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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 2009

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 2009, together with the comparative figures for the corresponding period of last year as follows:

Condensed Consolidated Interim Income Statement

		Six months ended 30 June	
		2009	2008
	<i>Note</i>	Unaudited	Unaudited
		RMB'000	RMB'000
Turnover		205,738	251,317
Cost of goods sold		(168,427)	(234,280)
Gross profit		37,311	17,037
Other income		3,287	2,164
Selling and marketing costs		(13,318)	(16,118)
Administrative expenses		(24,602)	(29,347)
Other gains/(losses) — net	5	5,345	(7,942)
Operating profit/(loss)	6	8,023	(34,206)
Finance(expenses)/income — net		(49)	361
Share of losses of associates		(245)	(72)

		Six months ended 30 June	
		2009	2008
		Unaudited	Unaudited
	<i>Note</i>	RMB'000	RMB'000
Profit/(loss)before income tax		7,729	(33,917)
Income tax(expenses)/credit	7	<u>(2,399)</u>	<u>578</u>
Profit/(loss)for the period		<u>5,330</u>	<u>(33,339)</u>
Attributable to:			
Shareholders of the Company		4,697	(33,316)
Minority interests		<u>633</u>	<u>(23)</u>
		<u>5,330</u>	<u>(33,339)</u>
Basic and diluted earning/(loss)per share for profit/(loss) attributable to the shareholders of the Company during the period (expressed in RMB per share)	8	<u>0.008</u>	<u>(0.057)</u>

Condensed Consolidated Interim Statement of Comprehensive Income

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the period	5,330	(33,339)
Other comprehensive income for the period	—	—
Total comprehensive income/(loss) for the period	<u>5,330</u>	<u>(33,339)</u>
Attributable to:		
Shareholders of the Company	4,697	(33,316)
Minority interests	633	(23)
	<u>5,330</u>	<u>(33,339)</u>

Condensed Consolidated Interim Balance Sheet

		As at	
		30 June 2009	31 December 2008
		Unaudited	Audited
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		93,923	98,500
Land use right		10,756	10,900
Intangible assets		1,406	1,498
Interests in associates		225	470
Available-for-sale financial assets		500	1,000
Deferred income tax assets		4,946	5,347
		<u>111,756</u>	<u>117,715</u>
Current assets			
Inventories		181,602	158,374
Trade and other receivables	10	82,501	114,951
Financial assets at fair value through profit or loss		—	3,455
Restricted cash		27,685	—
Cash and cash equivalents		133,525	175,412
		<u>425,313</u>	<u>452,192</u>
Total assets		<u><u>537,069</u></u>	<u><u>569,907</u></u>
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		261,540	271,226
Other reserves		190,091	190,036
Accumulated losses		(7,923)	(12,620)
		<u>443,708</u>	448,642
Minority interests		<u>14,517</u>	<u>13,884</u>
Total equity		<u><u>458,225</u></u>	<u><u>462,526</u></u>

		As at	
		30 June	31 December
		2009	2008
		Unaudited	Audited
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Current liabilities			
Trade and other payables	<i>11</i>	49,229	100,028
Notes payable		27,664	—
Current income tax liabilities		1,951	192
Borrowings		—	7,161
		<u>78,844</u>	<u>107,381</u>
Total equity and liabilities		<u>537,069</u>	<u>569,907</u>
Net current assets		<u>346,469</u>	<u>344,811</u>
Total assets less current liabilities		<u>458,225</u>	<u>462,526</u>

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/ (accumulated losses) Unaudited RMB'000	Minority interests Unaudited RMB'000	Total Unaudited RMB'000
Balance at 1 January 2008	282,194	185,252	85,149	14,261	566,856
Loss for the period	—	—	(33,316)	(23)	(33,339)
Other comprehensive income for the period	—	—	—	—	—
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 9(b))	—	—	(4,061)	—	(4,061)
Balance at 30 June 2008	<u>271,226</u>	<u>188,968</u>	<u>44,056</u>	<u>14,238</u>	<u>518,488</u>
Balance at 1 January 2009	271,226	190,036	(12,620)	13,884	462,526
Profit for the period	—	—	4,697	633	5,330
Other comprehensive income for the period	—	—	—	—	—
Share option granted to employees	—	55	—	—	55
Re-purchase and cancellation of shares of the Company	(1,357)	—	—	—	(1,357)
Final dividends for 2008 (note 9(a))	(8,329)	—	—	—	(8,329)
Balance at 30 June 2009	<u>261,540</u>	<u>190,091</u>	<u>(7,923)</u>	<u>14,517</u>	<u>458,225</u>

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 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, 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 (the “BoD”) on 16 September 2009.

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 2009 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 condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, 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 2008, 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.

