scheme, which will continue to be valid and subject to the terms of the 2015 Scheme, there were 700,000 options under the 2015 Scheme as at 30 June 2025. Pursuant to the 2025 Scheme, the Company may grant to, amongst others, the Directors and employees of the Company and its subsidiaries, for the recognition of their contribution to the Group, options to subscribe for the Shares. The purposes of the 2025 Scheme are to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and enable the Group to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group. According to the 2025 Scheme, the Board may, at its discretion, invite any eligible participants, including employees

Other Information (continued)

and directors, to take up options to subscribe for the Shares in the Company. The total number of Shares which may be issued upon the exercise of all options to be granted under the 2025 Scheme and any other scheme must not, in aggregate, exceed 10% of the number of Shares in issue as at the date when the 2025 Scheme was adopted by the shareholders. Subject to the Listing Rules, the total number of Shares that may be granted to a participant in any 12-month period must not exceed 1% of the issued share capital of the Company.

The Offer must be taken up within the time specified in the Offer document, with a payment of HK\$1.00 as consideration for the option. The exercise price of the share option will be determined at the higher of (i) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of Offer; (ii) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (iii) the nominal value of the Shares. The total number of shares available for issue in the 2025 Scheme is 61,288,150 which is equivalent to 10% of the shares in issue when the 2025 Scheme was adopted by the shareholders. The share options are exercisable at any time during a period of no more than 10 years from the date of Offer, subject to the terms and conditions of the 2025 Scheme and any conditions of grant as may be stipulated by the Board. Unless terminated by the Company by resolution in general meeting, the 2025 Scheme shall be valid and effective for a period of 10 years commencing on the date on which the 2025 Scheme becomes unconditional. Since adoption, no options have been granted under the 2025 Scheme.

The number of share options available for grant under the 2025 scheme as at 30 June 2025 and as at the date of this report were 61,288,150 shares.

The following table summarizes the movements in the Company's share options during the six months ended 30 June 2025:

Name	Date of grant	Exercise price HK\$	Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 June 2025	Percentage of the issued share capital of the Company as at the date of this report	Exercise period
Employees	25 September 2020	0.130 (Note 2 and 3)	700,000	–	–	–	–	700,000	0.11%	25 September 2021 to 25 September 2026 ^(Note 1)
Total			700,000	–	–	–	–	700,000	0.11%	

Notes:

1. The first 25% of the option can be exercisable at any time on and after the first anniversary of the date of grant. The next 25% of the option can be exercisable at any time commencing from the second anniversary of the date of grant. The third 25% of the option can be exercisable at any time commencing from the third anniversary of the date of grant. The remaining 25% of the option can be exercisable at any time commencing from the fourth anniversary of the date of grant.
2. The closing price immediately before the date of grant was HK\$0.130.
3. The exercise price was determined by the Board and was fixed at HK\$0.130 per share.

Changes in Information of Directors

There is no change in the directors' information to be disclosed since the publication of the 2024 Annual Report pursuant to Rule 13.51B(1) of the Listing Rules.

Other Information (continued)

Continuing Disclosure Obligations Pursuant to the Listing Rules

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares). As at 30 June 2025, the Company did not have any treasury shares.

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 2025, 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 28 May 2025. Mr. Au Kwok Lun, an executive Director, acted as chairman at the annual general meeting.

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 2025 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 2025.

Review of Condensed Consolidated Interim Financial Statements

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 statements of the Group for the six months ended 30 June 2025 had been reviewed by the Audit Committee.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 had also been reviewed by the Company's independent auditor, Gary Cheng CPA Limited, 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.

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

Hong Kong, 27 August 2025