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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Jolimark Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.

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**JOLIMARK HOLDINGS LIMITED**

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

**(Stock Code: 2028)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTION**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



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A letter from the Board is set out on pages 4 to 10 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 11 of this circular.

A letter from Gram Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 20 of this circular.

A notice convening the EGM to be held at 11:00 a.m. on Monday, 20 January 2020, at Unit 07, 21 Floor, K.Wah Centre, 191 Java Road, North Point, Hong Kong is set out on pages 26 to 27 of this circular. A form of proxy for the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

27 December 2019

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	11
<b>Letter from Gram Capital</b> .....	12
<b>Appendix — General Information</b> .....	21
<b>Notice of Extraordinary General Meeting</b> .....	26

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“2016 CCT Agreement”	the agreement dated 27 October 2016 between Kongyue Information and Guangdong Precisions, the details of which are disclosed in the announcement of the Company dated 27 October 2016;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“business day(s)”	a day (other than a Saturday, Sunday or public holidays) on which banks are open for general banking business in Hong Kong;
“China” or “PRC”	the People’s Republic of China;
“Company”	Jolimark Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at 11:00 a.m. on Monday, 20 January 2020 to consider and, if thought fit, approve the Guangdong Precision Master Agreement and its proposed annual caps;
“FHL”	Au Pak Yin, Tai Noi Kit Family Holdings Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Au as at the Latest Practicable Date;
“Group”	the Company and its subsidiaries;
“Guangdong Precision”	廣東江裕精密工業製造有限公司 (Guangdong Kong Yue Precision Industry Ltd.), a limited liability company established in the PRC and is 100% owned by Mr. Au;
“Guangdong Precision Master Agreement”	the master supply agreement dated 22 November 2019 entered into between Guangdong Precision and Kongyue Information for the supply of plastic parts and components;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board, comprising Ms. Kan Lai Kuen, Alice, Mr. Meng Yan and Mr. Yeung Kwok Keung, all of them being the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders on the continuing connected transaction under the Guangdong Precision Master Agreement;
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Guangdong Precision Master Agreement and its annual caps;
“Independent Shareholder(s)”	Shareholders other than those who are not prohibited from voting at the general meeting in connection with the Guangdong Precision Master Agreement;
“KGL”	Kytronics Growth Limited, a company incorporated in the British Virgin Islands and wholly-owned by FHL as at the Latest Practicable Date;
“Kongyue Information”	新會江裕信息產業有限公司 (Kong Yue Electronics & Information Industry (Xin Hui) Ltd.), a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company;
“Kytronics Holdings”	Kytronics Holdings Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company;
“Latest Practicable Date”	23 December 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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## DEFINITIONS

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“Mr. Au”	Mr. Au Pak Yin, an executive Director and the Chairman of the Company;
“percentage ratios”	refers to the percentage ratios under rule 14.07 of the Listing Rules;
“PRC”	The People’s Republic of China;
“RMB”	means Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	means the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules;
“US\$”	means United States dollars, the lawful currency of United States of America; and
“%”	per cent.

*For the purpose of this circular, certain English translation of Chinese name or words are included for information purpose only and should not be relied upon as the official translation of such Chinese names or words.*

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LETTER FROM THE BOARD

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**JOLIMARK HOLDINGS LIMITED**

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

**(Stock Code: 2028)**

*Executive Directors:*

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

*Independent non-executive Directors:*

Ms. Kan Lai Kuen, Alice  
Mr. Meng Yan  
Mr. Yeung Kwok Keung

*Registered Office:*

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal place of*

*business in Hong Kong:*  
Unit 01, 23A Floor  
K. Wah Centre  
191 Java Road  
North Point  
Hong Kong

27 December 2019

*To: the Shareholders*

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTION**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 22 November 2019 in relation to the continuing connected transaction contemplated under the Guangdong Precision Master Agreement.

