JOLIMARK HOLDINGS LIMITED
映 美 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2028)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the "Board") of Jolimark Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008, together with the comparative figures for the corresponding period of last year as follows:

Condensed Consolidated Interim Income Statement

		Six months ended 30 June	
		2008	2007
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Turnover		**251,317**	391,075
Cost of goods sold		**(234,280)**	(342,629)
Gross profit		**17,037**	48,446
Other income		**2,164**	906
Selling and marketing costs		**(16,118)**	(16,008)
Administrative expenses		**(29,347)**	(29,435)
Other losses	*5*	**(7,942)**	(139)
Operating (loss)/profit	*6*	**(34,206)**	3,770
Finance costs — net	*7*	**361**	(2,080)
Share of (losses)/gains of associates		**(72)**	73
(Loss)/profit before income tax		**(33,917)**	1,763
Income tax credit	*8*	**578**	1,064
(Loss)/profit for the period		**(33,339)**	2,827

		Six months ended 30 June	
		2008	2007
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Attributable to:			
Shareholders of the Company		**(33,316)**	2,250
Minority interests		**(23)**	577
		(33,339)	2,827
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	*9*	**(0.057)**	0.004

Condensed Consolidated Interim Balance Sheet

		As at	
		30 June	31 December
		2008	2007
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**98,223**	99,851
Land use right		**11,045**	11,189
Intangible assets		**1,589**	1,681
Interests in associates		**5,127**	5,199
Available-for-sale financial assets		**1,000**	1,000
Deferred income tax assets		**8,542**	6,409
		125,526	125,329
Current assets			
Inventories		**201,828**	191,195
Trade and other receivables	*11*	**201,766**	263,995
Financial assets at fair value through profit or loss		**22,042**	—
Restricted cash		**10,000**	—
Cash and cash equivalents		**129,598**	160,895
		565,234	616,085
Total assets		**690,760**	741,414
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		**271,226**	282,194
Other reserves		**188,968**	185,252
Retained earnings			
— Proposed dividend		**—**	4,311
— Unappropriated retained earnings		**44,056**	80,838
		504,250	552,595
Minority interests		**14,238**	14,261
Total equity		**518,488**	566,856

		As at	
		30 June	31 December
		2008	2007
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
LIABILITIES			
Current liabilities			
Trade and other payables	*12*	**99,810**	109,797
Current income tax liabilities		**8,012**	8,252
Borrowings		**64,450**	56,509
		172,272	174,558
Total equity and liabilities		**690,760**	741,414
Net current assets		**392,962**	441,527
Total assets less current liabilities		**518,488**	566,856

Condensed Consolidated Interim Statement of Changes in Equity

	Attributable to shareholders of the Company				
	Share capital and premium Unaudited *RMB'000*	**Other reserves Unaudited** *RMB'000*	**Retained earnings Unaudited** *RMB'000*	**Minority interests Unaudited** *RMB'000*	**Total Unaudited** *RMB'000*
Balance as at 1 January 2007	282,194	185,252	92,279	15,889	575,614
Profit for the period	—	—	2,250	577	2,827
Dividends declared to a minority interest	—	—	—	(45)	(45)
Acquisition from a minority interest	—	—	—	(4,340)	(4,340)
Final dividends for 2006 (note 10)	—	—	(11,820)	—	(11,820)
Balance as at 30 June 2007	282,194	185,252	82,709	12,081	562,236
Balance as at 1 January 2008	**282,194**	**185,252**	**85,149**	**14,261**	**566,856**
Loss for the period	**—**	**—**	**(33,316)**	**(23)**	**(33,339)**
Transfer to the statutory reserve and enterprise expansion fund	**—**	**3,716**	**(3,716)**	**—**	**—**
Re-purchase and cancellation of shares of the Company	**(10,968)**	**—**	**—**	**—**	**(10,968)**
Final dividends for 2007 (note 10)	**—**	**—**	**(4,061)**	**—**	**(4,061)**
Balance as at 30 June 2008	**271,226**	**188,968**	**44,056**	**14,238**	**518,488**

Notes to the Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

Jolimark Holdings Limited (the "Company") and its subsidiaries (the "Group") are principally engaged in the manufacture and sale of business equipment, tax control equipment, projectors and other electronic products in the People's Republic of China (the "PRC").

