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Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0304)

POSSIBLE MAJOR TRANSACTION

**Pre-Conditional Voluntary General Offer by
Macquarie Securities (Asia) Pte Limited
for and on behalf of
A-A United Limited
(an indirect wholly owned subsidiary of Peace Mark (Holdings) Limited)
for Sincere Watch Limited**

**Financial adviser to Peace Mark (Holdings) Limited and A-A United Limited in connection with
the Pre-Conditional Voluntary General Offer in Singapore**



MACQUARIE

Macquarie Securities (Asia) Pte Limited

The Company wishes to announce that it intends to acquire a major equity interest in Sincere Watch through its indirect wholly-owned subsidiary A-A United Limited by way of a pre-conditional voluntary general offer made pursuant to Rule 15 of the Singapore Takeovers Code. The Pre-conditional Offer Announcement is being made for and on behalf of the Offeror in Singapore at the same time as the making of this announcement. The Offer, if and when made, will be subject to a number of conditions, one of which is the Offeror and its Concert Parties having received such number of acceptances and/or acquired such number of Sincere Watch Shares which, when taken together with the number of Sincere Watch Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding more than 50% of the voting rights attributable to the issued share capital of Sincere Watch.

The Offeror entered into the Major Shareholder Irrevocable Undertaking on 7 December 2007 with the Major Shareholder pursuant to which the Major Shareholder has agreed, subject to the Offeror proceeding with the Offer on the basis of the Offer Consideration, to accept an offer from the Offeror in respect of its entire shareholding in Sincere Watch, representing, as at 6 December 2007, approximately 50.67% of the issued share capital of Sincere Watch.

Under the Listing Rules, the Offer constitutes a possible major transaction for the Company requiring Shareholders' approval.

A circular, providing further details of the Offer and giving information about the right to attend and vote at the SGM, will be despatched to Shareholders within 21 days from the publication of this announcement or such other period as may be permitted by the Stock Exchange.

Shareholders and potential investors should note that the making of the Offer is subject to certain pre-conditions being satisfied and the Offer, if made, is also subject to certain conditions being satisfied, therefore the Offer may not be successful and may not complete. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company, the securities of Sincere Watch and the securities of Sincere Watch HK.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in the Company.

IRREVOCABLE UNDERTAKINGS

Major Shareholder Irrevocable Undertaking

On 7 December 2007, the Offeror entered into the Major Shareholder Irrevocable Undertaking with the Major Shareholder pursuant to which the Major Shareholder agreed, subject to the Offeror proceeding with the Offer on the basis of the Offer Consideration, to accept an offer from the Offeror in respect of the Major Shareholder's Shares, representing, as at 6 December 2007, approximately 50.67% of the issued share capital of Sincere Watch.

The consideration under the Offer for the Major Shareholder's Shares is S\$268.5 million (representing approximately HK\$1,445.9 million) of which S\$214.8 million will be paid in cash and S\$53.7 million will be settled in New Peace Mark Shares. The total consideration under the Offer amounts to S\$530 million (representing approximately HK\$2,854.1 million) or approximately S\$2.564 per Sincere Watch Share (representing approximately HK\$13.807 per Sincere Watch Share). The New Peace Mark Shares issued to the Major Shareholder will be subject to a 3-year lock-up period. The consideration and other terms of the Major Shareholder Irrevocable Undertaking were arrived at after arm's length negotiations between the parties involved with reference to, amongst other things, the prevailing market price of Sincere Watch Shares, the nature and performance of Sincere Watch's business, the broader industry outlook and the typical control premium paid in Singapore for transactions of this nature.

With respect to the control premium, this reflects the premium over the prevailing market price of Sincere Watch's shares, taking into account the fact that the Offeror would be able to gain a greater than 50% interest in Sincere Watch.

The Major Shareholder's Shares will be tendered free from any Encumbrance.

As at the Latest Practicable Date, the Peace Mark Group held no Sincere Watch Shares and, to the best of the knowledge of the Board having made all reasonable enquiries, none of its Concert Parties held any Sincere Watch Shares.