The purpose of this circular is to provide you with, among others, (i) details of the Guangdong Precision Master Agreement and its annual caps; (ii) the letter from Gram Capital, containing its advice on the Guangdong Precision Master Agreement; (iii) the letter of recommendation of the Independent Board Committee; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### RENEWAL OF CONTINUING CONNECTED TRANSACTION

#### Background

Reference is made to circular of the Company dated 2 December 2016 in respect of the 2016 CCT Agreement entered into between Kongyue Information, a wholly-owned subsidiary of the Group, and Guangdong Precision, pursuant to which the Group agreed to purchase plastic parts, components and molds from Guangdong Precision for a period of from 1 January 2017 to 31 December 2019. As the 2016 CCT Agreement is due to expire on 31 December 2019, Kongyue Information and Guangdong Precision entered into the Guangdong Precision Master Agreement on 22 November 2019.

Details of the Guangdong Precision Master Agreement are set out below:

#### Guangdong Precision Master Agreement

- Date: 22 November 2019
- Parties: (i) Kongyue Information, which is a wholly-owned subsidiary of the Company; and
- (ii) Guangdong Precision.
- Guangdong Precision is a limited liability company established in the PRC and is principally engaged in the manufacture of precision plastic parts. It is held as to 100% by Mr. Au. As Mr. Au, through Kytronics Holdings, is the substantial shareholder controlling approximately 72.61% of the issued share capital of the Company as at the Latest Practicable Date, Guangdong Precision is an associate of a connected person of the Company and the entering into of the Guangdong Precision Master Agreement constitutes continuing connected transaction for the Company.
- Subject: Kongyue Information agreed to purchase and Guangdong Precision agreed to supply plastic parts, components and molds to Kongyue Information from time to time during the term of the Guangdong Precision Master Agreement.
- Term: Fixed term of three financial years from 1 January 2020 to 31 December 2022.

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## LETTER FROM THE BOARD

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Pricing policy: As a usual practice, the purchase prices for the plastic parts, components and molds supplied by Guangdong Precision will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable products procured by Kongyue Information from independent third parties and offered by Guangdong Precision to independent third parties and shall be on terms which are no less favourable to the Group than those provided by independent third party suppliers.

Subject to the usual practice noted above, Kongyue Information will also take into account the following factors when determining the purchase price payable by Kongyue Information under the Guangdong Precision Master Agreement: (i) the prevailing market prices of similar or comparable products offered by Guangdong Precision to other independent third parties obtained through internal checks and research conducted by the Group; (ii) the quality and prices of similar products offered by other independent third party suppliers; and (iii) the delivery lead time and payment terms offered by Guangdong Precision.

The Group has an established list of pre-approved suppliers for each type of direct materials procured by the Group from time to time. Whenever the Group is required to procure a new type of direct material, the Group will invite quotations from different suppliers and upon receipt of different quotations, the Group will insert the most favourable quotation to its internal system applications and products system and uses such price as the basis for future procurement on the same type of products.

The quotations will be reviewed on a bi-annual basis and for the purpose of the review, in the event of any change in market price of raw materials, the Group will invite quotations from two to three suppliers for those materials with material change in price in order to assess whether adjustment is necessary for the existing quotations. If so, a quotation summary (the "**Quotation Summary**") will be prepared by the staff of the purchasing department for undergoing approval process.

The purchase prices will be settled by the Group on a monthly account basis.



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## LETTER FROM THE BOARD

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### *Cap Amount*

The transaction amount under the Guangdong Precision Master Agreement for each of the three financial years ending 31 December 2022 will not exceed the following annual caps:

	<b>Financial year ending 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Proposed annual cap	18.072	19.879	21.867

The proposed annual caps for the three years ending 31 December 2022 were determined with reference to (i) the historical transaction amounts under the 2016 CCT Agreement for the two years ended 31 December 2018 and the ten months ended 31 October 2019; (ii) the expected demand for plastic parts, components and molds taking into consideration of the Group's expected business demand in the coming few years; and (iii) the expected increases in the prices of such parts and components during the period due to inflation. Further, It is expected that there will be an increase of demand of plastic parts, components and molds required by the Group from the year ending 31 December 2020 to the year ending 31 December 2022 owing to the expected growth in the business of the Group and the expected increase of the orders of the Group's products due to the expected growing demand for printers.

