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Peace Mark (Holdings) Limited

(incorporated in Bermuda with limited liability)

(Stock code: 304)

CLARIFICATION ANNOUNCEMENT

Reference is made to the Announcement dated 20 January 2006 in relation to the Placing and Subscription Agreement. This announcement is to provide certain supplemental information to the Announcement.

At the request of the Company, trading in the Shares has been suspended from trading from 11:27 a.m. on 23 January 2006, pending the issue of this clarification announcement.

Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 January 2006.

Reference is made to the announcement dated 20 January 2006 issued by the Company in relation to the placing of certain existing shares (“**Shares**”) and subscription of certain new shares in the Company (“**Announcement**”). Terms used herein shall have the same meanings as ascribed thereto in the Announcement.

The Company wishes to clarify an oversight that references should have been made to the fact that the transactions contemplated in the Announcement should also be subject to the granting of a waiver (“**Waiver**”) to the Vendor and persons acting in concert with it by the Executive (as defined in the Hong Kong Code on Takeovers and Mergers (“**Code**”)) pursuant to Note 6 on the dispensations from the obligation to make a general offer for the Shares in issue pursuant to Rule 26 of the Code as a result of the Subscription (“**Condition**”).

THE GENERAL OFFER OBLIGATION

The following is a summary of the changes in shareholdings of the Vendor and persons acting in concert with it effected by the Placing and Subscription as originally set out in the Announcement:

	Before the Placing and Subscription		Immediately after completion of the Placing but before Subscription		Immediately after completion of the Placing and Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Vendor	296,840,459	32.99	206,840,459	22.99	296,840,459	29.99
Chau Cham Wong, Patrick	65,631,077	7.29	65,631,077	7.29	65,631,077	6.63
United Success Enterprises Limited (<i>Note 1</i>)	28,416,795	3.16	28,416,795	3.16	28,416,795	2.87

Note 1: United Success Enterprises Limited is wholly owned by Mr. Leung Yung.

Note 2: The Vendor, Mr. Chau Cham Wong, Patrick, Mr. Leung Yung and United Success Enterprises Limited are parties acting in concert (as defined in the Code).

The Subscription of New Shares by the Vendor would increase its shareholding, together with its concert parties, from 33.44% to 39.49%. According to Rule 26.1 of the Code, the Vendor and the persons acting in concert with it are required to conduct a general offer of the Shares in issue. According to Note 6 on the dispensations from the obligation to make a general offer for the Shares in issue pursuant to Rule 26, the general offer obligation on the Vendor and parties acting in concert with it could be dispensed with upon granting of a waiver from the Executive. The Vendor and parties acting in concert with it will submit to the Executive a waiver application under Note 6 on dispensations from Rule 26 of the Code as soon as possible.

SUPPLEMENTAL AGREEMENT

A supplemental agreement dated 23 January 2006 was entered into between the Vendor, Mr. Chau Cham Wong, Patrick, Mr. Leung Yung, the Company and Cazenove to amend the original conditions in the Placing and Subscription Agreement, such that the Subscription will also be conditional upon obtaining the Waiver. The Supplemental Agreement will have no impact on the transactions contemplated in the Placing and Subscription Agreement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange from 11:27 a.m. on 23 January 2006, pending the issue of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 January 2006.

As at the date of this announcement, the executive Directors are Mr. Chau Cham Wong, Patrick, Mr. Leung Yung, Mr. Tsang Kwong Chiu, Kevin, Mr. Man Kwok Keung and Mr. Cheng Kwan Ling. The independent non-executive Directors are Ms. Susan So, Mr. Kwok Ping Ki, Albert, Mr. Tang Yat Kan, Mr. Wong Yee Sui, Andrew and Mr. Mak Siu Wing, Clifford.

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

By Order of the Board
Peace Mark (Holdings) Limited
Chau Cham Wong, Patrick
Chairman

Hong Kong, 23 January 2006

Please also refer to the published version of this announcement in SCMP-Classified.