

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JOLIMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2028)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 2010, together with the comparative figures for the corresponding period of last year as follows:

Condensed Consolidated Income Statement

	<i>Note</i>	Six months ended 30 June	
		2010 Unaudited RMB'000	2009 Unaudited RMB'000
Revenue	4	194,465	205,738
Cost of goods sold		<u>(146,756)</u>	<u>(168,427)</u>
Gross profit		47,709	37,311
Other income		2,482	3,287
Selling and marketing costs		(11,888)	(13,318)
Administrative expenses		(22,591)	(24,602)
Other (losses)/gains — net	5	<u>(5,597)</u>	<u>5,345</u>
Operating profit	6	10,115	8,023
Finance income/(expenses) — net		89	(49)
Share of losses of associates		<u>(4)</u>	<u>(245)</u>
Profit before income tax		10,200	7,729
Income tax expenses	7	<u>(2,176)</u>	<u>(2,399)</u>
Profit for the period		<u>8,024</u>	<u>5,330</u>

		Six months ended 30 June	
		2010	2009
		Unaudited	Unaudited
<i>Note</i>		RMB'000	RMB'000
Profit attributable to:			
	— Shareholders of the Company	7,123	4,697
	— Non-controlling interests	<u>901</u>	<u>633</u>
		<u>8,024</u>	<u>5,330</u>
	Basic and diluted earning per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	<u>0.013</u>	<u>0.008</u>
8			

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2010	2009
	Unaudited	Unaudited
	RMB'000	RMB'000
Profit for the period	8,024	5,330
Other comprehensive income for the period	<u>—</u>	<u>—</u>
Total comprehensive income for the period	<u>8,024</u>	<u>5,330</u>
Total comprehensive income for the period attributable to:		
— Shareholders of the Company	7,123	4,697
— Non-controlling interests	<u>901</u>	<u>633</u>
	<u>8,024</u>	<u>5,330</u>

Condensed Consolidated Balance Sheet

		As at	
		30 June 2010	31 December 2009
		Unaudited	Audited
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		88,962	89,470
Land use right		10,467	10,611
Intangible assets		872	936
Interests in associates		175	179
Available-for-sale financial assets		500	500
Deferred income tax assets		<u>3,915</u>	<u>4,264</u>
Total non-current assets		<u>104,891</u>	<u>105,960</u>
Current assets			
Inventories		134,035	159,532
Trade and other receivables	10	57,099	74,100
Financial assets at fair value through profit or loss		15,440	21,790
Restricted cash		72,340	—
Cash and cash equivalents		<u>203,991</u>	<u>184,478</u>
Total current assets		<u>482,905</u>	<u>439,900</u>
Total assets		<u>587,796</u>	<u>545,860</u>
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		225,067	261,455
Other reserves		191,760	191,704
Retained earnings/(accumulated losses)		<u>6,658</u>	<u>(465)</u>
		423,485	452,694
Non-controlling interests		<u>16,308</u>	<u>15,407</u>
Total equity		<u>439,793</u>	<u>468,101</u>

		As at	
		30 June 2010	31 December 2009
		Unaudited	Audited
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Current liabilities			
Trade and other payables	<i>11</i>	77,062	77,652
Current income tax liabilities		1,411	107
Borrowings		<u>69,530</u>	<u>—</u>
Total current liabilities		<u>148,003</u>	<u>77,759</u>
Total equity and liabilities		<u>587,796</u>	<u>545,860</u>
Net current assets		<u>334,902</u>	<u>362,141</u>
Total assets less current liabilities		<u>439,793</u>	<u>468,101</u>

Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company				Total equity Unaudited RMB'000
	Share capital and premium Unaudited RMB'000	Other reserves Unaudited RMB'000	(Accumulated losses)/ retained earnings Unaudited RMB'000	Non- controlling interests Unaudited RMB'000	
Balance at 1 January 2009	271,226	190,036	(12,620)	13,884	462,526
Total comprehensive income for the six months ended 30 June 2009	—	—	4,697	633	5,330
Transactions with owners in their capacity as owners:					
Share option granted to employees	—	55	—	—	55
Re-purchase and cancellation of shares of the Company	(1,357)	—	—	—	(1,357)
Dividends relating to 2008 (note 9(b))	(8,329)	—	—	—	(8,329)
Total transactions with owners	(9,686)	55	—	—	(9,631)
Balance at 30 June 2009	261,540	190,091	(7,923)	14,517	458,225
Balance at 1 January 2010	261,455	191,704	(465)	15,407	468,101
Total comprehensive income for the six months ended 30 June 2010	—	—	7,123	901	8,024
Transactions with owners in their capacity as owners:					
Share option granted to employees	—	56	—	—	56
Re-purchase and cancellation of shares of the Company	(3,830)	—	—	—	(3,830)
Dividends relating to 2009 (note 9(a))	(32,558)	—	—	—	(32,558)
Total transactions with owners	(36,388)	56	—	—	(36,332)
Balance at 30 June 2010	225,067	191,760	6,658	16,308	439,793

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Jolimark Holdings Limited (the “Company”) and its subsidiaries (the “Group”) are principally engaged in the manufacture and sale of printers, 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, P.O. 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 (the “BoD”) on 25 August 2010.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

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 2009, as described in those annual financial statements.

(a) Amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010

- HKFRS 8, “Disclosure of information about segment assets”.

(b) Amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- HKFRS 1 (Revised), “First-time adoption of HKFRSs”.
- HKFRS 3 (Revised), “Business combinations”, and consequential amendments to HKAS 27, “Consolidated and separate financial statements”, HKAS 28, “Investments in associates”, and HKAS 31, “Interests in joint ventures”.
- HKAS 39 (Amendment), “Eligible hedged items”.
- HK(IFRIC)-Int 17, “Distributions of non-cash assets to owners”.
- HKFRS 1 (Amendment), “Additional exemptions for first-time adopters”.
- HKFRS 2 (Amendment), “Group cash-settled share-based payment transaction”.

- First improvements to Hong Kong Financial Reporting Standards (2008) were issued in October 2008 by the HKICPA. The improvement related to HKFRS 5 “Non-current assets held for sale and discontinued operations”.
- Second improvements to Hong Kong Financial Reporting Standards (2009) were issued in May 2009 by the HKICPA.

4. SEGMENT INFORMATION

The directors and chief executive officer of the Group are the chief operating decision-maker (the “CODM”) of the Group. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM manages the Group’s business from the perspective of different product lines of the Group, i.e. printers and tax control equipment and other electronic products manufacturing.

The CODM assesses the performances of the operating segments based on a measure of segment revenue and segment results. Segment results excludes other income, administrative expenses, other (losses)/gains, finance income/(expenses) and income tax expenses, which are centrally managed for the Group. Other information provided to the CODM is measured in a manner consistent with that in the financial statements.

The segment revenue and results and the reconciliation with profit for the six months ended 30 June 2010 are as follows:

	Printer and tax control equipment RMB’000	Other electronic products manufacturing RMB’000	Total RMB’000
Turnover (from external customers)	<u>137,465</u>	<u>57,000</u>	<u>194,465</u>
Segment results	<u>27,725</u>	<u>8,092</u>	35,817
Other income			2,482
Administrative expenses			(22,591)
Other losses			(5,597)
Finance income — net			89
Income tax expenses			<u>(2,176)</u>
Profit for the period			<u><u>8,024</u></u>
Segment results include:			
Share of losses of associates	(4)	—	(4)
Depreciation and amortisation charge	<u>(3,220)</u>	<u>(1,333)</u>	<u>(4,553)</u>

The segment revenue and results and the reconciliation with profit for the six months ended 30 June 2009 are as follows:

	Printer and tax control equipment <i>RMB'000</i>	Other electronic products manufacturing <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover (from external customers)	<u>118,440</u>	<u>87,298</u>	<u>205,738</u>
Segment results	<u>14,974</u>	<u>8,274</u>	23,248
Other income			3,287
Administrative expenses			(24,602)
Other gains, excluding impairment loss of available-for-sale financial assets			5,845
Finance expenses — net			(49)
Income tax expenses			<u>(2,399)</u>
Profit for the period			<u><u>5,330</u></u>
Segment results include:			
Impairment loss of available-for-sale financial assets	(500)	—	(500)
Share of losses of associates	(245)	—	(245)
Depreciation and amortisation charge	<u>(2,713)</u>	<u>(1,800)</u>	<u>(4,513)</u>

The Group is domiciled in the PRC. The revenue from external customers are as follows:

	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
In the PRC	145,663	180,682
In other countries	<u>48,802</u>	<u>25,056</u>
	<u><u>194,465</u></u>	<u><u>205,738</u></u>

For the six months ended 30 June 2010, revenue of approximately RMB38,879,000 (six months ended 30 June 2009: RMB75,006,000) are derived from a single external customers, which is attributable to the segment of other electronic products manufacturing.