The historical transaction amount of purchases by the Group from Guangdong Precision for the three financial years ended 31 December 2018 and the ten months ended 31 October 2019 are as follows:

	<b>For the year ended 31 December</b>			<b>For the ten months ended</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>31 October</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million*</i>
Annual cap	58.182	24.728	34.620	50.199 <sup>#</sup>
Actual purchases	20.457	17.153	15.307	12.550

\* un-audited figures

# for the entire year

### *Reasons for the Guangdong Precision Master Agreement*

The Group is principally engaged in the manufacture and sale of printers and other electronic products in the PRC.

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## LETTER FROM THE BOARD

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As part of the Group's ordinary course of business, the Group needs to source various materials including precision plastic parts and metal stamped parts for use in its production process. Guangdong Precision has established itself as a reliable supplier that can supply competitively priced products to the Group. Guangdong Precision has been supplying plastic parts, components and molds to the Group for a long time, and has been able to meet the Group's stringent quality requirements and delivery schedules. The stable and well-established cooperation history between the Group and Guangdong Precision could help the Group to save on management time and resources, as well as to better capture operation efficiency as a whole. In addition, the close proximity of Guangdong Precision to the Group's production base would enable the Group to streamline and centralise its direct materials procurement process, which helped reduce the overall production cost of the Group.

To ensure competitiveness of the quality and pricing of materials supplied by Guangdong Precision, the Company maintains a periodic checking process of comparable product offerings in the open market. As the Guangdong Precision Master Agreement was entered into in the usual and ordinary course of business of the Group and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Board considers that the transactions contemplated under the Guangdong Precision Master Agreement and its annual cap is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### *Listing Rule Implications*

Guangdong Precision is a company held as to 100% by Mr. Au. As Mr. Au, through Kytronics Holdings, is the controlling shareholder of the Company holding approximately 72.61% of the issued share capital of the Company as at the Latest Practicable Date, Guangdong Precision is an associate of a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the entering into of the Guangdong Precision Master Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant applicable percentage ratios set out in the Listing Rules in respect of the annual caps under the Guangdong Precision Master Agreement are on an annual basis more than 5%, the Guangdong Precision Master Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **INTERNAL CONTROL**

Subject to the general principle disclosed above, the Company has formulated a purchase management system to monitor the pricing policy of the Group's continuing connected transaction, which involves, (i) a regular review and bi-annual periodic checking process of all purchased materials supervised and monitored by the relevant personnel and management from the finance department of the Group; and (ii) an annual internal audit review of the purchases made under the continuing connected transaction specifically conducted by the internal audit department of the Group to ensure that the Guangdong Precision Master Agreement is conducted

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## LETTER FROM THE BOARD

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on normal commercial terms and will not be prejudicial to the interests of the Group as a whole. The relevant personnel and management of the Group will also conduct biannual regular checks to review and assess whether the transaction contemplated under the Guangdong Precision Master Agreement are conducted in accordance with the terms of the Guangdong Precision Master Agreement and in accordance with the aforesaid pricing policy. The independent non-executive Directors would review the transaction contemplated under the Guangdong Precision Master Agreement and the auditors of the Company would also conduct an annual review on the annual caps thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transaction contemplated under the Guangdong Precision Master Agreement has been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

### GENERAL

As at the Latest Practicable Date, Kytronics Holdings, which is held as to 100% by KGL, which in turn is 100% held by FHL, a company wholly-owned by Mr. Au, is interested in approximately 72.61% of the issued share capital of the Company. Accordingly, Kytronics Holdings and its associates are considered to be interested in the transactions contemplated under the Guangdong Precision Master Agreement and will abstain from voting at the EGM to be convened to approve the Guangdong Precision Master Agreement.

Since Mr. Au, Mr. Au Kwok Lun and Mr. Ou Guo Liang, being the executive Directors of the Company, are the directors of Guangdong Precision, they are considered to have a material interest in the continuing connected transaction under the Guangdong Precision Master Agreement. Accordingly, they have abstained from voting on the Board resolutions proposed at the meeting of the Board held to approve these transactions.