The Company was incorporated in the Cayman Islands on 22 July 2004 as an exempted company with limited liability under the Companies Law (2003 Revision) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350 GT, George Town, Grand Cayman, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 June 2005.

This condensed consolidated interim financial information was approved for issue by the board of directors of the Company on 22 September 2008.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2008 has been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss of the Group are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. They are subsequently carried at fair value and are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The fair values of quoted investments are based on their current bid prices in an active market. If the market for a financial asset is not active, the Group established fair value by using valuation techniques.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the income statement within "other gains/losses — net", in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Cash flow in connection with acquisition and disposal of and dividend from financial assets at fair value through profit or loss is presented within "operating activities" in the cash flow statement.

(b) The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not relevant to the Group

- HK(IFRIC)-Int 11, "HKFRS 2 — Group and treasury share transactions";
- HK(IFRIC)-Int 12, "Service concession arrangements";
- HK(IFRIC)-Int 14, "HKAS 19 — the limit on a defined benefit asset, minimum funding requirements and their interaction".

4. SEGMENT INFORMATION

No business segment information of the Group is presented as the Group's revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and sales activities of printer, tax control equipment, projectors and other electronic products.

The directors of the Company are of the view that the presentation of geographical segment information is not meaningful since the Group's production is based in the PRC, and there is no substantial difference in risk and reward of revenue derived from markets in or out of the PRC.

5. OTHER LOSSES

	For the six months ended	
	30 June 2008	30 June 2007
	RMB'000	*RMB'000*
Net foreign exchange losses	**634**	139
Fair value losses on financial assets at fair value through profit or loss	**7,308**	—
	7,942	139

6. OPERATING (LOSS)/PROFIT

The following items have been charged to the operating loss during the period:

	For the six months ended	
	30 June 2008	30 June 2007
	RMB'000	*RMB'000*
Depreciation for property, plant and equipment and amortisation of land use rights and intangible assets	**6,323**	7,176
Write-down of inventories	**1,795**	—
Provision for bad debts	**598**	—

7. FINANCE COSTS — NET

	For the six months ended	
	30 June 2008	30 June 2007
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**(1,812)**	(2,903)
Exchange gains on bank borrowings	**2,173**	823
	361	(2,080)

8. INCOME TAX CREDIT

	For the six months ended	
	30 June 2008	30 June 2007
	RMB'000	*RMB'000*
Current income tax		
— Hong Kong profits tax	**(211)**	—
— PRC enterprise income tax	**(1,344)**	(1,391)
Deferred income tax	**2,133**	2,455
	578	1,064

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

PRC enterprise income tax

PRC enterprise income tax of the Group's entities established in the mainland China, mainly Jiangmen Kong Yue Jolimark Information Technology Limited ("Kongyue Jolimark") and Kong Yue Electronics & Information Industry (Xinhui) Limited ("Kongyue Information"), is provided on the basis of the profit for statutory financial reporting purposes, adjusted for income and expenses items, which are not assessable or deductible for income tax purpose. The effective enterprise income tax rate of Kongyue Jolimark and Kongyue Information are 12% and 25%, respectively, for the six months ended 30 June 2008 (six months ended 30 June 2007: 12% and 12%, respectively).

9. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended	
	30 June 2008	30 June 2007
(Loss)/profit attributable to shareholders of the Company (RMB'000)	**(33,316)**	2,250
Weighted average number of ordinary shares in issue (thousands)	**588,883**	597,210
Basic (loss)/earnings per share (RMB per share)	**(0.057)**	0.004

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there were no potential dilutive shares in issue during the six months ended 30 June 2008 and 2007, respectively.

10. DIVIDEND

(a) A final dividend in respect of 2007 of HK$0.008 per ordinary share, totaling approximately HK$4,778,000 (equivalent to RMB4,061,000) has been declared in the Company's Annual General Meeting on 23 May 2008 and paid during the six months ended 30 June 2008.

