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## JOLIMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2028)

### 2010 Annual Results Announcement

#### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	2010 RMB'000	2009 RMB'000
Revenue	2	467,491	456,690
Cost of goods sold	4	<u>(361,975)</u>	<u>(368,221)</u>
<b>Gross profit</b>		<b>105,516</b>	88,469
Other income	3	6,657	7,136
Selling and marketing costs	4	(25,680)	(30,677)
Administrative expenses	4	(45,296)	(48,320)
Other (losses)/gains — net	5	<u>(3,862)</u>	<u>2,782</u>
<b>Operating profit</b>		<b>37,335</b>	19,390
Finance income/(costs) — net	6	1,220	(210)
Share of losses of an associate		<u>(18)</u>	<u>(291)</u>
<b>Profit before income tax</b>		<b>38,537</b>	18,889
Income tax expenses	7	<u>(7,840)</u>	<u>(3,633)</u>
<b>Profit for the year</b>		<b><u>30,697</u></b>	<b><u>15,256</u></b>

	<i>Note</i>	<b>2010</b> <b><i>RMB'000</i></b>	2009 <i>RMB'000</i>
Attributable to:			
— Shareholders of the Company		<b>28,463</b>	13,733
— Non-controlling interests		<u><b>2,234</b></u>	<u>1,523</u>
		<u><b>30,697</b></u>	<u>15,256</u>
<b>Basic and diluted earnings per share for profit attributable to shareholders of the Company during the year</b> (expressed in Renminbi per share)	8	<u><b>0.051</b></u>	<u>0.024</u>
<b>Dividend</b>	9	<u><b>48,174</b></u>	<u>33,480</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2010*

	<b>2010</b> <b><i>RMB'000</i></b>	<b>2009</b> <b><i>RMB'000</i></b>
<b>Profit for the year</b>	<b>30,697</b>	15,256
Other comprehensive income for the year	<u>—</u>	<u>—</u>
Total comprehensive income for the year	<b><u>30,697</u></b>	<b><u>15,256</u></b>
Attributable to:		
— Shareholders of the Company	<b>28,463</b>	13,733
— Non-controlling interests	<b><u>2,234</u></b>	<u>1,523</u>
	<b><u>30,697</u></b>	<b><u>15,256</u></b>

# **CONSOLIDATED BALANCE SHEET**

*As at 31 December 2010*

	<i>Note</i>	<b>2010</b> <b>RMB'000</b>	<b>2009</b> <b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>88,843</b>	89,470
Land use right		<b>10,322</b>	10,611
Intangible assets		<b>807</b>	936
Investment in an associate		<b>161</b>	179
Available-for-sale financial assets		<b>500</b>	500
Deferred income tax assets		<b>61</b>	4,264
		<b>100,694</b>	105,960
<b>Current assets</b>			
Inventories		<b>137,499</b>	159,532
Trade and other receivables	<i>10</i>	<b>62,216</b>	74,100
Financial assets at fair value through profit or loss		<b>18,688</b>	21,790
Restricted cash		<b>72,532</b>	—
Cash and cash equivalents		<b>257,483</b>	184,478
		<b>548,418</b>	439,900
<b>Total assets</b>		<b>649,112</b>	545,860
<b>EQUITY</b>			
<b>Capital and reserves attributable to shareholders of the Company</b>			
Share capital and premium		<b>224,428</b>	261,455
Other reserves		<b>193,879</b>	191,704
Retained earnings/(accumulated losses)		<b>25,855</b>	(465)
		<b>444,162</b>	452,694
<b>Non-controlling interests</b>		<b>15,982</b>	15,407
<b>Total equity</b>		<b>460,144</b>	468,101

	<i>Note</i>	<b>2010</b> <b><i>RMB'000</i></b>	2009 <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>120,399</b>	77,652
Current income tax liabilities		<b>750</b>	107
Borrowings		<u><b>67,819</b></u>	<u>—</u>
<b>Total liabilities</b>		<u><b>188,968</b></u>	<u>77,759</u>
<b>Total equity and liabilities</b>		<u><b>649,112</b></u>	<u>545,860</u>
<b>Net current assets</b>		<u><b>359,450</b></u>	<u>362,141</u>
<b>Total assets less current liabilities</b>		<u><b>460,144</b></u>	<u>468,101</u>