The Independent Board Committee (comprising all independent non-executive Directors) has been formed to advise the Independent Shareholders on the continuing connected transaction contemplated under the Guangdong Precision Master Agreement and its annual caps.

Gram Capital has been appointed as Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Guangdong Precision Master Agreement and its annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### EGM

Set out on pages 26 to 27 of this circular is the notice convening the EGM at which ordinary resolutions will be proposed to approve the Guangdong Precision Master Agreement and its annual caps.

As at the Latest Practicable Date, Kytronics Holdings, which is held as to 100% by KGL, which in turn is 100% held by FHL, a company wholly-owned by Mr. Au, is interested in approximately 72.61% of the issued share capital of the Company. Accordingly, Kytronics

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## LETTER FROM THE BOARD

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Holdings and its associates are considered to be interested in the transaction contemplated under the Guangdong Precision Master Agreement and will abstain from voting at the EGM to be convened to approve the Guangdong Precision Master Agreement.

A proxy form for use at the EGM is enclosed herein. Whether or not you intend to attend the EGM, you are requested to complete the proxy form and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM. Delivery of a proxy form will not preclude Shareholders from attending and voting in person at the EGM if they so wish.

### RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders. Further, your attention is also drawn to the letter from Gram Capital set out on pages 12 to 20 of this circular.

The Independent Board Committee, having taken into account the advice of Gram Capital, considers that the terms of the Guangdong Precision Master Agreement and its annual caps are on normal commercial terms in the ordinary and usual course of business of the Group are in the interest of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions as set out in the notice of EGM.

The Board considers that the Guangdong Precision Master Agreement and the transaction contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole. The Board considers that the resolutions proposed in the notice of EGM are in the best interests of the Company and the Shareholders and therefore recommends you to vote in favour of the relevant resolutions to be proposed at the EGM.

Your attention is also drawn to the additional information set out in the appendix to this circular.

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



**JOLIMARK HOLDINGS LIMITED**

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

**(Stock Code: 2028)**

27 December 2019

*To the Independent Shareholders*

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTION**

We refer to the circular of the Company dated 27 December 2019 (the “Circular”), in which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Guangdong Precision Master Agreement and its annual caps thereunder are fair and reasonable so far as the Independent Shareholders are concerned and whether such transaction is in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Gram Capital, the Independent Financial Adviser, appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Guangdong Precision Master Agreement and its annual caps thereunder as set out from pages 12 to 20 of the Circular and the letter from the Board set out on pages 4 to 10 of the Circular.

Having considered the terms of the Guangdong Precision Master Agreement and the factors and reasons considered by, and the opinion of Gram Capital as stated in its letter of advice, we consider that the terms of the Guangdong Precision Master Agreement and its annual caps were entered into in the usual and ordinary course of business, the terms have been negotiated on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Guangdong Precision Master Agreement and its annual caps to be proposed at the EGM.

Yours faithfully,

**The Independent Board Committee**

**Kan Lai Kuen, Alice**  
*Independent Non-executive  
Director*

**Meng Yan**  
*Independent Non-executive  
Director*

**Yeung Kwok Keung**  
*Independent Non-executive  
Director*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the CCT for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

27 December 2019

*To: The independent board committee and the independent shareholders  
of Jolimark Holdings Limited*

Dear Sirs,

### **RENEWAL OF CONTINUING CONNECTED TRANSACTION**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Guangdong Precision Master Agreement (the “**CCT**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 27 December 2019 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, as the 2016 CCT Agreement will expire on 31 December 2019, Kongyue Information (being a wholly-owned subsidiary of the Company) entered into the Guangdong Precision Master Agreement on 22 November 2019 to enable the Group to continue to procure plastic parts, components and molds (the “**Materials**”) from Guangdong Precision (i.e. the CCT) for the operation needs of the Group. The Guangdong Precision Master Agreement has a term of three years from 1 January 2020 to 31 December 2022.