Controlling Shareholders Irrevocable Undertaking

On 7 December 2007, the Peace Mark Controlling Shareholders entered into the Controlling Shareholders Irrevocable Undertaking with the Major Shareholder, pursuant to which the Peace Mark Controlling Shareholders have agreed to vote, or procure the voting of all their Shares in the Company, in favour of the proposed acquisition of Sincere Watch Shares and to ensure that the Company will obtain all necessary resolutions to proceed with the Offer, and take all steps to procure that the Company seeks all relevant clearances and/or approvals in connection with the proposed acquisition.

THE OFFER

Pre-conditional Offer Announcement in Singapore

At the same time as making this announcement, the Financial Adviser on behalf of Peace Mark and the Offeror also made the Pre-conditional Offer Announcement in Singapore.

Pre-conditions

The making of the Offer is subject to the following pre-conditions being satisfied no later than the date falling 4 months after the date of the Pre-conditional Offer Announcement:

- (a) clearance by the Stock Exchange of the Company's circular to the Shareholders and clearance of documents or announcements required by the Hong Kong Securities and Futures Commission and/or the Stock Exchange, for or in connection with the structure of the Offer; and
- (b) the passing of all resolutions as may be necessary to approve the making of the Offer at the SGM (or any adjournment thereof).

The Offeror will be obliged to proceed with the Offer once the pre-conditions to the Offer are satisfied.

Terms

Upon the satisfaction of the pre-conditions, the Offeror will make the Offer for the Sincere Watch Shares, in accordance with Rule 15 of the Singapore Takeovers Code. The Offeror will also release the Offer Announcement.

The consideration under the Offer, if and when made, will be on the following basis:

For each Sincere Watch Share: S\$2.051 in cash

and

**0.228 New Peace Mark Shares at the issue price of
HK\$12.096 per New Peace Mark Share**

The Offer Consideration is expected to be 80% in the form of cash and 20% in the form of New Peace Mark Shares and will be made on the same basis as the consideration for the Major Shareholder Shares, excluding the 3-year lock-up period. Assuming full acceptance of the Offer from all shareholders of Sincere Watch, the New Peace Mark Shares will constitute 4.5% of the existing issued share capital of the Company and 4.3% of the enlarged issued share capital of the Company after issuance of the New Peace Mark Shares. The New Peace Mark Shares will be issued at a price equal to the volume weighted average price of Peace Mark's shares for the 20 trading days preceding 7 December 2007, the date of the Pre-conditional Offer Announcement. Application will be made to the Stock Exchange for the listing of and permission to deal in the New Peace Mark Shares.

The New Peace Mark Shares will be issued pursuant to the general mandate to allot, issue and deal with the shares of the Company granted to the Directors at the annual general meeting of the Company held on 23 August 2007, which authorised the Directors to allot and issue a maximum of 207,046,456 shares of the Company.

The general mandate has not been utilised prior to the date of this announcement and the Company has not undertaken any equity fund raising activities in the 12 months immediately before the date of this announcement.

The Offer Consideration represents a premium of approximately 11% to the closing price of S\$2.32 per Sincere Watch Share on 6 December 2007 (being the last market day on which there were trades on the SGX-ST prior to the date of the Pre-conditional Offer Announcement), (as traded on the SGX-ST) and a premium of approximately 19% to the average closing price of S\$2.146 per Sincere Watch Share for the one-month period prior to the date of the Pre-conditional Offer Announcement (as traded on the SGX-ST). The Offer Consideration has been determined on the basis of willing buyer, willing seller negotiations having regard to various factors including, but not limited to the prevailing market price of Sincere Watch Shares, the nature and performance of Sincere Watch's business, the broader industry outlook and the typical control premium paid in Singapore for transactions of this nature.

Acceptance Condition

The Offer will, if and when made, be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Sincere Watch Shares which, when taken together with the number of Sincere Watch Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding such number of Sincere Watch Shares carrying more than 50% of the voting rights attributable to the issued share capital of Sincere Watch as at the close of the Offer.

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the Offeror has received valid acceptances in respect of such number of Sincere Watch Shares which, when taken together with the number of Sincere Watch Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding such number of Sincere Watch Shares representing more than 50% of the voting rights attributable to the issued share capital of Sincere Watch.