(a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009

- HKAS 1 (revised), “Presentation of financial statements”.
- HKAS 23 (Revised), “Borrowing costs”.
- Amendment to HKFRS 7, “Financial instruments: disclosures”.
- HKFRS 8, “Operating segments”.
- HKAS 2 (amendment), “Share-based payment”.

(b) The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not relevant for the Group

- HKAS 32 (amendment), “Financial instruments: presentation”.
- HK(IFRIC) 9 (amendment), “Reassessment of embedded derivatives” and HKAS 39 (amendment), “Financial instruments: Recognition and measurement”.
- HK(IFRIC) 13, “Customer loyalty programmes”.
- HK(IFRIC) 15, “Agreements for the construction of real estate”.
- HK(IFRIC) 16, “Hedges of a net investment in a foreign operation”.
- HKAS 39 (amendment), “Financial instruments: Recognition and measurement”.

4. SEGMENT INFORMATION

The chief executive officer and senior management of the Group are the chief operating decision-maker (“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, tax control equipment, projectors and other electronic products manufacturing.

The CODM assesses the performances of the operating segments based on a measure of segment turnover and segment results. Segment results excludes other income, administrative expenses, other gains/(losses), finance (expenses)/income and income tax (expenses)/credit, 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.

Total segment assets exclude deferred income taxes, financial assets at fair value through profit and loss, restricted cash, cash and cash equivalents and other assets shared by all segments, which are managed on a central basis.

The segment turnover 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>	Projectors <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>75,445</u>	<u>11,853</u>	<u>205,738</u>
Segment results	<u>14,974</u>	<u>5,892</u>	<u>2,382</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>(1,685)</u>	<u>(115)</u>	<u>(4,513)</u>

The segment turnover and results and the reconciliation with loss for the six months ended 30 June 2008 are as follows:

	Printer and tax control equipment <i>RMB'000</i>	Projectors <i>RMB'000</i>	Other electronic products manufacturing <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover (from external customers)	<u>140,379</u>	<u>93,168</u>	<u>17,770</u>	<u>251,317</u>
Segment results	<u>(9,136)</u>	<u>6,222</u>	<u>3,761</u>	847
Other income				2,164
Administrative expenses				(29,347)
Other losses — net				(7,942)
Finance income — net				361
Income tax credit				<u>578</u>
Loss for the period				<u><u>(33,339)</u></u>
Segment results include:				
Share of losses of associates	(72)	—	—	(72)
Depreciation and amortisation charge	<u>(2,883)</u>	<u>(1,664)</u>	<u>(29)</u>	<u>(4,576)</u>

The segment assets and the reconciliation with total assets as at 30 June 2009 are as follows:

	Printer and tax control equipment RMB'000	Projectors RMB'000	Other electronic products manufacturing RMB'000	Total RMB'000
Segment assets	<u>182,298</u>	<u>57,959</u>	<u>22,482</u>	<u>262,739</u>
Unallocated assets				
Property, plant and equipment and land use right (note (a))				81,116
Deferred income tax assets				4,946
Other receivables				27,058
Restricted cash				27,685
Cash and cash equivalents				<u>133,525</u>
				<u>274,330</u>
Total assets				<u><u>537,069</u></u>
Segment assets include:				
Investments in associates	225	—	—	225
Additions of property, plant and equipment during the six months ended 30 June 2009	<u>1,294</u>	<u>—</u>	<u>—</u>	<u>1,294</u>

The segment assets and the reconciliation with total assets as at 31 December 2008 are as follows:

	Printer and tax control equipment <i>RMB'000</i>	Projectors <i>RMB'000</i>	Other electronic products manufacturing <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	<u>193,205</u>	<u>68,482</u>	<u>21,606</u>	<u>283,293</u>
Unallocated assets				
Property, plant and equipment and land use right (note (a))				84,157
Deferred income tax assets				5,347
Other receivables				18,243
Financial assets at fair value through profit or loss				3,455
Cash and cash equivalents				<u>175,412</u>
				<u>286,614</u>
Total assets				<u><u>569,907</u></u>
Segment assets include:				
Investments in associates	470	—	—	470
Additions of property, plant and equipment during the year ended 31 December 2008	<u>5,611</u>	<u>785</u>	<u>11</u>	<u>6,407</u>

(a) Amounts represent portion of property, plant and equipment and land use right shared by all the segments.

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

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
In the PRC	180,682	211,484
In other countries	<u>25,056</u>	<u>39,833</u>
	<u>205,738</u>	<u>251,317</u>

As at 30 June 2009 and 31 December 2008, non-current assets, other than deferred tax assets, are mainly located in the PRC.

For the six months ended 30 June 2009, turnover of approximately RMB75,006,000 (six months ended 30 June 2008: RMB91,642,000) are derived from a single external customers. These turnover are attributable to the segment of projectors.

5. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gains/(losses)	343	(634)
Impairment loss of available-for-sale financial assets	(500)	—
Fair value gains/(losses) on financial assets at fair value through profit or loss (note (a))	5,502	(7,308)
	<u>5,345</u>	<u>(7,942)</u>

(a) Amounts represent the fair value gains/(losses) on the investments in listed equity securities. All the listed equity securities were disposed of during the six months ended 30 June 2009.

6. OPERATING PROFIT/(LOSS)

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

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Write down of inventories	—	1,795
Provision for impairment of receivables	5,348	598
	<u>5,348</u>	<u>598</u>

7. INCOME TAX (EXPENSES)/CREDIT

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
— Hong Kong profits tax	(198)	(211)
— PRC enterprise income tax	(1,800)	(1,344)
Deferred income tax	(401)	2,133
	<u>(2,399)</u>	<u>578</u>

Hong Kong Profits Tax

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30 June 2009 and 2008.

PRC Enterprise 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 enterprise 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 enterprise income tax rate of Kongyue Information is 15% for the six months ended 30 June 2009 (six months ended 30 June 2008: 15%).

8. EARNING/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2009	2008
Earning/(loss) attributable to shareholders of the Company (RMB)	4,697,000	(33,316,000)
Weighted average number of ordinary shares in issue (thousands)	570,917	588,883
Basic earning/(loss) per share (RMB per share)	<u>0.008</u>	<u>(0.057)</u>

Diluted earning/(loss) per share is calculated by adjusting the weighted average number of outstanding ordinary shares with assuming 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 market share price of the Company's shares for the six months ended 30 June 2009, there is no potential dilutive impact of the share options during the six months ended 30 June 2009.

9. DIVIDEND

- (a) 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.

According to the Companies Law (2003 Revision) of the Cayman Islands and the articles of association of the Company, the dividends can be declared out of share premium account but subject to solvency test.

- (b) A final dividend for the year ended 31 December 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.
- (c) In a meeting held on 16 September 2009, the directors of the Company determined that no interim dividend would be declared for the six months ended 30 June 2009 (six months ended 30 June 2008: nil).

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2009 <i>RMB'000</i>	31 December 2008 <i>RMB'000</i>
Trade receivables		
— Third parties	56,117	91,806
— Related parties	7,450	6,944
	<u>63,567</u>	<u>98,750</u>
Less: provision for impairment of receivables	<u>(28,029)</u>	<u>(22,681)</u>
Trade receivables — net	35,538	76,069
Prepayments		
— Third parties	15,945	16,218
— Related parties	3,960	4,421
Other receivables		
— Third parties	19,843	10,811
— Associates	852	819
— Related parties	6,363	6,613
	<u>82,501</u>	<u>114,951</u>

As at 30 June 2009, the fair value of trade and other receivables approximate their carrying amounts.

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 2009, the ageing analysis of the trade receivables, including amounts due from related parties of trading in nature, was as follows:

	As at	
	30 June 2009 <i>RMB'000</i>	31 December 2008 <i>RMB'000</i>
0–30 days	20,314	54,293
31–90 days	8,572	7,538
91–180 days	1,681	2,656
181–365 days	2,594	1,599
Over 365 days	30,406	32,664
	<u>63,567</u>	<u>98,750</u>

11. TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables		
— Third parties	35,182	75,074
— Related parties	2,579	3,577
	<u>37,761</u>	78,651
Other payables to third parties	9,110	16,169
Advances from customers	2,358	5,208
	<u>49,229</u>	100,028

At 30 June 2009, the ageing analysis of the trade payables, including amounts due to related parties, was as follows:

	As at	
	30 June	31 December
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
0–30 days	15,388	35,231
31–90 days	13,563	38,064
91–180 days	6,325	3,959
181–365 days	1,631	440
Over 365 days	854	957
	<u>37,761</u>	78,651

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Review

Printer and Tax Control Equipment Business

The sales of printer and tax control equipment of the Group for the first half of 2009 decreased by approximately 16% from the corresponding period of last year to approximately RMB118,440,000, representing approximately 58% of the turnover of the Group. The decrease in sales was mainly due to termination of the distribution of printers of other brand. Although the sales of printer and tax control equipment decreased in the first half of the year, the sales of products of “Jolimark” brand experienced a significant growth as compared to that of the corresponding period of last year. Meanwhile, as the gross profit margin of products of “Jolimark” brand is higher than that of other distributed brands, the gross profit margin of printer and tax control equipment recorded a substantial increase in the first half year, as compared to that of corresponding period of last year.

Projector Business

The turnover of the projector business decreased by approximately 19% from the corresponding period last year to approximately RMB75,445,000, representing approximately 36% of the turnover of the Group. It was mainly due to a decrease in demand of orders from customers. The gross profit margin of the projector business increased slightly from approximately 7% of the corresponding period of last year to approximately 8% in the first half of the year.

