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JOLIMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 2028)

ANNOUNCEMENT

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the year ended 31 December 2008 is expected to record a larger loss when compared with the previous year; however, as the Group adopted cash on delivery and stock clearance strategies, the net cash position of the Group has achieved distinct improvement as compared with the corresponding period last year.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Jolimark Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

- (1) The impact of snowstorms in the People’s Republic of China and the Sichuan’s earthquake in the first half of 2008, together with the impact of the financial tsunami in the second half of 2008, have caused a decrease in the market demand of the Group’s products which resulted in a greater drop in sales volume.
- (2) In 2008, the Group mainly adopted a cash on delivery strategy for part of its products; on the other hand, as the market price for the competitors’ products dropped significantly, the Group cut prices to promote sales and for stock clearance, which resulted in a substantial decrease in gross profit.
- (3) Stock investments had recorded a loss. However, the Group has not made any investments in financial derivatives during the year ended 31 December 2008.

Due to the reasons mentioned above, based on the preliminary assessment by the board of directors (the “Board”) of the Company in accordance with the unaudited management accounts of the Group, the results of the Group for the year ended 31 December 2008 is expected to record a larger loss when compared with the previous year; however, as the Group adopted cash on delivery and stock clearance strategies, the net cash position of the Group has achieved distinct improvement as compared with the corresponding period last year. Based on a preliminary assessment, the bank deposits and bank borrowings of the Group for the year ended 31 December 2008 were approximately RMB168 million and RMB7 million respectively. The bank deposits and bank borrowings of the Group for the year ended 31 December 2007 were approximately RMB161 million and RMB56.51 million respectively.

The Company is in the process of finalizing the results for the year ended 31 December 2008. Shareholders and investors are advised to read the results announcement carefully.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Jolimark Holdings Limited
Au Kwok Lun
Director

Hong Kong, 22 January 2009

As at the date of this announcement, the Board of the Company is comprised of:

Executive Directors:

Mr. Au Pak Yin, Mr. Au Kwok Lun, Mr. Ou Guo Liang and Mr. Ng Shu Kai

Independent Non-executive Directors:

Mr. Lai Ming, Joseph, Mr. Meng Yan and Mr. Xu Guangmao