

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(incorporated in Bermuda with limited liability)

Stock Code: 0304

CLARIFICATION ANNOUNCEMENT

The Directors refer to a press article that appeared today and wish to confirm that the Group is in preliminary discussions with an independent third party with a view to acquire a mechanical watch movement manufacturing operations located in Shanghai. The Directors wish to emphasize that the negotiations are not completed. **The Acquisition may or may not proceed, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.**

This statement is made at the request of The Stock Exchange of Hong Kong Limited. The board of directors (the “Directors”) of Peace Mark (Holdings) Limited (the “Company”) refer to a press article that appeared today referring to a proposed acquisition by the Company.

The Directors wish to state that the Company is currently in preliminary discussion with an independent third party regarding a possible acquisition of a mechanical watch movement manufacturing operations located in Shanghai, the PRC (the “Acquisition”). The Directors wish to further state that the Acquisition may or may not proceed and may or may not constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company expects to have sufficient financial resources to finance the Acquisition (if materialise) and it is not envisaged that the Acquisition will involve the issue of any securities of the Company. A further announcement will be made by the Company on the status of the negotiations once a decision has been reached and as required by the Listing Rules.

Save as mentioned above, there are no negotiations or agreements in relation to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, nor are the Directors aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As the Acquisition may or may not proceed, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.

Made by the order of the board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the board of Directors comprises five executive Directors, being 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, being Ms. Susan So, Mr. Kwok Ping Ki, Albert, Mr. Tang Yat Kan and Mr. Wong Yee Sui, Andrew.

On behalf of the Board
Tsang Kwong Chiu Kevin
Director

Hong Kong, 6th May, 2004

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