Pursuant to the Major Shareholder Irrevocable Undertaking, which is legally binding, the Major Shareholder has undertaken to tender its Sincere Watch Shares, representing, as at 6 December 2007 approximately 50.67% of the issued share capital of Sincere Watch, therefore the acceptance condition will be met and the Offer will become unconditional as to acceptances once the Major Shareholder tenders its Sincere Watch Shares in acceptance of the Offer.

The Offer, if and when made, will also be subject to obtaining clearance by the Stock Exchange of the listing document in respect of the New Peace Mark Shares and obtaining listing approval by the Stock Exchange for the New Peace Mark Shares.

Value of the Offer

On the basis of the Offer Consideration, the entire share capital of Sincere Watch in issue as at the Latest Practicable Date was valued at approximately S\$530 million (representing approximately HK\$2,854.1 million) representing a premium of 290% to the audited consolidated net assets of Sincere Watch as at 31 March 2007 of approximately S\$135.8 million (representing approximately HK\$731.3 million). The Sincere Watch Shares as at the Latest Practicable Date in aggregate were valued at approximately S\$479.5 million (representing approximately HK\$2,582.1 million). The Offer Consideration will be paid on the same basis as under the Major Shareholder Irrevocable Undertaking, exclusive of the 3-year lock-up period.

Offer Document

The Offer Document will be despatched to holders of Sincere Watch Shares not earlier than 14 days and not later than 21 days from the date of the Offer Announcement in accordance with the Singapore Takeovers Code.

Break Fee

On 7 December 2007 Peace Mark and the Major Shareholder entered into the Break Fee Agreement, pursuant to which the Major Shareholder has agreed to pay to Peace Mark the Break Fee if it enters into a competing proposal during the Exclusivity Period and Peace Mark has agreed to pay to Sincere Watch the Break Fee if it enters into a competing acquisition, during the period of 120 Business Days from 18 October 2007.

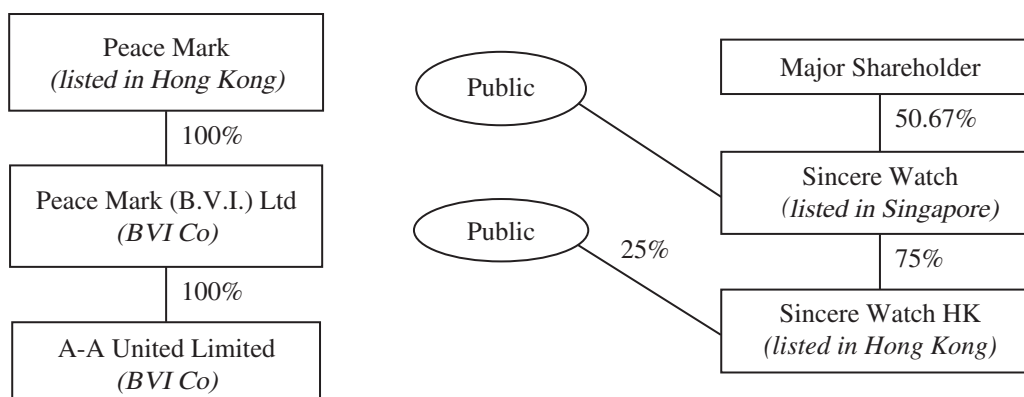
The rationale for the Break Fee is to demonstrate the commitment by both Peace Mark and the Major Shareholder to commit to the Offer. The quantum of the Break Fee was agreed as a result of arm's length negotiations between the parties involved and complies with the requirement under Rule 13 of the Singapore Takeovers Code that it should not exceed 1% of the value of the offeree company calculated by reference to the offer price.

