JOLIMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2028)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

UNAUDITED CONSOLIDATED RESULTS

The board (the "Board") of directors (the "Directors") 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 2012, together with the comparative figures for the corresponding period of last year as follows:

Condensed Consolidated Interim Income Statement

		Six months ended 30 June	
		2012	2011
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**230,113**	275,821
Cost of goods sold		**(169,351)**	(203,136)
Gross profit		**60,762**	72,685
Other income		**3,945**	3,919
Selling and marketing costs		**(15,989)**	(13,524)
Administrative expenses		**(23,953)**	(25,601)
Other gains — net		**978**	253
Operating profit		**25,743**	37,732
Finance (costs)/income — net		**(175)**	1,036
Share of losses of an associate		**(5)**	(2)
Profit before income tax		**25,563**	38,766
Income tax expenses	*5*	**(4,973)**	(5,361)
Profit for the period		**20,590**	33,405

	Note	Six months ended 30 June 2012 Unaudited *RMB'000*	2011 Unaudited *RMB'000*
Profit attributable to:			
— Shareholders of the Company		**20,591**	32,895
— Non-controlling interests		**(1)**	510
		20,590	33,405
Earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)			
— Basic	*6*	**0.037**	0.059
— Diluted	*6*	**0.037**	0.059

	Note	Six months ended 30 June 2012 Unaudited *RMB'000*	2011 Unaudited *RMB'000*
Dividends	*7*	**20,616**	28,024

Condensed Consolidated Interim Statement of Comprehensive Income

	Six months ended 30 June	
	2012	2011
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Profit for the period	**20,590**	33,405
Other comprehensive income for the period	**—**	—
Total comprehensive income for the period	**20,590**	33,405
Total comprehensive income for the period attributable to:		
— Shareholders of the Company	**20,591**	32,895
— Non-controlling interests	**(1)**	510
	20,590	33,405

Condensed Consolidated Interim Balance Sheet

		As at	
		30 June	31 December
		2012	2011
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**84,305**	84,127
Land use right		**9,889**	10,033
Intangible assets		**598**	662
Investment in an associate		**92**	97
Available-for-sale financial assets		**3,756**	500
Total non-current assets		**98,640**	95,419
Current assets			
Inventories		**156,665**	180,014
Trade and other receivables	*8*	**37,352**	50,355
Bills receivable		**12,077**	16,617
Financial assets at fair value through profit or loss		**12,645**	11,883
Deposits in a financial institution		**30,000**	—
Restricted cash		**633**	586
Cash and cash equivalents		**193,214**	170,116
Total current assets		**442,586**	429,571
Total assets		**541,226**	524,990
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium		**176,649**	176,649
Other reserves		**197,277**	197,066
Retained earnings			
— Proposed dividend		**20,616**	28,123
— Unappropriated retained earnings		**21,083**	21,108
		415,625	422,946
Non-controlling interests		**23**	24
Total equity		**415,648**	422,970

	Note	As at **30 June** **2012** **Unaudited** ***RMB'000***	 31 December 2011 Audited *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**28,303**	—
Deferred income tax liabilities		**3,790**	3,786
		32,093	3,786
Current liabilities			
Trade and other payables	*9*	**87,196**	96,948
Current income tax liabilities		**2,553**	1,286
Borrowings		**3,736**	—
		93,485	98,234
Total liabilities		**125,578**	102,020
Total equity and liabilities		**541,226**	524,990
Net current assets		**349,101**	331,337
Total assets less current liabilities		**447,741**	426,756

Notes to the Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

(a) 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 offices is Clifton House, 75 Fort Street, PO Box 1350 GT, George Town, Grand Cayman, Cayman Islands.

(b) The Company is an investment holding company. The principal activities of the Group are manufacture and sale of printers, tax control equipment and other electronic products manufacturing in the People's Republic of China (the "PRC").

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

(d) The condensed consolidated interim financial information was approved for issue by the Board on 28 August 2012.

(e) 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 2012 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 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS").

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

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

Amendments to existing standards adopted by the Group

- HKAS 12 (Amendment), "Deferred tax: Recovery of underlying assets" is effective for annual periods beginning on or after January 2012. This amendment currently has no impact on the Group's financial statements as the Group has no investment property.