A final dividend in respect of 2006 of HK$0.02 per ordinary share, totaling approximately HK$11,944,000 (equivalent to RMB11,820,000) has been declared in the Company's Annual General Meeting on 29 May 2007 and paid during the six months ended 30 June 2007.

(b) At a meeting held on 22 September 2008, the directors of the Company determined that no interim dividend would be declared for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2008	31 December 2007
	RMB'000	*RMB'000*
Trade receivables		
— Third parties	**149,521**	197,107
— Related parties	**6,392**	8,121
	155,913	205,228
Less: provision for impairment of receivables	**(5,165)**	(4,567)
Trade receivables — net	**150,748**	200,661
Prepayments		
— Third parties	**25,237**	30,897
— Related parties	**5,697**	7,124
Other receivables		
— Third parties	**9,689**	14,552
— Associates	**1,570**	1,801
— Related parties	**8,825**	8,960
	201,766	263,995

As at 30 June 2008, the fair value of trade and other receivables approximate their carrying amounts.

The Group's sales to corporate customers are entered into on credit terms ranging from 30 to 180 days or extended as considered appropriate by the directors of the Company. At 30 June 2008, the ageing analysis of the trade receivables, including amounts due from related parties of trading in nature, were as follows:

	As at	
	30 June 2008	31 December 2007
	RMB'000	*RMB'000*
0–30 days	**56,224**	109,742
31–90 days	**23,812**	27,805
91–180 days	**12,359**	28,824
181–365 days	**44,845**	33,198
Over 365 days	**18,673**	5,659
	155,913	205,228

There is no concentration of credit risk with respect to trade receivable as the customers of the Group are widely dispersed.

12. TRADE AND OTHER PAYABLES

	As at	
	30 June 2008	31 December 2007
	RMB'000	*RMB'000*
Trade payables		
— Third parties	**74,777**	78,444
— Related parties	**2,473**	3,366
	77,250	81,810
Other payables to third parties	**15,221**	20,406
Advances from customers	**7,339**	7,581
	99,810	109,797

At 30 June 2008, the ageing analysis of the trade payables was as follows:

	As at	
	30 June	31 December
	2008	2007
	RMB'000	*RMB'000*
0–30 days	**35,898**	34,158
31–90 days	**36,086**	38,973
91–180 days	**1,536**	1,725
181–365 days	**987**	1,391
Over 365 days	**2,743**	5,563
	77,250	81,810

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

"Printer and Tax Control Equipment" Business

The sales of printer and tax control equipment of the Group in the first half year of 2008 decreased by approximately 49% over the corresponding period of last year to approximately RMB140,379,000, representing approximately 56% of the turnover of the Group. The substantial decrease of the gross margin of printer and tax control equipment was mainly due to increases in raw material price and manufacturing overhead and decrease in selling price of the Company's products.

Projector Business

The turnover of the projector business increased by approximately 7% from the corresponding period of last year to approximately RMB93,168,000, representing approximately 37% of the turnover of the Group. This was mainly due to an increase in demand from customers. In view of the rapid growth of projector market in the Peoples' Republic of China (the "PRC") and based on the projection of the number of customer orders, our management team estimated that the sales of projector business in 2008 will sustain a stable growth. At the same time, owing to the low gross profit margin of our projector distribution business, the gross profit margin of projector business in the first half year decreased by approximately 8% over the corresponding period last year to approximately 7%.

Other Electronic Products Manufacturing Business

The turnover of other electronic products manufacturing business of the Group decreased approximately 35% from the corresponding period of last year to approximately RMB17,770,000, representing approximately 7% of the turnover of the Group. The decrease was mainly due to a decrease in customer orders. The Group's other electronic products manufacturing business mainly comprises optical-electro-mechanical integrated products with high entry barriers and the major customers are overseas small-middle enterprises. Therefore, the Group was able to maintain a stable gross margin level, which increased by approximately 6% from the corresponding period of last year to approximately 21%. Leveraging its strong customer base, better quality control, professional customer services, and the advantage of low manufacturing costs, our management team estimated that other electronic manufacturing service business will maintain a stable growth this year.