Management

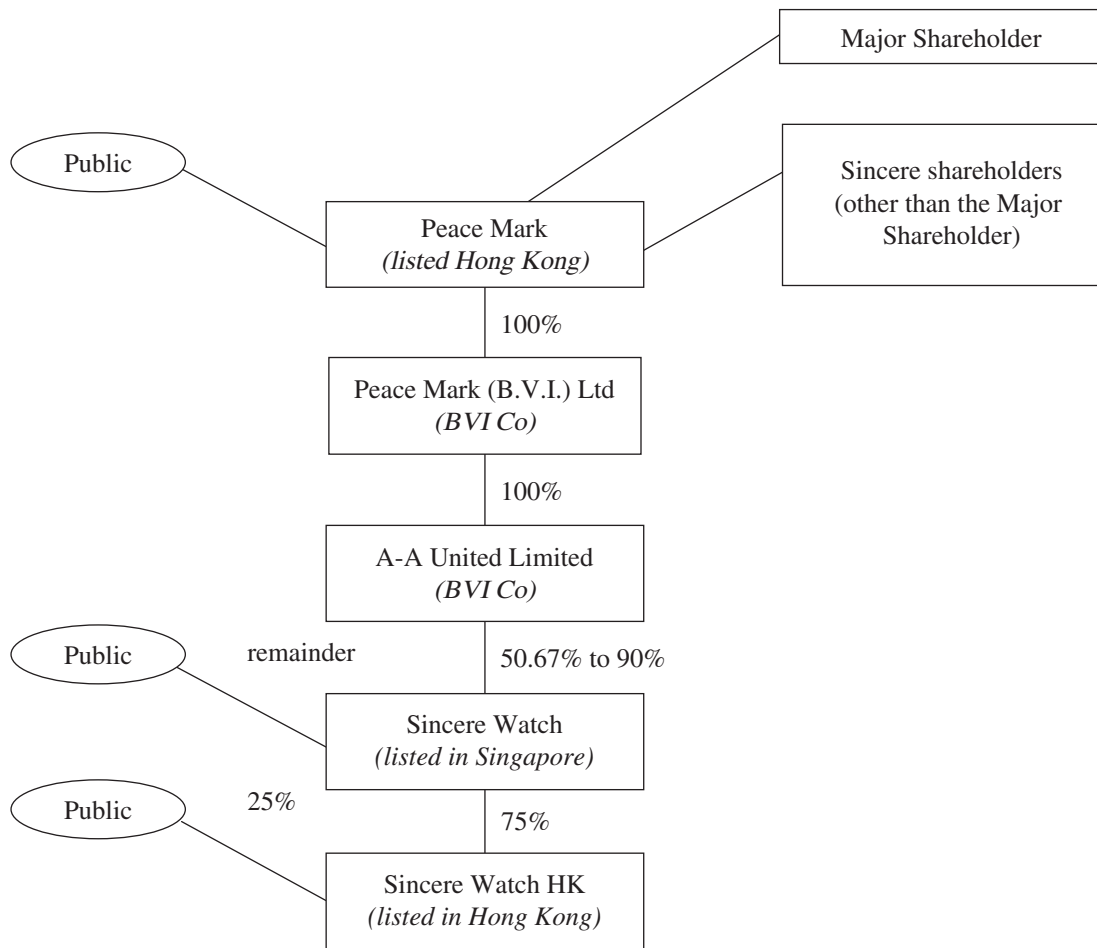
In the event the Offer completes, it is proposed that Mr. Tay Liam Wee (“**Mr. Tay**”), the Chief Executive Officer and Group Managing Director of Sincere Watch, Chairman of Sincere Watch HK and the ultimate beneficial owner of the Major Shareholder, shall be appointed as an executive director of the Company. Mr. Tay has no existing relationship with the Peace Mark Group.

Shareholding structure of the Company before and after the Offer

The current shareholding structure of the Company and Sincere Watch are displayed diagrammatically as follows:



Assuming the Offer proceeds, the shareholding structure of the Company would be displayed diagrammatically as follows:



The following table sets out the percentage shareholdings in the Company as at the date of this announcement and after the Offer (assuming 100% acceptance of the Offer):

