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Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Website: <http://www.peacemark.com>)

**SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31ST MARCH, 2003,
BONUS WARRANT ISSUE AND
REFRESHMENT OF THE LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**

- At the Annual General Meeting held on 1st August, 2003, the 2003 Final Scrip Dividend Scheme was duly approved by the Shareholders. The number of Final Scrip Dividend Shares to be allotted to Eligible Shareholders pursuant to the 2003 Final Scrip Dividend Scheme will be calculated based on the issue price of HK\$0.733 per Share, which price has been determined based on 80% of the average closing prices of the Shares for the five consecutive trading days immediately preceding and including Friday, 1st August, 2003. The Form of Election will be despatched to Eligible Shareholders on Tuesday, 5th August, 2003.
- At the Special General Meeting held on 1st August, 2003, the proposed Bonus Warrant Issue was duly approved by the Shareholders. The Warrant certificates will be despatched to Shareholders on Tuesday, 5th August, 2003 and dealings in the Warrants on the Stock Exchange are expected to commence on Thursday, 7th August, 2003.
- The refreshment of the Scheme Mandate Limit was duly approved by the Shareholders at the Special General Meeting.

Reference is made to the final results for the year ended 31st March, 2003 announced by the Company on 26th June, 2003 and the two circulars of the Company both dated 8th July, 2003 in relation to, among other things, the 2003 Final Scrip Dividend Scheme and the Bonus Warrant Issue (the "Warrant Circular") (collectively, the "Circulars"). Capitalised terms used in this announcement shall have the same meanings as defined in the Circulars unless otherwise defined in this announcement.

2003 FINAL SCRIP DIVIDEND SCHEME

At the Annual General Meeting held on 1st August, 2003, the 2003 Final Scrip Dividend Scheme was duly approved by the Shareholders. The number of Final Scrip Dividend Shares to be allotted to Eligible Shareholders pursuant to the 2003 Final Scrip Dividend Scheme will be calculated based on the issue price of HK\$0.733 per Share, which price has been determined based on 80% of the average closing prices of the Shares for the five consecutive trading days immediately preceding and including Friday, 1st August, 2003. Accordingly, the number of Final Scrip Dividend Shares which Eligible Shareholders will receive in respect of the existing Shares registered in their names as at 1st August, 2003 will be calculated as follows:

$$\begin{array}{l} \text{Number of Final} \\ \text{Scrip Dividend} \\ \text{Shares to be} \\ \text{received} \end{array} = \begin{array}{l} \text{Number of existing Shares} \\ \text{held on Record Date for} \\ \text{which election is made for} \\ \text{Final Scrip Dividend Shares} \end{array} \times \frac{\text{HK\$0.015 (being 2003 Final Dividend)}}{\text{HK\$0.733 (being Average Closing Price)}}$$

The number of Final Scrip Dividend Shares to be received by each electing Eligible Shareholder will be rounded down to the nearest whole number of the Final Scrip Dividend Share. No Eligible Shareholder is entitled to be issued a fraction of a Share under the 2003 Final Scrip Dividend Scheme. Fractional entitlements to the Final Scrip Dividend Shares will be disregarded and the benefit thereof will accrue to the Company. The Final Scrip Dividend Shares to be issued will rank pari passu in all respects with the existing issued Shares except that they shall not be entitled to the 2003 Final Dividend.

The scrip dividend election form (the "Form of Election") will be despatched to Eligible Shareholders on Tuesday, 5th August, 2003. **Shareholders who wish to receive the 2003 Final Dividend wholly or partly in Final Scrip Dividend Shares are reminded that the Form of Election must be completed and returned to the share registrars of the Company, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 22nd August, 2003.** No acknowledgement of receipt of the Form of Election will be issued. Eligible Shareholders who fail to complete and return the Form of Election before the time stated above will receive their entitlement to the 2003 Final Dividend wholly in cash.

The relevant dividend warrants of the 2003 Final Dividend and share certificates with respect to the Final Scrip Dividend Shares will be posted to Eligible Shareholders at the risk of those entitled thereto on or about Monday, 8th September, 2003.

BONUS WARRANT ISSUE

At the Special General Meeting held on 1st August, 2003, the proposed Bonus Warrant Issue was duly approved by the Shareholders. The Bonus Warrant Issue will be made on the basis of one Warrant for every five existing Shares held by the Shareholders whose names appear on the Register at the close of business on the 1st August, 2003 other than the Overseas Shareholders. Detailed information in relation to the Bonus Warrant Issue is set out in the Warrant Circular.

The Warrant certificates will be despatched to Shareholders on Tuesday, 5th August, 2003 and dealings in the Warrants on the Stock Exchange are expected to commence on Thursday, 7th August, 2003.

REFRESHMENT OF THE LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The proposed refreshment of the Scheme Mandate Limit to 10% of the issued share capital of the Company as at the date of the approval of the refreshment by Shareholders was duly approved by the Shareholders at the Special General Meeting. Base on the issued share capital of the Company of 632,774,833 Shares as at the date of this announcement, the refreshment of the Scheme Mandate Limit will enable the Company to grant options carrying the rights to subscribe for up to a total of 63,277,483 Shares.

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

Hong Kong, 1st August, 2003