

## Chairman's Statement

To all shareholders,

The year 2005 saw the Group reached a key milestone — the listing of Jolimark on the Main Board of The Stock Exchange of Hong Kong Limited, has speed up the Group's development.

Over the years, the Group has persisted on boosting our research and development capabilities, and actively developing new products and expanding our sales and distribution network to foster the growth of the "Jolimark" brand business. Today, dot matrix printers and tax control equipment are the core products of our brand business. Dot matrix printers are used mainly for commercial purposes and by industries that need to make multiple copies of transaction records, identification certificates and high-speed backroom bulk printing, such functions cannot be replaced by laser printers or ink-jet printers. Currently, the market consumes about 1.3 million dot matrix printers each year, and with the kick-off of the third phase of the "Golden Tax Project", the demand for dot matrix printers will see further growth.

Boasting high quality products and an extensive sales network, the Group has successfully crafted Jolimark into a pioneer business equipment brand worthy of the trust of users in different industries. "Jolimark" is the largest domestic brand for dot matrix printers in the PRC, testifying to the success of the Group's business strategy.

In recent years, we have benefited from the Chinese Government's active pursuit of electronic government initiatives under the "Twelve Golden Projects". Jolimark's advantages have stood out especially against the "Golden Tax Project". We started early in 1999 to design, produce and sell tax control equipment to exploit our strategic first mover position. In the second phase of the project, the Group attained 25% share of the tax control equipment market and accumulated much experience in producing international standard products. Hence, we are confident that in the third



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phase of the project, which has just kicked off, Jolimark will be able to grasp enormous opportunities. Jolimark was among the few corporations with solid experience in the second phase of the project. Apart from standing out in product quality and experience, we also have more diverse production lines and a more extensive sales and after-sales service network than our competitors. Recently, the tender of the Group has been accepted by the Guangdong Provincial Office, SAT, a keenly competitive market which is also laden with the greatest potential.

In the future, we intend to actively bid for projects in different provinces in the PRC to extend our market share. Building on our advantages and our renowned brand "Jolimark", the management is confident that in the third phase of the "Golden Tax Project", Jolimark will achieve results better than that in the second phase of the "Golden Tax Project", creating for itself yet a stronger drive for growth.

Last, but not the least, on behalf of the Broad, I would like to express my gratitude to all shareholders, the management team, our staff and customers for their great support to the Group over the years. At the relentless effort and dedication of our spirited staff, the Group believes it will be able to continuously bring long-lasting, fruitful returns to our shareholders.

By order of the Board

**Jolimark Holdings Limited**

**Au Pak Yin**

*Chairman*

Hong Kong, 31 March 2006