Shareholders of the Company	Number and Percentage of shares in the Company held at the date of this announcement	Number and Percentage of shares in the Company held after the Offer (assuming the maximum number of New Peace Mark Shares is issued as 20% of the Offer Consideration)
A-One Investments Limited	298,660,459 (28.65%) <i>(see Note 1)</i>	298,660,459 (27.41%)
United Success Enterprises Limited	28,416,795 (2.73%) <i>(see Note 2)</i>	28,416,795 (2.61%)
Mr Chau Cham Wong, Patrick	65,631,077 (6.3%)	65,631,077 (6.02%)
Lloyd George Investment Management (Bermuda) Ltd	53,792,000 (5.16%) <i>(see Note 3)</i>	53,792,000 (4.94%)
Public	595,789,949 (57.16%)	595,789,949 (54.69%)
		The 25% minimum public float will be maintained
Major Shareholder	N/A	23,876,002 (2.19%)
Sincere Watch shareholders	N/A	23,247,290 (2.13%)
Total	1,042,290,280 (100%)	1,089,413,572 (100%)

Notes:

- (1) A-One Investments Limited is held as to 50.45% by Mr Chau Cham Wong, Patrick (the Chairman of the Company) and as to 49.55% by Mr. Leung Yung (the Chief Executive Officer of the Company).
- (2) United Success Enterprises Limited is wholly-owned by Mr Leung Yung (the Chief Executive Officer of the Company).
- (3) Lloyd George Investment Management (Bermuda) Ltd is interested in 5.16% of the shares in the Company as an investment manager.

Chrono Star Divestment

Peace Mark understands from Mr. Tay that Chrono Star International Participations Groupe Franck Muller S.A. (“**Chrono Star**”) has indicated that if the Major Shareholder ceases to be the controlling shareholder of Sincere Watch, it would prefer Mr. Tay to acquire Sincere Watch’s one per cent. interest in Chrono Star (“**Chrono Star Shares**”), which Sincere Watch had acquired in December 2005 from Mr Franck Muller (“**Mr. Muller**”), one of the major shareholders in Chrono Star. The Chrono Star Shares were originally personally offered to Mr. Tay by the major shareholders of Chrono Star, who were agreeable to the Chrono Star Shares being held by Sincere Watch while the Major Shareholder was a major shareholder in Sincere Watch. Mr. Tay has indicated that he is prepared to acquire the Chrono Star Shares at the higher of (a) book value or (b) market value to be determined by an independent valuer to be appointed by Sincere Watch (the “**Chrono Star Divestment**”). If no valuation is available, Mr. Tay proposes to acquire Sincere Watch’s interest in Chrono Star at book value. As far as Peace Mark and the Offeror are aware, no discussions have taken place as yet between Mr. Tay and Sincere Watch in relation to the Chrono Star Divestment. Peace Mark has no existing interest in Chrono Star.

Mr. Tay is an existing director of Chrono Star. It should be noted that Mr. Muller and the other major shareholders in Chrono Star have pre-emptive rights in respect of the Chrono Star Shares held by Sincere Watch, but Mr. Tay envisages that such pre-emptive rights would be waived upon the transfer of Sincere Watch’s interest in Chrono Star to Mr. Tay.

The SIC has ruled that the Chrono Star Divestment does not constitute a special deal for the purpose of Rule 10 of the Singapore Takeovers Code, subject to the independent financial adviser to Sincere Watch publicly stating that the terms of the Chrono Star Divestment are fair and reasonable in its opinion.

At this stage, the parties do not know when the Chrono Star Divestment will complete. However, in the event that the Chrono Star Divestment occurs, among other things, after completion of the Offer and the appointment of Mr. Tay as an executive director of the Company, the Company will comply with the relevant Listing Rules.

FINANCING OF THE OFFER

The cash element of the Offer Consideration will be financed by a combination of the Company’s internal resources and external debt funding, which will be confirmed at the time of making the Offer Announcement.

BUSINESS OF SINCERE WATCH

Sincere Watch was incorporated in Singapore on 5 May 1977. It has been listed on SGX Sesdaq since 2 September 1993 and subsequently on the SGX-ST since 1 February 2005.

