



# Peace Mark (Holdings) Limited

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0304)

## **ADOPTION OF SHARE INCENTIVE SCHEME**

The Board is very pleased to announce that on 20 April 2007 the Company adopted the 2007 Scheme. The 2007 Scheme will enable selected Eligible Persons of the Group to purchase the shares of the Company at a 5% discount to their market price. The objective of the 2007 Scheme is to encourage the retention of high calibre staff as well as to reward and recognise the contributions of the Group's professional advisers, suppliers, customers and authorised agents.

### **SUMMARY OF THE SHARE INCENTIVE SCHEME**

On 20 April 2007, the 2007 Scheme was recommended by the Company's remuneration committee to the Board and the Board resolved to adopt the same which will enable selected Eligible Persons to purchase Shares at a 5% discount to their market price. Pursuant to the rules of the 2007 Scheme, Eligible Persons who are connected persons (as defined in the Listing Rules) of the Company or resident in a place where the offer of Shares to them are not permitted by applicable laws and regulations shall be excluded from participating in the 2007 Scheme. Peace Mark Limited, a wholly-owned subsidiary of the Company, has obtained the Loan for the purpose of financing the operation of the 2007 Scheme and the Loan will be guaranteed by the Company. Peace Mark Limited will bear the interest payment under the Loan and will recognise the Loan and interest payment as liabilities in its balance sheets and interest expense in its income statements respectively.

The 2007 Scheme will be managed and administered by the Committee and the Administrator, a wholly-owned subsidiary of the Company. The Committee may from time to time at its absolute discretion upon the recommendation of the remuneration committee of the Company select any Eligible Person for participation in the 2007 Scheme and shall determine the number of Shares to be offered to each Eligible Person.

The Company will also appoint the Custodian, who is a third party independent of the Company, to hold Shares, subject to the terms and conditions of the custodian agreement to be entered into between the Custodian, the Administrator and the Eligible Persons. Shares to be purchased pursuant to the 2007 Scheme will be purchased by the Custodian on behalf of the Eligible Persons in the market at market price and registered in the name of the Custodian and/or the name of the Custodian's nominee or agent. Shares purchased under the 2007 Scheme will not be transferred to the Eligible Persons immediately following their purchase. The Custodian will hold Shares on behalf of the Eligible Persons until they are permitted under the rules of the 2007 Scheme to dispose of their Shares. The Company will pay the Custodian remuneration fees and charges at the rate of 0.16% of the total price of Shares purchased for each transaction or in such amount as agreed between them from time to time, and such sums will be recognised as staff welfare cost in the Company's income statements.

The selected Eligible Persons have the option of paying for their Shares in one lump sum, or in monthly instalments (24 equal monthly instalments for Eligible Person who is an Employee and 12 equal monthly instalments for Eligible Person who is not an Employee). Where Eligible Persons choose the latter option, they will obtain a loan from the Administrator (the requisite finance of which will be provided by Peace Mark Limited), and pay an additional finance charge to cover the finance costs of the Administrator and/or Peace Mark Limited. Such additional finance charge will be charged at the rate per annum determined by the Administrator to be equal to 1.75% per annum above the cost of the Administrator of funding the loan from such sources and for such periods as the Administrator may decide provided that such rate will in any event not exceed the prime rate quoted by the Hongkong and Shanghai Banking Corporation to its corporate clients from time to time.

For those selected Eligible Persons who opt to pay for their Shares in one lump sum, such Shares will be transferred to them approximately one year following their purchase. For those Eligible Persons who opt to pay for their Shares in instalments, such Shares will be transferred to them either approximately one year following their purchase, or over a period of maximum one year commencing approximately one year following their purchase, depending when they make their final instalment payment. The Eligible Persons can dispose their Shares once transferred to them.

The number of Shares held by the Custodian from time to time under the 2004 Scheme and 2006 Scheme together with the number of Shares to be offered under the 2007 Scheme shall at all times be less than 5% of the issued share capital of the Company from time to time and the aggregate acquisition cost of all Shares purchased under the 2007 Scheme shall not exceed HK\$350 million.

#### **REASONS FOR THE SHARE INCENTIVE SCHEME**

The 2007 Scheme will be operated in conjunction with the Company's share option scheme adopted on 24 January 2002 and the Directors believe the 2007 Scheme will provide the Company with a valuable additional way to encourage the retention of high calibre staff and reward and recognise the contributions of the professional advisers, suppliers, customers and authorised agents of the Group. In particular, as the 2007 Scheme utilises Shares purchased in the market, existing shareholders will suffer no dilution as a result of the operation of the 2007 Scheme. The public float of the Company will not be affected throughout the period of the 2007 Scheme as connected persons (as defined in the Listing Rules) of the Company shall be excluded from participating in the 2007 Scheme.

#### **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:–

“2004 Scheme”	The share incentive scheme adopted by the Company on 13 December 2004
“2006 Scheme”	The share incentive scheme adopted by the Company on 31 March 2006
“2007 Scheme”	The share incentive scheme adopted by the Board on 20 April 2007 or as amended from time to time
“Administrator”	Peace Mark Administrator Limited
“Board”	The board of Directors

“Committee”	A committee comprising members of the Board of Directors of the Administrator, employee representatives and independent persons delegated with the power and authority to administer the 2007 Scheme
“Company”	Peace Mark (Holdings) Limited
“Custodian”	BCOM Securities Company Limited
“Directors”	The directors of the Company
“Eligible Person(s)”	(A) any employee (whether part time or full time) of the Group who has satisfactorily completed any probationary period with his relevant employer (an “Employee”), (B) any consultant or professional adviser who is mandated by the Group from time to time for the provision of services, (C) any supplier or customer of the Group who has entered into transactions with the Group the aggregate value of all of which shall have exceeded HK\$10,000,000; and (D) any person who is appointed by the Group from time to time as an authorised agent of the Group
“Group”	The Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	A loan facility of up to HK\$350 million from a bank to be repaid in 24 equal monthly instalments commencing 1 month from the first drawdown date and in any event within 24 months from the first drawdown date.
“Shares”	Ordinary shares of HK\$0.10 each in the capital of the Company

By order of the Board of Directors  
**Chau Cham Wong, Patrick**  
*Chairman*

Hong Kong, 20 April 2007

*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.