Other Electronic Products Manufacturing Business

The turnover of other electronic products manufacturing business of the Group decreased by approximately 33% from the corresponding period of last year to approximately RMB11,853,000, representing approximately 6% of the turnover of the Group. The decrease was mainly due to the financial tsunami. As for the gross profit margin, during the first half of the year, it decreased slightly by approximately 1% as compared to that of last year.

Financial Review

Results Summary

During the six months ended 30 June 2009, the Group recorded a turnover of approximately RMB205,738,000, decreased by approximately 18% from the corresponding period of last year and the gross margin increased to approximately 18% from approximately 7% of the corresponding period of last year.

The profit attributable to shareholders for the Group was approximately RMB5,330,000 and the basic earnings per share was RMB0.008 during the period. The improvement in the results was mainly attributed to:

- (1) significant increase in the gross profit margin of the products;
- (2) the optimization of the management structure and the operations process, resulting in the decrease in the administrative expenses of approximately 16% from the corresponding period of last year;
- (3) the sufficiency of cash of the Group which resulted in a decrease in finance costs; and
- (4) the rebound of the stock market in the People's Republic of China (the "PRC") during the first half of the year, leading to a record of profit in the investment of shares during the six months ended 30 June 2009.

Operating Results Analysis by Product

	For the six months ended 30 June					
	2009			2008		
	Turnover	Gross Profit	Gross Profit Margin	Turnover	Gross Profit	Gross Profit Margin
	<i>RMB'000</i>	<i>RMB'000</i>		<i>RMB'000</i>	<i>RMB'000</i>	
Printer and tax control equipment	118,440	28,807	24%	140,379	7,054	5%
Projectors	75,445	6,122	8%	93,168	6,222	7%
Other electronic products manufacturing	11,853	2,382	20%	17,770	3,761	21%
Total	205,738	37,311	18%	251,317	17,037	7%

Capital Expenditure

For the six months ended 30 June 2009, capital expenditure amounted to approximately RMB1,365,000, which was mainly related to the purchase of property, plant and equipment.

Liquidity and Financial Position

As at 30 June 2009, the total assets of the Group amounted to approximately RMB537,069,000 (31 December 2008: RMB569,907,000), shareholder's fund amounted to approximately RMB443,708,000 (31 December 2008: RMB448,642,000), minority interests amounted to approximately RMB14,517,000 (31 December 2008: RMB13,884,000) and current liabilities amounted to approximately RMB78,844,000 (31 December 2008: RMB107,381,000). The current ratio of the Group was approximately 5.4 (31 December 2008: 4.2).

As at 30 June 2009, the cash and the cash equivalents of the Group amounted to approximately RMB133,525,000 (31 December 2008: RMB175,412,000) whereas no bank loan was outstanding (31 December 2008: RMB7,161,000). The gearing ratio* was 0% (31 December 2008: 1.3%). 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 2009, the Group had no material contingent liabilities.

Staff

As at 30 June 2009, the Group employed a total 895 staff, of which all staff were employed in Mainland China except for 10 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

For the printer and tax control equipment business, owing to the policies of various regions, the promotion progress of the tax control electronic cash registers was not satisfactory. While concerning such business, the Group will emphasize on the development of its own branded dot matrix printer market in the second half of the year, and will develop the printing equipment and solutions related to the application in the industries such as logistics, retail, finance, medicine and taxation, by using the advantages of its existing brand, sales channels, technologies and production. There is stable demand of dot matrix printers in the PRC, especially in the areas of taxation, medicine, finance and telecommunications. The Group will continue to maintain the efforts in this business, in particular the development of new products, brand-marketing and the invention of new applications. At the same time, it will also develop the OEM, ODM and the overseas markets. As for the projector business, owing to the keen competition in the market, the Group expects that there will be a decline in turnover for this business. The Group will take a cautious approach towards this business. As for the electronic manufacturing services (EMS) business, as the Group is focused on the small-to-medium customers of optoelectronicmechanical integrated products, the competition is relatively less intense. The Group will strive to enhance the competitive edges and the scale of economy of such business.

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 2008. No movement was noted during the six months ended 30 June 2009.

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

During the six months ended 30 June 2009, the Company purchased a total of 9,304,000 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) <i>HK\$</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
February 2009	8,750,000	0.165	0.165	1,443,750
March 2009	<u>554,000</u>	0.185	0.162	<u>90,898</u>
Total	<u>9,304,000</u>			<u>1,534,648</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 2009, 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 2009, they have complied with all the relevant requirements set out in the Model Code.

Audit Committee

The audit committee has reviewed this interim report.

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 who is an Executive Director. During the period, Mr. Au Kwok Lun was appointed as the chairman of the remuneration committee.

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

Hong Kong, 16 September 2009

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.