5. OTHER (LOSSES)/GAINS — NET

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Foreign exchange gains — net	318	343
Impairment loss of available-for-sale financial assets	—	(500)
(Losses)/gains on financial assets at fair value through profit or loss — net (<i>note (a)</i>)	<u>(5,915)</u>	<u>5,502</u>
	<u><u>(5,597)</u></u>	<u><u>5,345</u></u>

(a) Amounts represent the (losses)/gains from changes in fair value of the investments in listed equity securities.

6. OPERATING PROFIT

The following items have been charged/(credited) to the operating profit during the period:

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Inventory write-downs	931	—
(Reversal)/provision for impairment of receivables	<u>(150)</u>	<u>5,348</u>

7. INCOME TAX EXPENSES

	Six months ended	
	2010	2009
	RMB'000	RMB'000
Current income tax		
— Hong Kong profits tax	—	(198)
— PRC corporate income tax	(1,827)	(1,800)
Deferred income tax	<u>(349)</u>	<u>(401)</u>
	<u><u>(2,176)</u></u>	<u><u>(2,399)</u></u>

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Hong Kong profits tax

Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2010. Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30 June 2009.

PRC corporate income tax

The main business of the Group is conducted in the PRC and the major subsidiary of the Group is Kong Yue Electronics & Information (Xinhui) Limited (“Kongyue Information”), which is a foreign investment company based in Xinhui, the PRC. PRC corporate income tax of Kongyue Information is provided on the basis of its profit for statutory financial reporting purposes, adjusted for income and expenses items, which are not assessable or deductible for income tax purpose. The effective corporate income tax rate of Kongyue Information is 15% for the six months ended 30 June 2010 and 2009.

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, withholding income tax of 10% shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. All dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax. As at 30 June 2010, the Group has not accrued any withholding income tax for the earnings of its PRC subsidiaries (six months ended 30 June 2009: nil), because the Group does not have a plan to distribute earnings from its PRC subsidiaries generated in the period after 1 January 2008 to 30 June 2010 in the foreseeable future.

Overseas income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2003 Revision) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Subsidiaries of the Company in the BVI are incorporated under the International Business Companies Act of the BVI and, accordingly, are exempted from income tax in the BVI.

8. EARNING PER SHARE

	Six months ended 30 June	
	2010	2009
Earning per share for profit attributable to the shareholders of the Company (expressed in RMB per share)		
— basic	0.013	0.008
— diluted	<u>0.013</u>	<u>0.008</u>

9. DIVIDEND

- (a) A final dividend for the year ended 31 December 2009 of HK\$0.014 per ordinary share and a special dividend of HK\$0.054 per ordinary share, totaling approximately HK\$38,045,000 (equivalent to RMB32,558,000) has been declared out of share premium of the Company in the Company’s Annual General Meeting on 17 May 2010 and paid during the six months ended 30 June 2010.
- (b) A final dividend for the year ended 31 December 2008 of HK\$0.017 per ordinary share, totaling approximately HK\$9,471,000 (equivalent to RMB8,329,000) has been declared out of share premium of the Company in the Company’s Annual General Meeting on 26 May 2009 and paid during the six months ended 30 June 2009.
- (c) In a meeting held on 25 August 2010, the directors of the Company determined that no interim dividend would be declared for the six months ended 30 June 2010 (six months ended 30 June 2009: nil).

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2010 <i>RMB'000</i>	31 December 2009 <i>RMB'000</i>
Trade receivables		
— Third parties	31,914	39,544
— Associates	828	—
— Related parties	<u>8,327</u>	<u>8,341</u>
	41,069	47,885
Less: provision for impairment of receivables	<u>(4,471)</u>	<u>(5,877)</u>
Trade receivables — net	36,598	42,008
Prepayments		
— Third parties	6,498	9,896
— Related parties	2,531	3,267
Other receivables		
— Third parties	8,814	12,612
— Associates	—	178
— Related parties	<u>2,658</u>	<u>6,139</u>
	57,099	74,100

As at 30 June 2010, the fair value of trade and other receivables approximate their carrying amounts.

