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Peace Mark (Holdings) Limited
(Incorporated in Bermuda with limited liability)

DISCLOSURE PURSUANT TO PRACTICE NOTE 19

This announcement is made in compliance with the disclosure requirements under paragraph 3.7.1 of Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Peace Mark (Holdings) Limited has entered into a Facility Agreement on 14 October 2003 with inter alia BNP Paribas Hong Kong Branch as the co-ordinating arranger, lender and agent and 18 other international banks and financial institutions in respect of the Facility, which contains certain events of default including:

- (a) if Mr. Chau Cham Wong, Patrick ceases at any time during the subsistence of the Facility Agreement to be the Chairman of the Company and the Group; and
- (b) if Mr. Chau Cham Wong, Patrick and Mr. Leung Yung collectively (I) are no longer the single largest shareholder of the Company, holding beneficially (directly or indirectly) more than 35% of the voting share capital of the Company; or (II) no longer control the board of directors of the Company.

This announcement is made in compliance with the disclosure requirements under paragraph 3.7.1 of Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of Peace Mark (Holdings) Limited (the “Company”) announce that a facility agreement has been entered into on 14 October 2003 (the “Facility Agreement”) between the Company, various subsidiaries of the Company, BNP Paribas Hong Kong Branch as co-ordinating arranger, lender and agent, and 18 other international banks and financial institutions as lenders, arrangers, co-arrangers and lead managers. Pursuant to Facility Agreement, the lenders agreed to make available to the Company a term loan facility of HK\$380,000,000 (the “Facility”) upon the terms set out in the Facility Agreement. The final repayment date of the Facility will be a date falling 42 months after the date of the Facility Agreement.

The Facility Agreement contains certain events of default including:

- (a) if Mr. Chau Cham Wong, Patrick ceases at any time during the subsistence of the Facility Agreement to be the Chairman of the Company and the Company and its subsidiaries (the “Group”); and
- (b) if Mr. Chau Cham Wong, Patrick and Mr. Leung Yung collectively (I) are no longer the single largest shareholder of the Company, holding beneficially (directly or indirectly) more than 35% of the voting share capital of the Company; or (II) no longer control the board of directors of the Company.

Upon the occurrence of an event of default under the Facility Agreement and so long as it is continuing, BNP Paribas Hong Kong Branch as agent may, inter alia, upon instructions from the majority lenders declare that all or part of the Facility, together with accrued interest, and all other amounts accrued under the finance documents as referred to under the Facility Agreement be immediately due and payable.

As at the date of this announcement:

- (a) Mr. Chau Cham Wong, Patrick is the Chairman of the Company and the Group; and
- (b) Mr. Chau Cham Wong, Patrick and Mr. Leung Yung collectively (I) are the single largest shareholder of the Company, holding beneficially (directly or indirectly) approximately 50.41% of the issued share capital of the Company; and (II) control the board of directors of the Company.

By Order of the Board
Chau Cham Wong, Patrick
Chairman

Hong Kong, 14 October 2003

Please also refer to the published version of this announcement in The Standard.