



PEACE MARK (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

THE SUPPLEMENTAL DEED RELATING TO THE UNDERWRITING AGREEMENT

Reference is made to the announcement of the Company dated 6th June, 2002 in relation to the proposed Rights Issue on the basis of two Rights Shares for every one existing Share held and application for the granting of the Whitewash Waiver, and the announcement of the Company dated 26th June, 2002 regarding the delay in despatch of the Circular.

The Directors announce that the Company entered into the Supplemental Deed relating to the Underwriting Agreement on 8th July, 2002 to amend certain terms of the Underwriting Agreement. Save as set out in the Supplemental Deed, the provisions of the Underwriting Agreement shall remain in full force and effect.

BACKGROUND

Reference is made to the announcement (the "First Announcement") of the Company dated 6th June, 2002 in relation to the proposed Rights Issue on the basis of two Rights Shares for every one existing Share held and application for the granting of the Whitewash Waiver, and the announcement of the Company dated 26th June, 2002 regarding the delay in despatch of the Circular (the "Second Announcement"). Terms defined in the First Announcement and the Second Announcement shall have the same meanings when used herein unless the context requires otherwise.

The Company proposes to issue, by way of rights, 367,822,300 Rights Shares at HK\$0.18 each. The Company will provisionally allot two Rights Shares in nil-paid form for every existing Share held by the Qualifying Shareholders on the Record Date. The Company entered into the Underwriting Agreements with the Underwriters, Mr. Patrick Chau and Mr. Leung Yung, pursuant to which the Rights Shares other than the Rights Shares to be issued to and accepted by Mr. Patrick Chau and Mr. Leung Yung have been fully underwritten by the Underwriters. Pursuant to Rule 8.2 of the Takeovers Code, a circular containing, among others, details of the Rights Issue, a letter from the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and a notice convening the SGM to consider the Rights Issue and the Whitewash Waiver is required to be despatched to the Shareholders within 21 days of the date of the First Announcement, being not later than 27th June, 2002. As the inclusion of the consolidated audited financial statements of the Company for the year ended 31st March, 2002 in the Circular would provide the Shareholders with the latest financial information on the Group and in view of the additional time required for preparing the consolidated audited financial statements of the Company for the year ended 31st March, 2002, the despatch of the Circular has been delayed. As stated in the Second Announcement the despatch of the Circular is currently expected to be on or before 15th July, 2002.

In view of the delay in despatch of the Circular, the expected timetable for the Rights Issue has been revised and accordingly a supplemental deed (the "Supplemental Deed") relating to the Underwriting Agreement was entered into on 8th July, 2002 between the parties to the Underwriting Agreement to amend certain terms of the Underwriting Agreement to reflect the changes to the expected timetable of the Rights Issue.

SUPPLEMENTAL DEED

Date

8th July, 2002

Parties

the Company
A-ONE
TIS Securities
Mr. Patrick Chau
Mr. Leung Yung

Subject matters

The terms and conditions of the Underwriting Agreement have been amended by the Supplemental Deed. The major amendments, including the change of the stop date of the Underwriting Agreement to 31st August, 2002, are set out below:

Pursuant to the Underwriting Agreement as amended by the Supplemental Deed, the conditions of the Rights Issue are as follows:

- (a) the Listing Committee of the Stock Exchange having granted (subject only to provisional allotment and/or allotment of the Rights Shares and any other matters required by the Stock Exchange) the listing of and permission to deal in the Rights Shares (both nil paid and fully paid) on the Stock Exchange by no later than the date on which the Prospectus Documents are despatched by the Company to the Qualifying Shareholders (the "Posting Date", which is expected to be on or about 5th August, 2002) and such listing and permission to deal not being revoked prior to 4:00 p.m. on the date of acceptance and payment for the Rights Shares, which is expected to be on or about 20th August, 2002, or such other date to be agreed between the Company and the Underwriters;
- (b) the registration of the Prospectus Documents (with all the documents required to be attached thereto by Section 342C of the Ordinance) (all having been duly authorised for registration by the Stock Exchange and signed by or on behalf of two Directors) by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance by no later than the Posting Date;
- (c) the filing of the Prospectus Documents with the Registrar of Companies in Bermuda by no later than the Posting Date;
- (d) the granting of the Whitewash Waiver and the satisfaction of all conditions attached therein no later than the Posting Date;
- (e) the passing by the Board of resolutions on or before the date of the SGM (which is expected to be on or about 1st August, 2002, or such other dates as the Company and the Underwriters may agree) to approve, inter alia, the following:
 - (i) the Rights Issue;
 - (ii) the entering into by the Company of the Underwriting Agreement; and
 - (iii) the Whitewash Waiver;
- (f) the passing by Independent Shareholders at the SGM by not later than 1st August, 2002 or such other date as the Company and the Underwriters may agree, of ordinary resolutions to approve by poll and authorise, inter alia, the following:
 - (iv) the Rights Issue;
 - (v) the entering into by the Company of the Underwriting Agreement; and
 - (vi) the Whitewash Waiver;
- (g) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (h) the entering into of the irrevocable undertakings by each of Mr. Patrick Chau and Mr. Leung Yung that the Shares beneficially owned by each of them will remain registered in their names from the date of the First