FINANCIAL REVIEW

Results Summary

The turnover of the Group for the six months ended 30 June 2008 was approximately RMB251,317,000, decreased by approximately 36% from the corresponding period of last year and gross margin decreased to approximately 7% from approximately 12% of the corresponding period last year.

During the period, the Group recorded a loss of approximately RMB33,339,000, the result decreased by approximately RMB36,166,000 from the corresponding period of last year. This was mainly attributed to:

(1) the continuing intensified macro-control measures by the state during the year, coupled with the impact of snow storm, earthquake in Sizhuan and Olympic game led to a decrease in market demand and resulted in a substantial decrease in turnover;

(2) the Company had adopted cash sales strategy to avoid credit risk leading to a decrease in sales volume;

(3) increase in raw material prices and manufacturing overhead together with the effect of drop in selling price due to the discount offer to customers for cash sales and clearance of outdated products at significantly discounted price, gross margin of the major business line decreased;

(4) in view of the Group's sufficient cash and absence of any acquisition plan in the near future, in the best interest of the shareholders of the Company to apply the fund, the Board approved in April 2008 to invest approximately RMB30,000,000 in the stock market to improve its return. However, the continued lackluster in the global equity market since May 2008 has led to losses of approximately RMB7,308,000 in our equity investment during the six months ended 30 June 2008.

During the period, losses attributable to shareholders was approximately RMB33,316,000 with a basic loss per share of RMB0.057, a decrease of approximately RMB35,566,000 and RMB0.061 respectively from the corresponding period of last year.

OPERATING RESULTS ANALYSIS BY PRODUCT

	For the six months ended 30 June					
	2008			2007		
	Turnover	**Gross Profit**	**Gross Profit Margin**	Turnover	Gross Profit	Gross Profit Margin
	RMB'000	***RMB'000***		*RMB'000*	*RMB'000*	
Printer and tax control equipment	**140,379**	**7,054**	**5%**	276,777	37,281	13%
Projectors	**93,168**	**6,222**	**7%**	86,909	7,033	8%
Other electronic products manufacturing	**17,770**	**3,761**	**21%**	27,389	4,132	15%
Total	**251,317**	**17,037**	**7%**	391,075	48,446	12%

CAPITAL EXPENDITURE

For the six months ended 30 June 2008, capital expenditure amounted to approximately RMB4,460,000, which was mainly related to the purchase of property, plant and equipment.

LIQUIDITY AND FINANCIAL POSITION

As at 30 June 2008, the total assets of the Group amounted to approximately RMB690,760,000 (31 December 2007: RMB741,414,000), shareholder's fund amounted to approximately RMB504,250,000 (31 December 2007: RMB552,595,000), minority interests amounted to approximately RMB14,238,000 (31 December 2007: RMB14,261,000) and current liabilities amounted to approximately RMB172,272,000 (31 December 2007: RMB174,558,000). The current ratio of the Group was 3.3 (31 December 2007: 3.5).

As at 30 June 2008, the cash and the cash equivalents of the Group amounted to approximately RMB129,598,000 (31 December 2007: RMB160,895,000) whereas the bank loans of the Group amounted to approximately RMB64,450,000 (31 December 2007: RMB56,509,000). The gearing ratio* was 9.3% (31 December 2007: 7.6%). The Group had no assets held under finance lease or operating lease during the period.

* Gearing ratio: Borrowings/Total Assets

CONTINGENT LIABILITIES

As at 30 June 2008, the Group had no material contingent liabilities.

STAFF

As at 30 June 2008, the Group employed a total staff of 897, of which all staff were employed in Mainland China except for 11 were employed in Hong Kong and overseas. The Group implemented its remuneration policy based on the results and the performance of an individual staff member. In addition, fringe benefits such as insurance, medical allowance and pension were provided to ensure the competitiveness of the Group.