## 1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

### Changes in accounting policy and disclosures

- (a) *Amendments to existing standards are mandatory for the first time for the financial year beginning 1 January 2010*
- Second improvements to HKFRSs (2009) were issued in May 2009 by the HKICPA. All improvements are effective for annual periods beginning on or after 1 January 2010. These are not currently applicable to the Group except for amendment to HKFRS 8, “Disclosure of information about segment assets”. Minor textual amendment to the standard, and amendment to the basis for conclusions, to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker (the “CODM”). The Group has adopted this amendment in 2010 and has not disclosed a measure of segment assets as the measure is not regularly reported to the CODM.
- (b) *Amendments and interpretations to existing standards mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*
- 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 hedge 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”.
  - HKFRS 5 “Non-current assets held for sale and discontinued operations”.
  - HK Int 5, “Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”.
- (c) *New standards and amendments and interpretations to existing standards issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted*
- HKFRS 7 (Amended), “Transfer of financial assets”.
  - HKFRS 9, “Financial instruments”.
  - HKAS 12 (Amendment), “Income taxes”.
  - HKAS 24 (Revised), “Related party disclosures”.

- HKAS 32 (Amendment), “Classification of rights issues”.
- HK(IFRIC)-Int 19, “Extinguishing financial liabilities with equity instruments”.
- HK(IFRIC)-Int 14 (Amendment), “Prepayments of a minimum funding requirement”.
- Third improvements to HKFRSs (2010).

## 2. SEGMENT INFORMATION

The directors and chief executive officer of the Group are 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 exclude other income, administrative expenses, other (losses)/gains, finance income/(costs) 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 consolidated financial statements.

The segment revenue and results and the reconciliation with profit for the year ended 31 December 2010 are as follows:

	<b>Printer and tax control equipment RMB’000</b>	<b>Other electronic products manufacturing RMB’000</b>	<b>Total RMB’000</b>
<b>Revenue (from external customers) (note (a))</b>	<u>365,254</u>	<u>102,237</u>	<u>467,491</u>
<b>Segment results</b>	<u>70,773</u>	<u>9,045</u>	<u>79,818</u>
Other income			6,657
Administrative expenses			(45,296)
Other losses			(3,862)
Finance income — net			1,220
Income tax expenses			<u>(7,840)</u>
<b>Profit for the year</b>			<u><u>30,697</u></u>
<b>Segment results include:</b>			
Share of losses of an associate	(18)	—	(18)
Depreciation and amortisation	<u>(5,662)</u>	<u>(3,715)</u>	<u>(9,377)</u>

The segment revenue and results and the reconciliation with profit for the year ended 31 December 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>
<b>Revenue (from external customers) (note (a))</b>	<u>276,601</u>	<u>180,089</u>	<u>456,690</u>
<b>Segment results</b>	<u>39,014</u>	<u>17,987</u>	57,001
Other income			7,136
Administrative expenses			(48,320)
Other gains, excluding impairment loss of available-for-sale financial assets			3,282
Finance costs — net			(210)
Income tax expenses			<u>(3,633)</u>
<b>Profit for the year</b>			<u><u>15,256</u></u>
<b>Segment results include:</b>			
Impairment loss of available-for-sale financial assets	(500)	—	(500)
Share of losses of an associate and impairment charge	(291)	—	(291)
Depreciation, amortisation charge and impairment charge	<u>(5,170)</u>	<u>(4,797)</u>	<u>(9,967)</u>

(a) Revenues from external customers are for sales of goods. There is no inter-segment sales for the year ended 31 December 2010 (2009: nil).

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

	<b>2010</b> <i>RMB'000</i>	2009 <i>RMB'000</i>
In the PRC	<b>376,550</b>	398,246
In other countries	<u><b>90,941</b></u>	<u>58,444</u>
	<u><u><b>467,491</b></u></u>	<u><u>456,690</u></u>

In 2010, approximately 15% of total revenue (2009: approximately 29%) are derived from a single external customer, which is attributable to the segment of other electronic products manufacturing.