With reference to the Board Letter, the entering into of the Guangdong Precision Master Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules and the Guangdong Precision Master Agreement is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Kan Lai Kuen, Alice, Mr. Meng Yan and Mr. Yeung Kwok Keung (all being independent non-executive Directors) has been

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## LETTER FROM GRAM CAPITAL

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established to advise the Independent Shareholders on (i) whether the Guangdong Precision Master Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the Guangdong Precision Master Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Guangdong Precision Master Agreement and the transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the CCT. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Kongyue Information, Guangdong Precision or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the CCT. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should

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## LETTER FROM GRAM CAPITAL

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note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the CCT and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the CCT

##### *Information on the Group*

With reference to the Board Letter, the Group is principally engaged in the manufacture and sale of printers and other electronic products in the PRC.

Set out below are the financial information of the Group for the two years ended 31 December 2018 and the six months ended 30 June 2019 as extracted and the Company's annual report for the year ended 31 December 2018 (the "**2018 Annual Report**") and the Company's interim report for the six months ended 30 June 2019 (the "**2019 Interim Report**"):

	For the six months ended 30 June 2019 (unaudited) RMB'000	For the year ended 31 December 2018 (audited) RMB'000	For the year ended 31 December 2017 (audited) RMB'000	Change from 2017 to 2018 %
Revenue	136,824	329,621	373,188	(11.67)
– Printers	135,490	326,591	367,482	(11.13)
– Other electronic products	1,334	3,030	5,706	(46.90)
Gross profit	41,751	105,026	131,398	(20.07)
(Loss)/profit attributable to Shareholders for the period/year	(14,901)	(28,274)	13,853	N/A



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## LETTER FROM GRAM CAPITAL

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As illustrated in the above table, the Group's revenue amounted to approximately RMB329.6 million for the year ended 31 December 2018 ("FY2018"), representing a decrease of approximately 11.67% as compared with that for the year ended 31 December 2017 ("FY2017"). With reference to the 2018 Annual Report and as advised by the Company's management (the "Management"), such decrease in revenue was mainly due to decrease in demand for invoicing printers in PRC domestic market in FY2018. The loss attributable to Shareholders for FY2018 amounted to approximately RMB28.3 million, as compared to profit attributable to Shareholders of approximately RMB13.9 million for FY2017. With reference to the 2018 Annual Report and as advised by the Management, such loss was mainly due to decrease in revenue and gross profit margin, increase in research and development contributions and provision for assets and investments in FY2018.

### *Information on Guangdong Precision*

With reference to the Board Letter, Guangdong Precision is a limited liability company established in the PRC and is principally engaged in the manufacture of precision plastic parts. It is held as to 100% by Mr. Au. As Mr. Au, through Kytronics Holdings, is a substantial Shareholder, Guangdong Precision is an associate of a connected person of the Company.

### *Reasons for and benefits for the CCT*

With reference to the Board Letter, as part of the Group's ordinary course of business, the Group needs to source various materials including precision plastic parts and metal stamped parts for use in its production process. Guangdong Precision has established itself as a reliable supplier that can supply competitively priced products to the Group. Guangdong Precision has been supplying the Materials to the Group for a long time, and has been able to meet the Group's stringent quality requirements and delivery schedules. The stable and well-established cooperation history between the Group and Guangdong Precision could help the Group to save on management time and resources, as well as to better capture operation efficiency as a whole. In addition, the close proximity of Guangdong Precision to the Group's production base would enable the Group to streamline and centralise its direct materials procurement process, which helped reduce the overall production cost of the Group. To ensure competitiveness of the quality and pricing of materials supplied by Guangdong Precision, the Company maintains a periodic checking process of comparable product offerings in the open market.

Having considered that the Materials are purchased for the Group's production of printers and other electronic products which is the Group's principal business, we concur with the Directors that the CCT is conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM GRAM CAPITAL

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### 2. Principal terms of the Guangdong Precision Master Agreement

The tables below summarise the major terms of the Guangdong Precision Master Agreement:

<b>Date:</b>	22 November 2019
<b>Parties:</b>	(i) Kongyue Information, which is a wholly-owned subsidiary of the Company; and  (ii) Guangdong Precision
<b>Subject:</b>	Kongyue Information agreed to purchase and Guangdong Precision agreed to supply the Materials to Kongyue Information from time to time during the term of the Guangdong Precision Master Agreement
<b>Term:</b>	The Guangdong Precision Master Agreement has a fixed term of three financial years from 1 January 2020 to 31 December 2022

#### *Purchase price*

With reference to the Board Letter, as a usual practice, the purchase prices for the Materials supplied by Guangdong Precision will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable products procured by Kongyue Information from independent third parties and offered by Guangdong Precision to independent third parties and shall be on terms which are no less favourable to the Group than those provided by independent third party suppliers.