- HKFRS 7 (Amendment), "Disclosures — Transfers of financial assets" is effective for annual periods beginning on or after 1 July 2011. This amendment has no impact on the Group's financial statements.

- HKFRS 1 (Amendment), "Severe hyperinflation and removal of fixed dates for first-time adopters" is effective for annual periods beginning on or after 1 July 2011. These amendments are not currently relevant to the Group as it is existing HKFRS preparer.

4. SEGMENT INFORMATION

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

The CODM manages the Group's business from the perspective of different product lines of the Group, i.e. printers and 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 gains/(losses), finance (costs)/income 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 this condensed consolidated interim financial information.

The segment revenue and results and the reconciliation with profit for the six months ended 30 June 2012 are as follows:

	Printer and tax control equipment *RMB'000*	**Other electronic products manufacturing** *RMB'000*	**Total** *RMB'000*
Revenue (from external customers) *(note (a))*	**171,382**	**58,731**	**230,113**
Segment results	**34,474**	**10,294**	**44,768**
Other income			**3,945**
Administrative expenses			**(23,953)**
Other gains			**978**
Finance costs — net			**(175)**
Income tax expenses			**(4,973)**
Profit for the period			**20,590**
Segment results include:			
Share of losses of an associate	**(5)**	**—**	**(5)**
Depreciation and amortisation	**(2,935)**	**(277)**	**(3,212)**

The segment revenue and results and the reconciliation with profit for the six months ended 30 June 2011 are as follows:

	Printer and tax control equipment *RMB'000*	Other electronic products manufacturing *RMB'000*	Total *RMB'000*
Revenue (from external customers) *(note (a))*	231,868	43,953	275,821
Segment results	52,147	7,012	59,159
Other income			3,919
Administrative expenses			(25,601)
Other gains			253
Finance income — net			1,036
Income tax expenses			(5,361)
Profit for the period			33,405
Segment results include:			
Share of losses of an associates	(2)	—	(2)
Depreciation and amortisation	(3,035)	(1,455)	(4,490)

(a) Revenues from external customers are for sales of goods. There are no inter-segment sales for the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
In the PRC	**157,598**	222,718
In other countries	**72,515**	53,103
	230,113	275,821

(c) For the six months ended 30 June 2012, approximately 24% of total revenue (six months ended 30 June 2011: approximately 14%) are derived from a single external customer, which is in the segment of other electronic products manufacturing.

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Current income tax		
— Hong Kong profits tax	**503**	—
— PRC corporate income tax	**3,966**	5,388
— PRC withholding tax	**500**	—
	4,969	5,388
Deferred income tax expenses/(credit)	**4**	(27)
	4,973	5,361

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 been provided at the rate of 16.5% for the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

PRC corporate income tax

The main business of the Group is conducted by Kong Yue Electronics & Information Industry (Xinhui) Limited ("Kongyue Information"), which is a foreign investment company based in Xinhui City, the PRC. The corporate income tax (the "CIT") of Kongyue Information is provided for on the basis of its profit reported in the PRC statutory financial statements, adjusted for income and expenses items, which are not assessable or deductible for income tax purpose. Pursuant to the PRC Corporate Income Tax Law (the "CIT Law"), the CIT rate is 25%. In addition, the CIT Law provides, among others, a preferential tax rate of 15% for enterprises qualified as High and New Technology Enterprises ("HNTE"). Kongyue Information was designated as HNTE for the three years from 2011 to 2013, and therefore it enjoys a preferential CIT rate at 15% for the three years ending 31 December 2013. The effective CIT rate of other group entities in the PRC is 25% (six months ended 30 June 2011: 25%).

PRC withholding income tax

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 and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. All dividends distributed out from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

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 British Virgin Island (the "BVI") are incorporated under the International Business Companies Act of the BVI and, accordingly, are exempted from income tax in the BVI.