Announcement to the Record Date and they will take up their entitlements under the Rights Issue in full and that such irrevocable undertakings shall remain valid and effective on the date of acceptance and payment for the Rights Shares, which is expected to be on or about 20th August, 2002 or such other date to be agreed between the Company and the Underwriters;

- (i) the compliance of undertakings and representations in relation to the financial resources of A-ONE being sufficient for A-ONE to perform its obligation under the Underwriting Agreement by A-ONE and the shareholders of A-ONE, Mr. Patrick Chau and Mr. Leung Yung; and
- (j) if required, the granting of consent to the Rights Issue by the Bermuda Monetary Authority.

The Company, Mr. Patrick Chau, Mr. Leung Yung and the Underwriters have agreed not to waive the condition (d) stated above and the Company will not proceed with the Rights Issue in the event that condition (d) is not fulfilled. In the event that all the conditions of the Rights Issue are not fulfilled on or before the relevant time and date or dates stated above (or such other date as the Company and the Underwriters may agree provide that the Posting Date shall be no later than 31st August, 2002), the Underwriters shall have the right to terminate the Underwriting Agreement by giving notice to the Company. Accordingly, all obligations of the Underwriters shall cease and terminate and no party shall have any claim against any other party in connection with the Underwriting Agreement (including the irrevocable undertakings provided by Mr. Patrick Chau and Mr. Leung Yung) save in respect of antecedent breach.

Save as set out in the Supplemental Deed, the provisions of the Underwriting Agreement shall remain in full force and effect.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue has been revised as below:-

	2002
Despatch of circular to Shareholders	on or before Monday, 15th July
Last day of dealings in Shares on a cum-rights basis	Wednesday, 24th July
First day of dealings in Shares on an ex-rights basis	Thursday, 25th July
Latest time for lodging transfers of Shares	4:00 p.m. on Friday, 26th July
Register of members closed (both dates inclusive)	Monday, 29th July to Thursday, 1st August
Latest time for lodging forms of proxy for the SGM	10:00 a.m. on Tuesday, 30th July
SGM	10:00 a.m. on Thursday, 1st August
Record Date for the Rights Issue	Thursday, 1st August
Register of members re-opens	Friday, 2nd August
Announcement of results of the SGM	Friday, 2nd August
Despatch of the Prospectus Documents or the Posting Date	Monday, 5th August
First day of dealings in nil-paid Rights Shares	Wednesday, 7th August
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Monday, 12th August
Last day of dealings in nil-paid Rights Shares	Thursday, 15th August
Latest time for payment for and acceptance of Rights Shares	4:00 p.m. on Tuesday, 20th August
Rights Issue expected to become unconditional	Thursday, 22nd August
Announcement of results of acceptance of the Rights Issue	Friday, 23rd August
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications	Friday, 23rd August
Certificates for fully-paid Rights Shares expected to be despatched on or before	Friday, 23rd August
First day of dealings in the fully-paid Rights Shares	Tuesday, 27th August
Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be exercised or varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published by way of public announcements.	

WARNING OF THE RISK OF DEALING IN SHARES AND RIGHTS SHARES

Existing Shares will be dealt in on an ex-rights basis from Thursday, 25th July, 2002. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 7th August, 2002 to Thursday, 15th August, 2002 (both dates inclusive). If the conditions of the Rights Issue as stated in the Underwriting Agreement (as amended by Supplemental Deed) are not fulfilled and TIS Securities elects to exercise the Underwriters' right to terminate the Underwriting Agreement, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form during the period from Wednesday, 7th August, 2002 to Thursday, 15th August, 2002 who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination ceases) and any persons dealing in the nil-paid Rights Shares during the period from Wednesday, 7th August, 2002 to Thursday, 15th August, 2002 will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors should exercise caution in dealing in the securities in the Company.

By Order of the Board
Chau Cham Wong, Patrick
Chairman

Hong Kong, 8th July, 2002

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, their opinions expressed in this announcement have been arrived at after due and careful consideration, and that there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Journal.*