### 3. OTHER INCOME

	2010 RMB'000	2009 RMB'000
Interest income	2,973	2,465
Incentive subsidy	2,357	3,218
Repair and maintenance service income — net	<u>1,327</u>	<u>1,453</u>
	<u><b>6,657</b></u>	<u><b>7,136</b></u>

### 4. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

	2010 RMB'000	2009 RMB'000
Depreciation for property, plant and equipment, amortisation of land use right, and amortisation and impairment charge of intangible assets	12,274	13,872
Raw materials and consumables recognised in cost of goods sold and expenses	348,963	338,418
Cost of goods sold of distribution business	—	16,259
(Reversal)/provision for impairment of receivables	(150)	6,037
Employee benefit expenses	38,768	34,903
Operating leases — building	1,260	1,548
Transportation expenses	3,961	5,373
Auditors' remuneration	1,360	1,251
Advertising and promotion fees	3,855	6,072
Others	<u>22,660</u>	<u>23,485</u>
	<u><b>432,951</b></u>	<u><b>447,218</b></u>

### 5. OTHER (LOSSES)/GAINS — NET

	2010 RMB'000	2009 RMB'000
(Losses)/gains on financial assets at fair value through profit or loss — net	(3,102)	4,017
Impairment loss of available-for-sale financial asset	—	(500)
Foreign exchange losses — net	<u>(760)</u>	<u>(735)</u>
	<u><b>(3,862)</b></u>	<u><b>2,782</b></u>

## 6. FINANCE INCOME/(COSTS) — NET

	2010 RMB'000	2009 RMB'000
Interest expenses on bank borrowings	(821)	(238)
Exchange gains on bank borrowings	<u>2,041</u>	<u>28</u>
	<u>1,220</u>	<u>(210)</u>

## 7. INCOME TAX EXPENSES

	2010 RMB'000	2009 RMB'000
Current income tax		
— Hong Kong profits tax	—	(253)
— PRC corporate income tax	<u>(3,637)</u>	<u>(2,297)</u>
	(3,637)	(2,550)
Deferred income tax	<u>(4,203)</u>	<u>(1,083)</u>
	<u>(7,840)</u>	<u>(3,633)</u>

### (a) Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the year ended 31 December 2010 (2009: 16.5%).

### (b) PRC corporate income tax

The main business of the Group is conducted in the PRC and the major subsidiary of the Group is Kongyue Information, which is a foreign investment company based in Xinhui, the 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 year ended 31 December 2010 (2009: 15%). The effective corporate income tax rate of other group entities in the PRC is 25% (2009: 25%).

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. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong. 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 31 December 2010, the Group has not accrued any withholding income tax for the earnings of its PRC subsidiaries (2009: nil), because the Group does not have a plan to distribute earnings generated by its PRC subsidiaries in the period from 1 January 2008 to 31 December 2010 in the foreseeable future.

(c) **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 BVI.

**8. EARNINGS PER SHARE**

**— Basic**

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

	<b>2010</b> <b>RMB</b>	2009 <b>RMB</b>
Profit attributable to shareholders of the Company	<u><b>28,463,000</b></u>	<u>13,733,000</u>
Weighted average number of ordinary shares in issue	<u><b>560,892,000</b></u>	<u>569,391,000</u>
Basic earnings per share	<u><b>0.051</b></u>	<u>0.024</u>

**— Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding on an assumption of conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. As the exercise price of the share options is higher than the average annual market price of the Company's shares in 2010 and 2009, there is no potential dilutive impact of the share options for the years ended 31 December 2010 and 2009.