6. EARNING PER SHARE

— **Basic**

	Six months ended 30 June	
	2012	2011
Profit attributable to the shareholders of the Company *(RMB'000)*	**20,591**	32,895
Weighted average number of ordinary shares in issue *(shares in thousands)*	**559,992**	559,825
Basic earnings per share *(RMB per share)*	**0.037**	0.059

— **Diluted**

	Six months ended 30 June	
	2012	2011
Profit attributable to the shareholders of the Company *(RMB'000)*	**20,591**	32,895
Weighted average number of ordinary shares in issue *(shares in thousands)*	**559,992**	559,825
Adjustments for share options *(shares in thousands)*	**34**	48
Diluted earnings per share *(RMB per share)*	**0.037**	0.059

7. DIVIDENDS

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Interim dividends *(note (a))*	**20,616**	28,024

(a) Interim dividends in respect of six months ended 30 June 2012 of HK$0.045 per ordinary share totaling approximately HK$25,200,000 (equivalent to RMB20,616,000 translated at the approximate exchange rate prevailing at 28 August 2012) have been declared out of retained earnings at the board meeting on 28 August 2012.

Interim dividends in respect of six months ended 30 June 2011 of HK$0.061 per ordinary share totaling approximately HK$34,159,000 (equivalent to RMB28,024,000 translated at the exchange rate prevailing at 29 August 2011) have been declared out of retained earnings at the board meeting on 29 August 2011.

(b) Final dividends in respect of 2011 of HK$0.062 per ordinary share, approximately HK$34,720,000 (equivalent to RMB28,123,000 translated at the exchange rate prevailing at the date of payments) have been declared out of retained earnings of the Company in the Company's Annual General Meeting on 27 March 2012 and paid during the six months ended 30 June 2012.

8. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Trade receivables *(note (a))*		
— Third parties	**26,633**	33,946
— Related parties	**2,453**	4,710
	29,086	38,656
Less: provision for impairment of receivables	**(4,471)**	(4,471)
Trade receivables — net	**24,615**	34,185
Prepayments to third parties	**4,605**	7,689
Other receivables		
— Third parties	**8,021**	7,994
— Related parties	**481**	487
	8,502	8,481
Less: provision for impairment of receivables *(note (b))*	**(370)**	—
Other receivables — net	**8,132**	8,481
	37,352	50,355

(a) The Group's sales to corporate customers are generally granted with credit terms ranging from 30 to 180 days or extended as considered appropriate by the directors of the Company. At 30 June 2012, the ageing analysis of the trade receivables, including amounts due from related parties of trading in nature, was as follows:

	As at	
	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Less than 30 days	**17,705**	26,962
31–90 days	**3,184**	4,199
91–180 days	**996**	2,660
181–365 days	**2,408**	61
Over 365 days	**4,793**	4,774
	29,086	38,656

Management performs periodic assessments on the recoverability of trade receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any trade disputes with the debtors.

As at 30 June 2012, trade receivables of RMB7,201,000 (31 December 2011: RMB4,835,000) were past due, out of which RMB4,471,000 (31 December 2011: RMB4,471,000) were impaired.

(b) Provision for impairment of other receivables of RMB370,000 (six months ended 30 June 2011: nil) is included in the "administrative expenses" of the income statement.

9. TRADE AND OTHER PAYABLES

	As at	
	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Trade payables		
— Third parties	**47,736**	43,233
— An associate	**830**	845
— Related parties	**4,219**	3,616
	52,785	47,694
Other payables to third parties	**31,030**	40,631
Dividends payable	**975**	975
Advances from customers	**2,406**	7,648
	87,196	96,948

At 30 June 2012, the ageing analysis of the trade payables, including amounts due to related parties of trading nature, are as follows:

	As at	
	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Less than 30 days	**34,372**	23,346
31–90 days	**12,743**	14,736
91–180 days	**1,491**	3,588
181–365 days	**2,623**	3,360
Over 365 days	**1,556**	2,664
	52,785	47,694

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Review

Printer and Tax Control Equipment Business

In the first half of 2012, the sales of the printer and tax control equipment business of the Group decreased by approximately 26% from the corresponding period of the previous year to approximately RMB171,382,000, representing approximately 74% of the total turnover of the Group. The decrease in sales was mainly attributable to the continuous decline in the economy of China in the first half of 2012. At the same time, the Chinese government has also slowed down the speed of the implementation of tax control measures, which led to the weakening demand of the Group's tax control printer products in the Chinese market.

