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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Peace Mark (Holdings) Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liabilities)

(Stock Code: 304)

CHANGE OF BOARD LOT SIZE

LETTER FROM THE BOARD



Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liabilities)

(Stock Code: 304)

Directors of the Company:

Mr. Chau Cham Wong, Patrick (*Chairman*)
Mr. Leung Yung (*Chief Executive Officer*)
Mr. Tsang Kwong Chiu, Kevin (*Chief Financial Officer*)
Mr. Man Kwok Keung
Mr. Cheng Kwan Ling
Ms. Susan So*
Mr. Kwok Ping Ki, Albert*
Mr. Tang Yat Kan*
Mr. Wong Yee Sui, Andrew*
Mr. Mak Siu Wing, Clifford*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal
place of business:*

Unit 3, 12th Floor
Cheung Fung Industrial Building
23-39 Pak Tin Par Street
Tsuen Wan
Hong Kong

* *Independent non-executive directors of the Company*

2 February 2007

To the Shareholders

Dear Sirs,

CHANGE OF BOARD LOT SIZE

INTRODUCTION

On 31 January 2007, the board of directors (the “Board”) of Peace Mark (Holdings) Limited (the “Company”) announced that the board lot size for trading in the ordinary shares (the “Shares”) of HK\$0.10 each in the issued capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) is proposed to be changed from 10,000 Shares to 2,000 Shares with effect from Monday, 26 February 2007.

CHANGE OF BOARD LOT SIZE

Based on the closing price of HK\$6.54 per Share on 31 January 2007, being the latest practicable date for ascertaining certain information for inclusion in this circular, and the existing board lot size of 10,000 Shares, the prevailing board lot value was HK\$65,400. On the basis of the aforesaid closing price and the new board lot size of 2,000 Shares, the new board lot value would be HK\$13,080. The

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change in board lot size will reduce the board lot value and hence improve the liquidity of the Shares and broaden the shareholder base of the Company. The change of board lot size will not result in any change of the relative rights of the shareholders of the Company (the “Shareholders”).

FREE EXCHANGE OF SHARE CERTIFICATES

In respect of the change of board lot size, the Shareholders may submit their share certificates (the “Existing Share Certificate”) in board lot(s) of 10,000 Shares (light green in colour) to the Company’s branch share registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, in exchange for new share certificates (the “New Share Certificate”) in board lots of 2,000 Shares (light yellow in colour) free of charge between 9:00 a.m. and 4:00 p.m. on any business day from Thursday, 8 February 2007 to Monday, 26 March 2007 (both dates inclusive). It is expected that New Share Certificates will be available for collection within 10 business days after the submission of the Existing Share Certificates to Secretaries Limited for exchange.

From 27 March 2007 onwards, exchange of Existing Share Certificates for New Share Certificates will only be made at a cost of HK\$2.5 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever is higher. Nevertheless, Existing Share Certificate will continue to be good evidence of legal title and may be exchanged for New Share Certificate at any time.

EXPECTED TIMETABLE

2007

First day of free exchange of Existing Share Certificates (light green in colour) for New Share Certificates (light yellow in colour) in board lots of 2,000 Shares	Thursday, 8 February
Effective date for change of board lot size from 10,000 Shares to 2,000 Shares.	Monday, 26 February
Original counter for trading in board lots of 10,000 Shares closes and becomes counter for trading in board lots of 2,000 Shares	9:30 a.m. on Monday, 26 February
Temporary counter for trading in board lots of 10,000 Shares opens	9:30 a.m. on Monday, 26 February
Parallel trading in the Shares commences	9:30 a.m. on Monday, 26 February
Temporary counter for trading in board lots of 10,000 Shares closes.	4:00 p.m. on Monday, 19 March
Parallel trading in the Shares ends	4:00 p.m. on Monday, 19 March
Last day for free exchange of Existing Share Certificates for New Share Certificates in board lots of 2,000 Shares.	Monday, 26 March

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully
By Order of the Board
Fong Ho Yan
Company Secretary