FUTURE BUSINESS OUTLOOK

For the printer and tax control equipment business, our management team estimates that the Golden Tax Project Phase III in certain provinces and cities will be initiated in the second half of the year, coupled with the steady demand of dot matrix printers from such sectors as financial, medical, education and communication, the Group expects that the dot matrix printer market in the PRC will maintain a stable growth in the coming years. Meanwhile, we foresee that dot matrix printers, thermal mini printers and bar-code printers will become more and more popular, therefore their markets are expected to expand at a rapid pace. The Group's strategy for growth is to strengthen the development of the products under the Jolimark brand name. Although the competition in the dot matrix printer market is intensive, we expect the sales of Jolimark's products to increase in the second half of the year as the Group leverage its cost advantages through the implementation of its pricing strategy. Following the adverse market conditions in the first half year passed over, the Group expects a growth in Jolimark brand business in the second half of the year. In addition, the Group will launch a series brand new products, which is expected to improve the gross profit margin of the Group. In the first half of this year, the Group has carried out successful promotion activities of the new business of mini printers under the Jolimark brand name. In particular, the self-developed mini printer mechanism products were well received by many manufacturers of tax control electronic cash registers. It is expected that, in the second half of the year and the coming years, the mini printers will be the new driver for a substantial growth of the printer business of the Group. Our management team estimates that the tenders for tax control electronic cash registers of Golden Tax Project Phase III will commence in the second half of 2008. In light of the competition edges of the Group in this sector, tax control equipment will be the business growth point of the Group in the next few years.

For the projector business, after clearing outdated projector distribution products in first half 2008, the Group expects the gross profit margin of the projector business for the second half of the year be improved. As the projector market has expanded rapidly, the Group expects the size of the projector business in PRC have an increase. By leveraging its distribution channels for the printers and its reputable brand name, the sales of Jolimark's projectors brand will increase gradually in the coming years.

For the manufacturing of other electronic products, the Group mainly focuses on the OEM manufacturing of optical-electro-mechanical integrated products with high entry barriers as its major customers are overseas small-middle enterprises. Accordingly, the gross profit margin is higher and more stable. The Group will mainly strengthen the expansion in Japan, European and US markets in the future in order to enhance the Group's competitive edges in the sector of manufacturing of optical-electro-mechanical integrated products.

OTHER INFORMATION

SHARE OPTION SCHEME

During the six months period under review ended 30 June 2008, no share options were granted under the Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2008, the Company purchased a total of 20,000,000 Company's listed shares on the Stock Exchange and such shares were then subsequently cancelled. Details of the repurchase of shares are summarised as follows:

Month/year	Number of shares repurchased	Repurchase price per share		Aggregate consideration paid (excluding expenses)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
January 2008	4,632,000	0.60	0.55	2,693,600
February 2008	8,292,000	0.64	0.55	4,942,140
March 2008	7,076,000	0.60	0.57	4,240,220
Total	20,000,000			11,875,960

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors consider that during the six months ended 30 June 2008, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 under the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 under the Listing Rules as the model code for securities transactions by the relevant Directors. The Company has made specific enquiry of all Directors and the Directors confirmed that, during the six months ended period 30 June 2008, they have complied with all the relevant requirements set out in the Model Code.

AUDIT COMMITTEE

The audit committee has reviewed this interim report and has recommended their adoption by the Board.

REMUNERATION COMMITTEE

The Company has established a remuneration committee to consider the remunerations for the Directors and senior management of the Company. The remuneration committee comprises Mr. Lai Ming, Joseph (chairman), Mr. Meng Yan and Mr. Xu Guangmao who are all Independent Non- Executive Directors and Mr. Au Kwok Lun who is an Executive Director.

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

Hong Kong, 22 September 2008

As at the date of this announcement, the Board comprises Mr. Au Pak Yin, Mr. Au Kwok Lun, Mr. Ou Guo Liang and Mr. Ng Shu Kai, as Executive Directors and Mr. Lai Ming, Joseph, Mr. Meng Yan and Mr. Xu Guangmao, as Independent Non-Executive Directors.