Other Electronic Products Manufacturing Business

The turnover of the other electronic products manufacturing business of the Group increased by approximately 34% from the corresponding period of the previous year to approximately RMB58,731,000, representing approximately 26% of the total turnover of the Group. The increase in turnover was mainly attributable to the increase in orders from OEM customers of the Group.

Financial Review

Result Summary

During the six months ended 30 June 2012, the Group recorded a turnover of approximately RMB230,113,000, decreased by approximately 17% from the corresponding period of the previous year. The gross profit margin was 26.4%, which was the same as the corresponding period of the previous year.

During the period, profit attributable to shareholders decreased by approximately 37% from the corresponding period of the previous year to approximately RMB20,591,000, while basic earnings per share was RMB0.037, representing a decrease of RMB0.022 from the corresponding period of the previous year. The drop in business results was mainly attributable to the continuous decline of the growth of the economy in China in the first half of 2012. At the same time, the Chinese government has also slowed down the speed of the implementation of tax control measures, which led to the weakening demand of the Group's printer products in the Chinese market and resulted in a decrease in the sales of printers and tax control equipment by approximately 26% from the corresponding period of the previous year, among which the sales of own "Jolimark" brand decreased by approximately 20% from the corresponding period of the previous year.

Capital Expenditure

For the six months ended 30 June 2012, capital expenditure of the Group amounted to approximately RMB4,458,000, which was mainly used for the purchase of property, plant and equipment.

Liquidity and Financial Position

As at 30 June 2012, the total assets of the Group amounted to approximately RMB541,226,000 (31 December 2011: RMB524,990,000), shareholder's fund amounted to approximately RMB415,625,000 (31 December 2011: RMB422,946,000), non-controlling interests amounted to approximately RMB23,000 (31 December 2011: RMB24,000) and current liabilities amounted to approximately RMB93,485,000 (31 December 2011: RMB98,234,000). The current ratio of the Group was approximately 4.7 (31 December 2011: 4.4).

As at 30 June 2012, the cash and bank and deposits in a financial institution of the Group (including restricted cash) amounted to approximately RMB223,847,000 (31 December 2011: RMB170,702,000) whereas bank loan of the Group amounted to approximately RMB32,039,000 (31 December 2011: Nil). The Group was in a net cash position after setting off the loan amounts.

As at 30 June 2012, the Group possessed financial assets at fair value through profit and loss (China A shares) of approximately RMB12,645,000 (31 December 2011: RMB11,883,000) and bills receivable (bank acceptance bills) of approximately RMB12,077,000 (31 December 2011: RMB16,617,000).

Acquisition

During the period, Jolimark Technology Limited ("Jolimark Technology"), a subsidiary of the Company acquired 7.5% of the equity interests in Taiwan International United Technology Co., Ltd. ("International United") at a consideration of 15,419,486 New Taiwan dollars. International United mainly engaged in the research, development and manufacturing business of inkjet print heads.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2012.

Staff

As at 30 June 2012, the Group employed a total staff of 1,123, most of which were based in the PRC except that there were 13 people employed in Hong Kong and overseas. The Group implemented its remuneration policy and bonus and share option scheme based on the business results and individual performance of the staff. In addition, fringe benefits such as insurance, medical allowance and pension were provided to ensure the competitiveness of the Group.

Proposed Interim Dividend and Closure of Register of Members

The board of directors recommended an interim dividend for 2012 of HK$0.045 per share to shareholders whose names appear on the register of members on 28 September 2012.

The register of members of the Company will be closed from 26 September 2012 to 28 September 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, 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 25 September 2012.

Future Business Outlook

In the first half of 2012, China's domestic economy growth continued to show a downward trend, which, together with the European debt crisis and unstable global economy, led to a pessimistic expectation of the future economic growth. The State has also slowed down the speed of implementation of tax control measures resulting in a weakened demand of the Group's printer products in the Chinese market, which in turn leads to a decline in the Groups' tax control printer products in the Chinese market.

The Central Committee and the State Council have made timely pre-adjustments and micro-adjustments, as well as launched loose monetary and fiscal policies in due regard to the economic environment. Such measures have already had a positive effect in stabilizing economic growth. Currently, the economy has shown initial signs of stabilization. However, the foundation of recovery is still fragile and further fluctuations cannot be ruled out. The Group has expected the printer market to gradually rebound in the second half of 2012 but the recovery pace may be slow. As a result, the Group will still encounter numerous challenges.