**9. DIVIDENDS**

	<b>2010</b> <b>RMB'000</b>	2009 <b>RMB'000</b>
Interim dividend ( <i>note (a)</i> )	—	—
Proposed final dividend ( <i>note (b)</i> )	<b>14,169</b>	6,892
Proposed special dividend ( <i>note (b)</i> )	<u><b>34,005</b></u>	<u>26,588</u>
	<u><b>48,174</b></u>	<u>33,480</u>

- (a) At meetings held on 25 August 2010 and 16 September 2009 the directors of the Company determined that no interim dividend would be declared for the six months ended 30 June 2010 and 2009, respectively.
- (b) At a meeting held on 22 March 2011, the directors of the Company proposed a final dividend of HK\$0.03 per ordinary share and a special dividend of HK\$0.072 per ordinary share, totalling approximately HK\$57,119,000 (equivalent to RMB48,174,000 translated at the exchange rate prevailing at 22 March 2011) out of share

premium of the Company for the year ended 31 December 2010. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2011.

A final dividend in respect of 2009 of HK\$0.014 per ordinary share and a special dividend of HK\$0.054 per ordinary share, totalling approximately HK\$38,045,000 (equivalent to RMB33,197,000 translated at the exchange rate prevailing at the date of payments) have been declared out of share premium in the Company's Annual General Meeting on 17 May 2010 and paid in the year.

#### 10. TRADE AND OTHER RECEIVABLES

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 31 December 2010, the ageing analysis of the trade receivables, including amounts due from related parties of trading in nature, were as follows:

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Less than 30 days	32,137	22,341
31–90 days	12,000	16,179
91–180 days	1,027	1,097
181–365 days	—	511
Over 365 days	<u>5,042</u>	<u>7,757</u>
	<u><b>50,206</b></u>	<u><b>47,885</b></u>

#### 11. TRADE AND OTHER PAYABLES

At 31 December 2010, the ageing analysis of the trade payables, including amounts due to related parties of trading nature, are as follows:

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Less than 30 days	33,236	18,286
31–90 days	15,269	9,502
91–180 days	5,615	11,431
181–365 days	2,499	3,788
Over 365 days	<u>2,111</u>	<u>1,649</u>
	<u><b>58,730</b></u>	<u><b>44,656</b></u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Business Review

#### *Printer and Tax Control Equipment Business*

The revenue of printer and tax control equipment business of the Group for the year ended 31 December 2010 increased by approximately 32% from the previous year to approximately RMB365,254,000, representing approximately 78% of the revenue of the Group. The increase in revenue was mainly attributable to the significant growth in the revenue from the Group's owned brand products by approximately 58% over the previous year. Meanwhile, stable margin on owned brand products have led to an increase in the gross profit margin of printer and tax control equipment business for the year as compared with the previous year.

#### *Other Electronic Products Manufacturing Business*

The revenue of other electronic products manufacturing business of the Group decreased by approximately 43% from the previous year to approximately RMB102,237,000, representing approximately 22% of the revenue of the Group. Gross profit margin for the year decreased slightly by approximately 1.4% over the previous year.

### Future Business Outlook

As manually issued invoices will gradually be cancelled across the PRC as required by the State Administration of Taxation in its notice in 2010, the demand for online invoice printing is expected to grow significantly in the coming years. The Group will further its efforts in the market development of self-owned brands and the research and development of new products for its printer and tax control equipment business. 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 manufacturing, 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 continue to trim down inventory levels and waste in order to further enhance its return on capital.

## **Financial Review**

### *Results Summary*

In 2010, the Group recorded a revenue of approximately RMB467,491,000, an increase of approximately 2% from last year, whereas gross profit margin increased to approximately 22.6% from approximately 19.4% last year. During the year, the Group recorded profit attributable to shareholders of the Company of approximately RMB28,463,000, representing a significant increase of approximately 107% over last year, which was mainly attributed to:

- (1) a significant growth in the sales of owned brand products that kept a stable gross profit margin over the previous year;
- (2) but offset by the decline in the stock market in the PRC which led to a loss of approximately RMB3,102,000 on investments in listed equity securities during the year.

The profit attributable to the shareholders of the Company was approximately RMB28,463,000 and the basic earnings per share was RMB0.051 during the year, while the Group recorded a profit attributable to shareholders of approximately RMB13,733,000 and a basic earnings per share of RMB0.024 in the previous year.