With reference to the Board Letter, the Group also invite quotations from different suppliers for the relevant products to be procured and the Group's purchasing department staff will prepare Quotation Summary.

For our due diligence purpose, we obtained certain invoices during the two years ended 31 December 2018 and ten months ended 31 October 2019 (together with relevant Quotation Summaries) relating to the purchase of the Materials by Kongyue Information from Guangdong Precision. Based on the aforesaid documents as provided by the Company, we noted that the purchase prices paid by Kongyue Information to Guangdong Precision were not higher than the quotations offered by independent third parties for the same products.

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## LETTER FROM GRAM CAPITAL

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With reference to the 2018 Annual Report and as confirmed by the Management, the independent non-executive Directors reviewed the CCT conducted during FY2018 and confirmed that such CCT was entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the CCT conducted during FY2018 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor issued his unqualified letter containing his findings and conclusions in respect of the CCT in accordance with Rule 14A.56 of the Listing Rules.

With reference to the Board Letter, the Company formulated a purchase management system to monitor the pricing policy of the Group's continuing connected transaction, details of which is set out under the section headed "INTERNAL CONTROL" of the Board Letter. We consider that the effective implementation of the aforesaid internal control measure would help to ensure fair pricing of the CCT.

### *The annual caps of the CCT (the "Purchase Cap(s)")*

Set out below are (i) the existing Purchase Caps and the historical transaction amount of the CCT; and (ii) the proposed Purchase Caps for the three years ending 31 December 2022:

	<b>For the year ended 31 December 2017 RMB million</b>	<b>For the year ended 31 December 2018 RMB million</b>	<b>For the year ending 31 December 2019 RMB million</b>
Historical transaction amount	17.153	15.307	12.550 ( <i>Note</i> )
Existing Purchase Cap	24.728	34.620	50.199
	<b>For the year ending 31 December 2020 RMB million</b>	<b>For the year ending 31 December 2021 RMB million</b>	<b>For the year ending 31 December 2022 RMB million</b>
Proposed Purchase Cap	18.072	19.879	21.867

*Note:* The historical transaction amount was for the ten months ended 31 October 2019.

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, the proposed Purchase Caps for the three years ending 31 December 2022 were determined with reference to (i) the historical transaction amounts under the 2016 CCT Agreement for the two years ended 31 December 2018 and the ten months ended 31 October 2019; (ii) the expected demand for the Materials taking into consideration of the Group's expected business demand in the coming few years; and (iii) the expected increases in the prices of the Materials during the period due to inflation. Further, it is expected that there will be an increase of demand of the Materials required by the Group from the year ending 31 December 2020 to the year ending 31 December 2022 owing to the expected growth in the business of the Group and the expected increase of the orders of the Group's products due to the expected growing demand for printers.

We noted that the utilisation rate of the existing Purchase Cap decreased from approximately 69% in FY2017 to approximately 44% in FY2018. The Management advised us that the low utilisation rate in FY2018 was mainly due to the overall economic slowdown in the PRC which led to a decrease in demand for the Group's products.

Given the above, we consider that it is reasonable for the Company to set the Purchase Caps for the three years ending 31 December 2022 at a lower level than the Purchase Caps for the three years ending 31 December 2019.

For our due diligence purpose, we obtained the calculation of the Purchase Caps for the three years ending 31 December 2022 (the "**Calculation**").

According to the Calculation, the estimated CCT amount for the year ending 31 December 2019 is approximately RMB15.06 million ("**2019 Estimated Amount**") which is derived by annualizing the historical CCT amount for the ten months ended 31 October 2019. The Management advised us that there is no material seasonal factor affecting the CCT amount during the year.