The Group's sales to corporate customers are generally granted with on credit terms ranging from 20 to 180 days or extended as considered appropriate by the directors of the Company. At 30 June 2010, the ageing analysis of the trade receivables, including amounts due from related parties of trading in nature, was as follows:

	As at	
	30 June 2010 <i>RMB'000</i>	31 December 2009 <i>RMB'000</i>
0–30 days	18,390	22,341
31–90 days	13,079	16,179
91–180 days	1,864	1,097
181–365 days	1,120	511
Over 365 days	<u>6,616</u>	<u>7,757</u>
	41,069	47,885

11. TRADE AND OTHER PAYABLES

	As at	
	30 June 2010 <i>RMB'000</i>	31 December 2009 <i>RMB'000</i>
Trade payables		
— Third parties	41,360	38,979
— Related parties	<u>4,640</u>	<u>5,677</u>
	46,000	44,656
Other payables to third parties	21,243	25,878
Advances from customers	<u>9,819</u>	<u>7,118</u>
	<u>77,062</u>	<u>77,652</u>

At 30 June 2010, the ageing analysis of the trade payables, including amounts due to related parties of trading in nature, are as follows:

	As at	
	30 June 2010 <i>RMB'000</i>	31 December 2009 <i>RMB'000</i>
0–30 days	19,712	18,286
31–90 days	17,649	9,502
91–180 days	4,197	11,431
181–365 days	1,341	3,788
Over 365 days	<u>3,101</u>	<u>1,649</u>
	<u>46,000</u>	<u>44,656</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Review

Printer and Tax Control Equipment Business

During the first half of 2010, sales of printer and tax control equipment of the Group increased by approximately 16% when compared with the corresponding period of last year, which amounted to approximately RMB137,465,000, representing approximately 71% of the turnover of the Group. The increase in turnover is mainly attributable to the significant increase in the sales of the “Jolimark” brand product when compared with the same period of last year. The increase in the sales of the “Jolimark” brand product also led to the increase in gross profits margin when compared with the same period of last year.

Other Electronic Products Manufacturing Business

Turnover of other electronic products manufacturing business of the Group dropped by approximately 35% when compared with the same period of last year to approximately RMB57,000,000, representing approximately 29% of the turnover of the Group. It is mainly due to the decrease in orders from OEM customers of the Group. Gross profit margin in the first half of this year increased slightly when compared with the same period of last year.

Financial Review

Results Summary

During the six months ended 30 June 2010, the Group recorded a turnover of approximately RMB194,465,000, a slight decrease of approximately 5% from the corresponding period of last year, with the gross profit margin increased to approximately 25% from approximately 18% of the corresponding period of last year.

During the period, profit attributable to shareholders was approximately RMB7,123,000, while basic earnings per share was RMB0.013, the improvement of results was mainly due to the net effect of following factors:

- (1) Sales of self-owned brand products recorded significant increase over the same period of last year that improved the Group's gross profits margin;
- (2) Gross profit margin of other products rose slightly; and
- (3) For the six months ended 30 June 2010, the investment of the Group in China's A-shares market recorded losses of approximately RMB5,915,000, while gain of approximately RMB5,502,000 was recorded in the same period of last year.

Capital Expenditure

For the six months ended 30 June 2010, capital expenditure amounted to approximately RMB5,332,000, which was mainly related to the purchase of property, plant and equipment.

Liquidity and Financial Position

As at 30 June 2010, the total assets of the Group amounted to approximately RMB587,796,000 (31 December 2009: RMB545,860,000), shareholder's fund amounted to approximately RMB423,485,000 (31 December 2009: RMB452,694,000), non-controlling interests amounted to approximately RMB16,308,000 (31 December 2009: RMB15,407,000) and current liabilities amounted to approximately RMB148,003,000 (31 December 2009: RMB77,759,000). The current ratio of the Group was approximately 3.3 (31 December 2009: 5.7).