### **Analysis on Sales and Gross Profit**

During the year, the revenue of the printer and tax control equipment business was the largest contributor to the revenue of the Group, which amounted to approximately RMB365,254,000 and accounted for approximately 78% of the total revenue of the Group, whereas the revenue of other electronic products manufacturing amounted to approximately RMB102,237,000 and, accounted for approximately 22% of the revenue of the Group.

Comparing with 2009, the revenue of the printer and tax control equipment business increased by approximately 32%, whereas revenue of other electronic products manufacturing decreased by approximately 43%.

With regard to gross profit margin, the Group's gross profit margin increased to approximately 22.6%, compared with 19.4% of last year.

### **Liquidity and Financial Resources**

As at 31 December 2010, the total assets of the Group amounted to approximately RMB649,112,000 (2009: RMB545,860,000), shareholders' fund amounted to approximately RMB444,162,000 (2009: RMB452,694,000), non-controlling interests amounted to approximately RMB15,982,000 (2009: RMB15,407,000) and current liabilities amounted to approximately RMB188,968,000 (2009: RMB77,759,000). The current ratio of the Group was approximately 2.9 (2009: 5.7).

The financial position of the Group was sound. As at 31 December 2010, the cash and cash equivalents including restricted cash of the Group amounted to approximately RMB330,015,000 (2009: RMB184,478,000).

As at 31 December 2010, the Group had borrowings of approximately RMB67,819,000 (2009: Nil). The gearing ratio\* was approximately 10.4% as at 31 December 2010 (2009: Nil).

\* Gearing ratio = Borrowings/Total Assets

### **Contingent Liabilities**

As at 31 December 2010, the Group had no material contingent liabilities.

### **Staff**

As at 31 December 2010, the Group had a workforce of 1,036, of which 10 were employed in Hong Kong and overseas, while the remaining were employed in the PRC. The Group implemented its remuneration policy, bonus and share option schemes based on its results and the performance of individual staff. In addition, fringe benefits such as insurance, medical allowance and pension were provided to ensure the competitiveness of the Group.

### **Proposed Final and Special Dividend and Closure of Register of Members**

The Board recommended a final dividend for 2010 of HK3.0 cents per share and a special dividend of HK7.2 cents per share to shareholders whose names appear on the register of members on Monday, 18 April 2011. The final and special dividend will be paid on Friday, 20 May 2011.

The register of members of the Company will be closed from 18 April 2011 to 20 April 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final and special dividend and be entitled to attend and vote at the 2010 Annual General Meeting, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 15 April 2011.

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

During the year ended 31 December 2010, the Company purchased 8,190,000 shares of HK\$0.01 each in the capital of the Company at prices ranging from HK\$0.445 to HK\$0.550 per share on the Stock Exchange. Details of the repurchases are as follows:

Month/Year	Number of shares repurchased	Purchase price per share		Aggregate purchase consideration (excluding charges) 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>8,190,000</u>			<u>4,357,400</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 year.

## Model Code for Securities Transactions by Directors

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange. The Company has made specific enquiry of all Directors regarding any non-compliance with the Code during the year ended 31 December 2010 and all Directors confirmed that they have fully complied with the required standard set out in the Model Code during the year.

## Audit Committee

The audit committee of the Company was established on 13 June 2005 in accordance with Appendix 14 to the Listing Rules. The existing committee comprises Mr. Lai Ming, Joseph as the chairman, Mr. Meng Yan and Mr. Xu Guangmao. The committee members are Independent Non-Executive Directors. For the year ended 31 December 2010, the audit committee held two meetings to review the accounting standards and practices adopted by the Group and to discuss on matters regarding the internal control and financial reporting (including the interim and annual results before proposing them to the Board for approval) with the management and external auditor. The audit committee has reviewed the results announcement and the Annual Report of the Company for the year ended 31 December 2010.



## **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 of 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 Executive Director. The Remuneration Committee has reviewed the remuneration policy and remuneration packages of the Executive Directors for the year ended 31 December 2010.

## **Compliance with the Code on Corporate Governance Practices**

For the year ended 31 December 2010, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

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

Hong Kong, 22 March 2011

*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.*