As demonstrated in the Calculation:

- (i) The Purchase Cap for the year ending 31 December 2020 is 20% more than the 2019 Estimated Amount. Upon our enquiry, the Management advised us that the additional 20% CCT amount comprises 10% estimated growth of the CCT amount and 10% buffer.
- (ii) The Purchase Cap for the year ending 31 December 2021 represents 10% increase of the Purchase Cap for the year ending 31 December 2020.
- (iii) The Purchase Cap for the year ending 31 December 2022 represents 10% increase of the Purchase Cap for the year ending 31 December 2021.

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## LETTER FROM GRAM CAPITAL

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To assess the 10% growth in the estimated CCT amount for each of the three years ending 31 December 2022 (the “**Possible Growth**”), we researched over the internet and noted from the statistics published by the National Bureau of Statistics of China that in October 2019, the consumer price index in the PRC increased by 3.8% on a year-on-year basis. From January to October in 2019, on average, the overall consumer prices increased by 2.6% as compared to that of the same period of the previous year.

Upon our enquiry, the Management advised us that the demand for printers is positively correlated with the economic conditions in the PRC. We researched over the internet and noted from the statistics published by the National Bureau of Statistics of China that the gross domestic product in the PRC increased from approximately RMB64,128 billion in 2014 to approximately RMB90,031 billion in 2018, representing a compound annual growth rate of approximately 8.85%. When the demand for printers (being the Group’s principal products) increase, the Group will demand more Materials for producing printers to meet clients’ demand.

With reference to 2019 Interim Report, in the first half of 2019, the Group launched new products on the high-speed high-load flatbed paper feeding dot-matrix printer series, which comprises the 80-column, 110-column and 136-column models, which can support 1+6 joint invoice printing as well as 2mm-thick passport printing, adjusting automatically to the thickness of the medium without manual adjustment and capable of continuous printing for 24 hours. The Management advised us that such new products of the Group may derive additional sales for the Group in the future. Hence, the Group may need more Materials for production.

In light of the above, we consider the Possible Growth to be reasonable.

In addition, we consider the 10% buffer to be acceptable.

Accordingly, we are of the view that the Purchase Caps for the three years ending 31 December 2022 to be fair and reasonable.

Shareholders should note that as the Purchase Caps for the three years ending 31 December 2022 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2022, and they do not represent forecasts of purchase costs to be incurred from the CCT. Consequently, we express no opinion as to how closely the actual purchase costs to be incurred from the CCT will correspond with the Purchase Caps.

Having considered the pricing of the CCT and the Purchase Caps for the three years ending 31 December 2022 as aforementioned, we are of the view that the terms of the CCT under the Guangdong Precision Master Agreement are on normal commercial terms and is fair and reasonable.

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## LETTER FROM GRAM CAPITAL

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### 3. Listing Rules implication

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the CCT must be restricted by the Purchase Caps for the period concerned under the Guangdong Precision Master Agreement; (ii) the terms of the CCT must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Guangdong Precision Master Agreement must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the CCT (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the Purchase Caps. In the event that the total amounts of the CCT exceed the Purchase Caps, or that there is any material amendment to the terms of the Guangdong Precision Master Agreement, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the CCT and thus the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the CCT under the Guangdong Precision Master Agreement are on normal commercial terms and are fair and reasonable; and (ii) the CCT is conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Guangdong Precision Master Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and Chief Executive

As at the Latest Practicable Date, 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 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 Companies to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Company/ name of associated corporation	Capacity	No. of shares held <i>(Note 1)</i>	Percentage in the relevant class of share capital <i>(approx.)</i>
Mr. Au Pak Yin ("Mr. Au")	Company	Interest in controlled corporation <i>(Note 2)</i>	445,027,533 (L)	72.61%
Mr. Au	Kytronics Holdings Limited	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 Holdings. The issued share capital of Kytronics Holdings 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 Holdings pursuant to Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, 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 for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

***Interest of Substantial Shareholders***

As at the Latest Practicable Date, 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:

<b>Shareholders</b>	<b>Company/ name of associated corporation</b>	<b>Capacity</b>	<b>No. of shares held</b>	<b>Percentage in the relevant class of share capital (approx.) (Note 1)</b>
Kytronics Holdings Limited	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 owned by Kytronics Holdings. The issued share capital of Kytronics Holdings 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 Holdings 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 the Latest Practicable Date, 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.