Sincere Watch is the holding company in the Sincere Watch Group. The Sincere Watch Group is one of Asia's oldest and most established retailers and distributors of brand-name luxury watches, with a network spanning Singapore, Malaysia, Thailand, Hong Kong, Mainland China, India, Australia, South Korea, Indonesia and other countries in both south-east and north-east Asia. Its businesses include brand management, fine watch retailing, travel watch retailing and lifestyle watch retailing. The Sincere Watch Group now carries a portfolio of over 40 internationally acclaimed brands and enjoys exclusive agency rights for 15 brands, such as Franck Muller, de GRISOGONO, A. Lange & Söhne, and F.P. Journe.

As at the Latest Practicable Date, Sincere Watch had a market capitalisation of approximately S\$479.5 million. The audited consolidated net profit of Sincere Watch for the financial year ended 31 March 2007 was approximately S\$25.385 million after tax (representing approximately HK\$136.698 million) and S\$30.733 million before tax (representing approximately HK\$165.497 million) and the audited consolidated net profit of Sincere Watch for the financial year ended 31 March 2006 was approximately S\$35.096 million after tax (representing approximately HK\$188.992 million) and S\$42.252 million before tax (representing approximately HK\$227.527 million), respectively. The audited consolidated net assets of Sincere Watch as at 31 March 2006 and 31 March 2007 were approximately S\$131.692 million (representing approximately HK\$709.161 million) and S\$135.800 million (representing approximately HK\$731.283 million), respectively.

SINCERE WATCH HK

Sincere Watch HK is a subsidiary of Sincere Watch listed on the Stock Exchange, and is engaged in the brand management, marketing and distribution of branded fine watches, timepieces and accessories in Hong Kong, Macau, Taiwan and Mainland China. The Company wrote to the Executive of the Securities and Futures Commission on 17 October 2007 requesting a ruling that the Company is not required to make a mandatory general offer for Sincere Watch HK as a result of the chain principle under Note 8 to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers. Based on the submissions and the representations made by the Company, the Executive confirmed on 29 October 2007 that the Company was not required to make a mandatory general offer for Sincere Watch HK in Hong Kong.

REASONS FOR THE OFFER

The Board believes that the proposed transaction provides Peace Mark with an opportunity to complement and further develop its existing business by extending its geographic reach, expanding its existing luxury retail network and expanding its management team. It is expected over time that the combination of these factors will allow Peace Mark to increase the pace of expansion of its luxury retail operations in the PRC and other key markets, as well as enjoying greater customer and supplier recognition and economies of scale.

With respect to geographic reach, Sincere Watch presently operates luxury watch retail shops in several markets where Peace Mark has no existing operations, namely Singapore, Malaysia, Thailand, India, Australia, South Korea and Indonesia. Peace Mark believes each of these markets offer interesting growth prospects for the Peace Mark Group and an exposure to these markets is in line with Peace Mark's strategy of being a major regional player in the luxury watch retail segment.

In terms of brand portfolio, Sincere Watch currently carries a portfolio of over 40 internationally acclaimed brands and has exclusive agency rights for 15 brands, notably Franck Muller, de GRISOGONO, A. Lange & Söhne, and F.P. Journe. Peace Mark currently has no involvement with several of these brands which are enjoying strong customer following and demand. Accordingly, this transaction will allow Peace Mark to expand its brand reach and develop new relationships with leading watch makers.

Finally, Peace Mark's major revenue contribution to date has been from watch manufacturing and watch retail. While the Company has some existing operations in the luxury segment, these are not presently of the scale that the Peace Mark Group would like and the Company believes the proposed transaction with Sincere Watch will allow it to increase its exposure to the luxury segment on a larger scale and within a shorter timeframe than would be possible through organic expansion. A key related element of this is the combined management depth of Peace Mark and Sincere Watch which the Board believes is complementary. In particular, the knowledge that Sincere Watch's management has developed in the building of luxury watch brands and the operation of luxury watch retail stores will be of significant benefit in helping Peace Mark expand its luxury retail operations in Mainland China.

In the event that the proposed transaction is completed, the current intention is for Sincere Watch to remain focused on the retail of luxury timepieces in south-east Asia and other new markets like India, while Sincere Watch HK will focus on brand management and operation of its luxury retail outlets in Hong Kong. Peace Mark's focus will remain on retail expansion, especially in Mainland China.