Recently, the State Administration of Taxation drafted the "Administrative Measures of Online Invoices" (Exposure Draft) (《網絡發票管理辦法》(徵求意見稿)), and proposed to promulgate and implement them through tax regulations. Such measures (Exposure Draft) have been released to the public on 13 July 2012 for advice. On 25 July 2012, the State Council announced that the VAT pilot program (substitution of BT by VAT) would be rolled out to 10 cities/provinces, including Beijing, Tianjin, Jiangsu, Zhejiang, Anhui, Fujian, Hubei, Guangdong, Xiamen and Shenzhen ("pilot locations") progressively between 1 August 2012 and 31 December 2012. The Cai Shui Circular [2012] No. 71 has further clarified the specific implementation dates of each pilot location. This is the first multi-region launch and promotion since Shanghai carried out its VAT pilot reform on 1 January of this year, and the pace of VAT reform in China is speeding up. The introduction of the abovementioned policies and measures may act as a positive impetus in promoting demand recovery for printers and tax control equipment.

Looking forward to the second half of the year, the Group will continue to strive to improve operating efficiency, strengthen internal management, and trim inventory level and other wastes. At the same time, we will pay closer attention to the introduction of the State's tax control and tax reform policies, and cater for the latest market development. We will continue our efforts in improving product quality, and in the research and development of printers and tax control equipment that are more cost competitive and more in line with the demand in the Chinese market. The real-object projector will be launched in the second half of 2012. It is expected to generate new business opportunities to the Group. In respect of other electronic products manufacturing business (EMS), the Group will continue to focus on optical, mechanical and electrical integration products from small and medium overseas customers in order to expand and develop new businesses with higher gross profit margin.

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 2011.

The following table discloses movements in the Company's share options during the six months ended 30 June 2012:

Name	Date of grant	Exercise price *HK$*	Outstanding at 1 January 2012	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 June 2012	Exercise period
Employees — Type 1	3 July 2008	0.63	300,000	—	—	—	**300,000**	Six years from the date of grant *(Note 1)*
Employee — Type 3	22 July 2011	1.00	5,490,000	—	—	—	**5,490,000**	Six years from the date of grant *(Note 2)*
Total			5,790,000	—	—	—	**5,790,000**	

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 25% of the option can be exercisable at any time on and after the first anniversary of the grant of the option. The next 25% of the option can be exercisable at any time commencing from the second anniversary of the grant of the option. The third 25% of the option can be exercisable at any time commencing from the third anniversary of the grant of the option. The remaining 25% of the option can be exercisable at any time commencing from the fourth anniversary of the grant of the option.

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

During the six months ended 30 June 2012, 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, the Company has complied with the Code on Corporate Governance Practices (the "Corporate Governance Code") as set out in Appendix 14 under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") from 1 January 2012 until 31 March 2012, and with the revised Corporate Governance Code from 1 April 2012 to 30 June 2012, save as disclosed below.

Under code provision A.6.7 of the Corporate Governance Code, the independent non-executive Directors and the non-executive Director should attend the general meetings of the Company. However, due to other business commitment, the independent non-executive Directors, Mr. Meng Yuan and Mr. Xu Guangmao and the non-executive Director, Mr. Yeung Kwok Keung did not attend the annual general meeting of the Company held on 8 May 2012.

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 Directors. The Company has made specific enquiry of all Directors and the Directors confirmed that, during the six months ended 30 June 2012, they have complied with all the relevant requirements set out in the Model Code.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The audit committee of the Company (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 2012 had 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 2012 had 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 (the "Remuneration Committee") 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 of the Company and Mr. Au Kwok Lun who is an executive Director of the Company.

PUBLICATION OF THE INTERIM REPORT

This interim report is published on the websites of the Stock Exchange *(www.hkexnews.hk)* and the Company *(www.jolimark.com)*. This report will be despatched to the shareholders of the Company and made available for review on the aforesaid websites.

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

Hong Kong, 28 August 2012

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, Mr. Yeung Kwok Keung, as non-executive Director and Mr. Lai Ming, Joseph, Mr. Meng Yan and Mr. Xu Guangmao, as independent non-executive Directors.