

PEACE MARK (HOLDINGS) LIMITED

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PEACE MARK (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

SUMMARY

The Directors have noted the recent increase in the volume of the Company and wish to state that the Directors are not aware of any reasons for such increase except that the Company is exploring and assessing the possibility of closer business co-operation with EganaGoldpfeil, which is a substantial shareholder (16.5% share holding) of the Company, which may involve a notifiable transaction, inter alia, a share transaction under Chapter 14 of the Rules. The Directors confirmed that negotiations with EganaGoldpfeil are in progress and no agreement is concluded at this stage. Accordingly the transaction may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Directors of the Company (the "Director") have noted the recent increase in the volume of the Company and wish to state that the Directors are not aware of any reasons for such increase except that the Company is exploring and assessing the possibility of closer business co-operation with EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil"), which is a substantial shareholder (16.5% share holding) of the Company, in relation to provision of manufacturing support for brandname timepiece production to EganaGoldpfeil group which may involve a notifiable transaction, inter alia, a share transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. (the "Rules"). The Directors confirmed that negotiations with EganaGoldpfeil are in progress and no agreement is

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concluded at this stage. **Accordingly the transaction may or may not proceed.**

Announcements in relation to further development of such negotiations will be made as and when appropriate.

Save for the above, the Directors confirm that there are no negotiations or agreements relating to any intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This statement is made by the order of the Board of Peace Mark (Holdings) Limited who individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Tsang Kwong Chiu, Kevin
Company Secretary

Hong Kong, 24th August, 2000

Please also refer to the published version of this announcement in the Hong Kong iMail, Hong Kong Economic Times & Hong Kong Economic Journal.