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

## Announcement

The Directors have noted the recent increase in share trading volume of the shares of the Company including today and wish to state that save as the announcement dated 13th October, 2003 and 14th October, 2003 and except for the incidence disclosed below, the Directors are not aware of any other reason for such increase.

The Directors wish to state that the Company is in negotiation with an independent third party in relation to a potential acquisition of 60% of the equity interest in the PRC Company at a consideration of approximately RMB30 million (or equivalent to HK\$28.3 million). The Directors are not aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be price-sensitive information.

**The Directors wish to emphasize that the Potential Acquisition may or may not proceed to formal agreement. Further announcement will be made as and when appropriate.**

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Directors”) of Peace Mark (Holdings) Limited (the “Company” or “Peace Mark”) have noted the recent increase in the share trading volume of the shares of the Company including today and wish to state that save as the announcement dated 13th October, 2003 and 14th October, 2003 and except for the incidence as discussed below, the Directors are not aware of any other reasons for such increase.

Peace Mark is currently in negotiation with an independent third party, not connected with the Directors, chief executives or substantial Shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules), in relation to a potential acquisition of 60% of the equity interest in a company incorporated in the People’s Republic of China (the “PRC Company”) at a consideration of approximately RMB30 million (or equivalent to HK\$28.3 million) (the “Potential Acquisition”). The consideration is arrived at after arm’s length negotiations between the parties and based on the Company’s internal evaluation of the current size of business of the PRC Company and future synergy effect with Peace Mark’s existing business (i.e. the expected revenue and profit growth) and the financial information of the PRC Company as stated below. The PRC Company engages in the business of timepiece distribution in major cities in the People’s Republic of China (the “PRC”).

The Directors consider that the Potential Acquisition will provide Peace Mark an opportunity to gain access to over 210 additional points of sales in the major cities in the PRC. The PRC Company is also an authorized timepieces distributor of a Japanese watch brand in certain provinces in the PRC. The Potential Acquisition will strengthen the existing sales network and brand portfolio of Peace Mark in the PRC.

With regards to the financial information of the PRC Company, for the nine months ended 30th September, 2003, the unaudited net tangible net assets and net profit before tax of the PRC Company prepared in accordance with HKGAAP were RMB24,394,000 (or equivalent to HK\$23,013,000) and RMB5,876,000 (or equivalent to HK\$5,543,000) respectively.

The Directors consider that an agreement will be entered into in normal commercial terms, and in the ordinary and usual course of business of the Company (the “Agreement”) and the terms of the Agreement will be fair and reasonable and in the interests of the Company and its shareholders.

The Directors confirm that based on the latest published adjusted net tangible assets and net profit before tax of the Company, the Potential Acquisition will not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Directors confirm that the negotiation of the Potential Acquisition is still in progress and no formal agreement has been reached. **Accordingly, the Potential Acquisition may or may not proceed. Shareholders of the Company and potential investors should therefore exercise caution when dealing in the Shares. Further announcement will be made as and when appropriate.**

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

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

By Order of the Board  
**Peace Mark (Holdings) Limited**  
**Chau Cham Wong Patrick**  
*Chairman*

Hong Kong, 29th October, 2003

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