



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 13 December 2004 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 13 December 2004, 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 selected Eligible Persons have the option of paying for their Shares in one lump sum, or by monthly instalments. Where Eligible Persons choose the latter option, they will pay an additional finance charge to cover the Company's finance costs.

Eligible Persons will not be able to dispose of Shares purchased under the Scheme immediately following their purchase. Those selected Eligible Persons who opt to pay for their Shares in one lump sum will be able to dispose of their Shares after one year, while those employees who opt to pay for their Shares in instalments will be able to dispose of their Shares over a period of time commencing after one year and ending when they make their final instalment payment.

The Company has obtained a loan facility of up to HK\$50 million from a bank for the purpose of financing the operation of 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 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\$50 million.

REASONS FOR THE SHARE INCENTIVE SCHEME

The Scheme will be operated in conjunction 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 suppliers, customers and authorised agents of the Group. In particular, as the Scheme utilizes 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:

"Board"	The board of Directors
"Company"	Peace Mark (Holdings) Limited
"Custodian"	HSBC International Trustee 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. “Connected persons” of the Company (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) are not permitted to participate under the Scheme

“Group”	The Company and its subsidiaries
“Scheme”	The share incentive scheme adopted on 13 December 2004 or as amended from time to time
“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, 13 December 2004

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 four independent non-executive Directors, namely, Ms. Susan So, Mr. Kwok Ping Ki, Albert, Mr. Tang Yat Kan and Mr. Wong Yee Sui, Andrew.

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