- (b) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation other than statutory compensation.
- (c) As at the Latest Practicable Date, save for the continuing connected transaction contemplated under the Guangdong Precision Master Agreement, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.
- (d) As at the Latest Practicable Date, none of the Directors has any direct and indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.
- (e) Save for Mr. Au Kwok Lun, an executive Director who is a director of Kytronics Holdings, none of the Directors is a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company and any of its subsidiaries.

#### 4. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinions or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital Limited (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2018 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

#### 5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited financial statements of the Group were made up.

#### 6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or is not determinable within one year without payment of compensation (other than statutory compensation).

#### 7. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group.

#### 8. GENERAL

- (i) The registered office of the Company is situated at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (ii) The principal place of business of the Company in Hong Kong is situated at Unit 01, 23A Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

- (iii) The branch share registrar and the transfer office of the Company is at Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (iv) The company secretary of the Company is Mr. Lai Sai Wo, Ricky. Mr. Lai is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (v) The English text of this document shall prevail over the Chinese text.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at Unit 01, 23A Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong from the date of this circular up to 29 December 2019, and at Unit 07, 21 Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong, from 30 December 2019 and up to including the date of the EGM:

- (i) the Guangdong Precision Master Agreement;
- (ii) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 11 of this circular;
- (iii) the letter of advice from Gram Capital, the text of which is set out on pages 12 to 20 of this circular; and
- (iv) the written consent of Gram Capital, referred to in paragraph 4 in this appendix.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### JOLIMARK HOLDINGS LIMITED

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

**(Stock Code: 2028)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Jolimark Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Monday, 20 January 2020 at Unit 07, 21 Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the master supply agreement dated 22 November 2019 entered into between 廣東江裕精密工業製造有限公司 (Guangdong Kong Yue Precision Industry Ltd.) and 新會江裕信息產業有限公司 (Kong Yue Electronics & Information Industry (Xin Hui) Ltd.) (“**Kongyue Information**”), a wholly-owned subsidiary of the Company, (the “**Guangdong Precision Master Agreement**”) (a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) in relation to, among other matters, the supply of plastic parts and components and the transaction contemplated thereunder be and is hereby approved, ratified and confirmed;
- (b) the proposed annual caps in relation to the transaction contemplated under the Guangdong Precision Master Agreement for the period commencing from 1 January 2020 until 31 December 2022 and each of the financial years ending 31 December 2020, 2021 and 2022 will not exceed RMB18.072 million, RMB19.879 million and RMB21.867 million respectively be and are hereby approved; and
- (c) the Directors be and are hereby authorised to execute such other documents, do all other acts and things and take such action as they may consider necessary, desirable or expedient to implement and/or give effect to or otherwise in connection with the Guangdong Precision Master Agreement and any or all the matters contemplated in the Guangdong Precision Master Agreement and this resolution.”

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

Hong Kong, 27 December 2019

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered Office:*

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*

Unit 01, 23A Floor  
K. Wah Centre  
191 Java Road  
North Point  
Hong Kong

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. The register of members will be closed from Thursday, 16 January 2020 to Monday, 20 January 2020 (both days inclusive) during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 15 January 2020.
3. Where there are joint registered holders of any share in the issued share capital of the Company ("Share"), any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether personally or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of such joint holding.
4. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting as the case may be or, in the case of poll taken subsequent to the date of the Meeting or adjourned meeting, not less than 24 hours before the time appointed for taking the poll.
5. The ordinary resolution as set out above will be determined by way of a poll.

*As at the date of this notice, the executive directors of the Company are Mr. Au Pak Yin, Mr. Au Kwok Lun and Mr. Ou Guo Liang; and the independent non-executive directors of the Company are Ms. Kan Lai Kuen, Alice, Mr. Meng Yan and Mr. Yeung Kwok Keung.*