



Peace Mark (Holdings) Limited 宜進利(集團)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0304)

Adoption of share incentive scheme

The Board is very pleased to announce that on 31 March 2006 the Company adopted the Scheme. The 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 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 31 March 2006, the Board resolved to adopt the Scheme which will enable selected Eligible Persons to purchase Shares at a 5% discount to their market price. The Group will recognise such discount as an expense item for purposes of accounting. The selected Eligible Persons have the option of paying for their Shares in one lump sum, or in monthly instalments. Where Eligible Persons choose the latter option, they will pay an additional finance charge to cover the Company's finance costs.

The Shares purchased under the Scheme will not be transferred to the Eligible Persons immediately following their purchase.

Any Eligible Person who is (i) resident in a place where the offer of Shares to such Eligible Person pursuant to the terms of this Scheme is not permitted under the applicable laws or (ii) a connected person (as defined in the rules governing the listing of securities on The Hong Kong Stock Exchange Limited) of the Company shall be excluded from participating in the Scheme.

For those selected Eligible Persons who opt to pay for their Shares in one lump sum, the 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, the 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.

Peace Mark Limited, a wholly-owned subsidiary of the Company has obtained a loan facility of up to HK\$150 million from a bank for the purpose of financing the operation of the Scheme. Upon acceptance by the selected Eligible Persons of the offer to participate in the Scheme, Shares to be purchased pursuant to the Scheme will be purchased on behalf of the Eligible Persons by the Custodian. The Custodian will hold the Shares on behalf of the Eligible Persons until they are permitted under the rules of the Scheme to dispose of their Shares.

The aggregate number of Shares to be offered under the Scheme and the 2004 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 Scheme shall not exceed HK\$150 million. The Scheme may be terminated at any time by the committee responsible for the operation of the Scheme.

REASONS FOR THE SHARE INCENTIVE SCHEME

The Scheme will be operated independent from but co-exist with the Company's share option scheme adopted on 24 January 2002 and the Directors believe the 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 Scheme utilises Shares purchased in the market, existing shareholders will suffer no dilution as a result of the operation of the 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
“Board”	The board of Directors
“Company”	Peace Mark (Holdings) Limited
“Custodian”	BCOM Securities Company Limited
“Directors”	The directors of the Company
“Eligible Persons”	(A) any employee (whether part time or full time) of the Group who has satisfactorily completed any probationary period with his relevant employer, (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
“Scheme”	The share incentive scheme adopted on 31 March 2006 or as amended from time to time
“Shares”	Ordinary shares of HK\$0.10 each in the capital of the Company

Hong Kong, 31 March 2006

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

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 SCMP-Classified.