As at 30 June 2010, the cash and cash equivalents of the Group amounted to approximately RMB203,991,000 (31 December 2009: RMB184,478,000) whereas bank loan of the Group amounted to approximately RMB69,530,000 (31 December 2009: Nil). The gearing ratio* of the Group was approximately 11.8% (31 December 2009: 0%). The Group had no assets held under finance lease or operating lease during the period.

* *Gearing ratio: Borrowings/Total Assets*

Contingent Liabilities

In the section headed "Contingent Liabilities" in the 2009 annual report of the Company, it was stated that the Group has received a civil summons from the First Beijing Intermediate Court in relation to an action (the "Application") filed by a supplier (the "Supplier") which alleged that certain of the Group's products infringed on the name rights of the Supplier and constituted unfair competition. The Supplier sought suspension of the use of such names in the products of the Group, and claimed damages in an aggregate amount of RMB24,300,000. The Company announced on 25 June 2010 that the Supplier has applied to the First Beijing Intermediate Court to withdraw the Application on 18 June 2010 and the First Beijing Intermediate Court has approved the withdrawal on the same date. As a result of the withdrawal of the claim, the Group had no material contingent liabilities as at 30 June 2010.

Staff

As at 30 June 2010, the Group employed a total 923 staff, of which all staff were employed in Mainland China except for 12 who were employed in Hong Kong and overseas. The Group implemented its remuneration policy based on the merits 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

The Group will further its efforts in the market development of self-owned brands and research and development of new products for its printer and tax control equipment business. With the wide application of receipt, invoice and certificates, the development of dot matrix printers in the China market is promising and it is expected that it will show remarkable growth in the future. At the same time, the Group has commenced to develop overseas markets for dot matrix printers and expects to see outstanding growth. On the aspect of electronic manufacturing services (EMS) business of other electronic products, the Group will continue to focus on the small-to-medium overseas customers of optoelectronic mechanical integrated products manufacturing and establish and develop new gainful businesses. In addition, the Group will strive to improve its operating efficiency, strengthen its internal management, and trim down inventory levels and waste in order to further enhance its return on capital.

OTHER INFORMATION

Share Option Scheme

Details of the share option scheme were set out in the published annual report of the Company for the year ended 31 December 2009.

The following table discloses movements in the Company's share options during the six months ended 30 June 2010:

Name	Date of grant	Exercise price HK\$	Outstanding at 1.1.2010	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30.6.2010	Exercise period
Employees — Type 1	3 July 2008	0.63	300,000	—	—	—	300,000	Six years from the date of grant (Note 1)
Employees — Type 2	3 July 2008	0.63	500,000	—	—	—	500,000	Six years from the date of grant (Note 2)
Total			<u>800,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>800,000</u>	

Notes:

1. The first 25% of the option can be exercised from the date of grant. The next 25% of the option will become exercisable at the end of nine months after the date of grant. The third 25% of the option will become exercisable at the end of 21 months after the date of grant. The remaining 25% of the option will become exercisable at the end of 33 months after the date of grant.
2. The first 34% of the option can be exercised at the end of 3 months after the date of grant. The next 33% of the option will become exercisable at the end of 15 months after the date of grant. The remaining 33% of the option will become exercisable at the end of 27 months after the date of grant.

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

During the six months ended 30 June 2010, the Company purchased a total of 8,190,000 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) HK\$
		Highest HK\$	Lowest HK\$	
January 2010	2,266,000	0.550	0.445	1,221,390
February 2010	<u>5,924,000</u>	0.550	0.495	<u>3,136,010</u>
Total	<u><u>8,190,000</u></u>			<u><u>4,357,400</u></u>

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 2010, 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 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 30 June 2010, they have complied with all the relevant requirements set out in the Model Code.

Review of Condensed Consolidated Financial Information

The Audit Committee is composed of three Independent Non-executive Directors. The unaudited Condensed Consolidated Financial Information of the Group for the six months ended 30 June 2010 have been reviewed by the Audit Committee of the Company.

The unaudited Condensed Consolidated Financial Information of the Group for the six months ended 30 June 2010 have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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, Mr. Meng Yan and Mr. Xu Guangmao who are all Independent Non-Executive Directors and Mr. Au Kwok Lun (Chairman) who is an Executive Director.

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

Hong Kong, 25 August 2010

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