



Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0304)

ANNOUNCEMENT RELATING TO LISTING RULE 13.18

This announcement is made in compliance with Rule 13.18 of the Listing Rules.

Lord Time (Shanghai) Co. Ltd., a wholly-owned subsidiary of Peace Mark (Holdings) Limited, has entered into a Facility Agreement on 20 December 2006 with, *inter alia*, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Hong Kong Branch, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, Shanghai Branch as coordinating arrangers and 5 other international banks and financial institutions as lenders in respect of the Facility. As a condition for the Finance Parties to enter into the Facility Agreement, the Company and 8 of its subsidiaries entered into a guarantee in favour of the Finance Parties on 20 December 2006 containing certain undertakings, which when breached will constitute an event of default under the Facility Agreement. One of the undertakings is for the Company to ensure that, unless and until the Borrower and the Guarantors have fully discharged their respective obligations under the Finance Documents:

- (a) Mr. Chau Cham Wong, Patrick will serve as the chairman of the board of directors of the Company; and
- (b) Mr. Chau Cham Wong, Patrick and Mr. Leung Yung will collectively remain as the single largest shareholder of the Group, and will directly and indirectly hold more than 35% of the equity interests in the Borrower and maintain control of the board of directors of the Borrower.

This announcement is made in compliance with Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The directors of Peace Mark (Holdings) Limited (the “Company”) announce that a facility agreement has been entered into on 20 December 2006 (the “Facility Agreement”) between Lord Time (Shanghai) Co. Ltd. (the “Borrower”), a subsidiary of the Company, and, *inter alia*, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Hong Kong Branch, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, Shanghai Branch as coordinating arrangers (the “Coordinating Arrangers”) and 5 other international banks and financial institutions as lenders (the “Lenders”, collectively with the Agent (as defined below), the “Finance Parties”). Pursuant to the Facility Agreement, the Lenders agreed to make available to the Borrower a term loan facility in an aggregate amount of RMB380,000,000 (the “Facility”) upon the terms and subject to the conditions set out in the Facility Agreement. The Facility has a maturity date fixed on a date falling 48 months after the date of the Facility Agreement. As a

condition for the Finance Parties to enter into the Facility Agreement, the Company and 8 of its subsidiaries (collectively the “Guarantors”) entered into a guarantee (the “Guarantee”) in favour of the Finance Parties on 20 December 2006 in respect of all sums payable by the Borrower under the Facility Agreement, the Guarantee and any fees letter (collectively the “Finance Documents”).

The Guarantee contains certain undertakings, which when breached will constitute an event of default under the Facility Agreement. One of the undertakings is for the Company to ensure that, unless and until the Borrower and the Guarantors have fully discharged their respective obligations under the Finance Documents:

- (a) Mr. Chau Cham Wong, Patrick will serve as the chairman of the board of directors of the Company; and
- (b) Mr. Chau Cham Wong, Patrick and Mr. Leung Yung will collectively remain as the single largest shareholder of the Company and its subsidiaries (the “Group”), and will directly and indirectly hold more than 35% of the equity interests in the Borrower and maintain control of the board of directors of the Borrower.

On and at any time after the occurrence of an event of default under the Facility Agreement, Oversea-Chinese Banking Corporations Limited, Hong Kong Branch (the “Agent”) may, and shall if so directed by the majority lenders declare that all or part of the loan made under the Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement be immediately due and payable.

By Order of the Board
Chau Cham Wong Patrick
Chairman

Hong Kong, 20 December 2006

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

Please also refer to the published version of this announcement in South China Morning Post.