



Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

DESPATCH OF THE PROSPECTUS DOCUMENTS

The Directors are pleased to announce that the Rights Issue prospectus (the "Prospectus"), the provisional allotment letter and the application form for excess Rights Shares (collectively the "Prospectus Documents"), were despatched to the Qualifying Shareholders on 5th August, 2002 and the Prospectuses were despatched to the Overseas Shareholders for their information only on the same day.

References are made to the announcement of the Company dated 6th June, 2002 (the "Announcement") and the circular of the Company dated 16th July, 2002 (the "Circular"). Terms used herein shall have the same meanings as defined in the Announcement and the Circular unless the context requires otherwise.

DESPATCH OF THE PROSPECTUS DOCUMENTS

The Directors are pleased to announce that the Prospectus Documents were despatched to the Qualifying Shareholders on 5th August, 2002. The Prospectuses were despatched to the Overseas Shareholders for their information only on the same day.

DEALINGS AND LATEST TIME FOR ACCEPTANCE

Dealings in nil-paid Rights Shares are expected to commence on Wednesday, 7th August, 2002 and cease at the close of trading on Thursday, 15th August, 2002. The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Tuesday, 20th August, 2002.

TERMINATION OF THE UNDERWRITING AGREEMENT

TIS Securities may, in addition to and without prejudice to any other remedies to which the Underwriters may be entitled, by notice in writing to the Company terminate the Underwriting Agreement forthwith if at any time between the date of the Underwriting Agreement and 4:00 p.m. on the date of acceptance and payment for the Rights Shares, which is expected to be on or about Tuesday, 20th August, 2002 or such other date to be agreed between the Company and the Underwriters, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, or exist:

- (a) the occurrence, happening, coming into effect or public knowledge of any local, national or international event of a financial, political, economic, monetary, military or other nature whether or not sui generis with any of the foregoing resulting in a material adverse change in, or which would reasonably be expected to result in a material adverse change in the business or prospects of the Group taken as a whole or materially and adversely affect the success of the Rights Issue; or
- (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (c) the introduction of any new law or regulation or any change in existing law or regulation or the interpretation thereof by the courts (or in the absence of judicial interpretation, which is commonly accepted) or the introduction or change in any policy or guideline whether or not having the force of law or other occurrence of any nature whatsoever which would materially and adversely affect the business or prospects of the Group taken as a whole; or
- (d) any material adverse change in market conditions of Hong Kong or international securities markets (or in conditions affecting a sector only of the market) occurs which in the reasonable opinion of TIS Securities make it inexpedient or inadvisable to proceed with the Rights Issue; or
- (e) the Prospectus disclosing any new fact or circumstance, which in the reasonable opinion of TIS Securities, constitutes a material adverse change in the financial or trading position of the Group taken as a whole or in its prospects, from that disclosed in the Announcement and/or the audited consolidated financial statements of the Group for the year ended 31st March, 2001 and/or public announcements of the Company made prior to the date of the Underwriting Agreement; or
- (f) any of the warranties or representations given by the Company in the Underwriting Agreement is or becomes no longer true and accurate in every respect which is material in the context of the Rights Issue; or
- (g) any breach of the undertakings by A-ONE and/or the shareholders of A-ONE, Mr. Patrick Chau and Mr. Leung Yung in relation to the financial resources of A-ONE being sufficient for A-ONE to perform its obligations under the Underwriting Agreement; or
- (h) the Company commits any breach or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement.

In the event that the Underwriting Agreement is terminated, all obligations of the Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the irrevocable undertakings entered into by Mr. Patrick Chau and Mr. Leung Yung save in respect of any antecedent breach. The Underwriters' right to terminate will be exercised in the sole discretion of TIS Securities and accordingly, A-ONE itself does not have the discretionary power to terminate the Underwriting Agreement. If the Underwriters exercise such right, the Rights Issue will not proceed.

WARNING OF THE RISK OF DEALING IN SHARES AND RIGHTS SHARES

Existing Shares have been 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 are not fulfilled, 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.

By Order of the Board
Chau Cham Wong, Patrick
Chairman