The Board is of the view that the terms of the Major Shareholder Irrevocable Undertaking, the Controlling Shareholders Irrevocable Undertaking, the Break Fee Agreement and the Offer are fair and reasonable and in the interests of the Shareholders as a whole.

BUSINESS OF THE OFFEROR

The Peace Mark Group is a Hong Kong-based mid to luxury timepiece company with operations mainly located in Hong Kong and Mainland China. Its principal business interests relate to luxury timepiece products.

The Peace Mark Group has expanded its business worldwide over the years since its founding in 1983. With strong design capability, the Peace Mark Group manufactures, distributes and sells international brand name timepieces to major markets including the USA, Europe, the PRC and other Asian countries, supported by superior after-sales services.

Headquartered in Hong Kong, Peace Mark boasts an extensive fashion watch retail network, TimeZone, for the mid-range market in the Greater China Region as well as the premium joint-venture, Peace Mark Tourneau, and strategic partnerships with local players leading the retailing business of luxury watches in Mainland China. The Peace Mark Group has also diversified and expanded into the high-end jewellery market. Its advanced production facilities are located in (i) Hong Kong, (ii) Shenzhen and Shanghai in the PRC, and (iii) Bienne in Switzerland, and it employs more than 10,000 staff.

The Offeror is a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company. Its principal activities are that of an investment holding company and it has no business other than to make the Offer.

GENERAL

The Offer (if completed), will constitute a possible major transaction for the Company under the Listing Rules, which will require Shareholders' approval.

A circular providing further details of the Offer and containing, among other things, the notice of the SGM, will be despatched to the Shareholders within 21 days from the publication of this announcement or such other period as may be permitted by the Stock Exchange. The Offer Document will not be sent to the Shareholders as all relevant information will be contained in the circular to the Shareholders. The Offer Document will, however, when published be available on the SGX-ST website after it has been despatched to the shareholders of Sincere Watch.

To the best of the Board's knowledge, having made all reasonable enquiries, Sincere Watch, the Major Shareholder, Mr Tay, the ultimate beneficial owner of the Major Shareholder and the other shareholders of Sincere Watch are Unconnected Persons. Each of the Company and the Major Shareholder have submitted to the SIC a letter confirming that they are not Concert Parties.

No Shareholders are required to abstain from voting in connection with the Offer.

Shareholders and potential investors should note that the making of the Offer is subject to certain pre-conditions being satisfied and the Offer, if made, is also subject to certain conditions being satisfied, therefore the Offer may not be successful and may not complete. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company, the securities of Sincere Watch and the securities of Sincere Watch HK.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in the Company.

DEFINITIONS

In this announcement, the following capitalised terms have the meanings below:

“Board”	the board of directors of the Company
“Break Fee”	S\$5.3 million, which is equivalent to 1.0% of the value of the aggregate Offer Consideration
“Break Fee Agreement”	the break fee agreement dated 7 December 2007 between the Major Shareholder and Peace Mark which sets out the terms for payment of the Break Fee
“Business Day”	a day (which is not a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Hong Kong and Singapore
“Concert Parties”	the parties acting or presumed to be acting in concert (within the meaning given to that term under the Singapore Takeovers Code) with the Company and the Offeror in relation to the Offer
“Controlling Shareholders Irrevocable Undertaking”	a deed of undertaking dated 7 December 2007 between the Peace Mark Controlling Shareholders and the Major Shareholder pursuant to which the Peace Mark Controlling Shareholders have agreed to vote in favour of the resolutions put forward at the SGM
“Encumbrance”	in respect of the Major Shareholder Shares means, any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal and any other encumbrance or condition whatsoever
“Exclusivity Period”	the period from the date of the Break Fee Agreement until the earliest of (i) the date the Offer is completed, terminated, lapses or is withdrawn, (ii) the date falling 120 Business Days from the date of the Break Fee Agreement, or (iii) the date the Break Fee Agreement is terminated by mutual consent in writing by the parties
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Financial Adviser”	Macquarie Securities (Asia) Pte Limited, the financial adviser to the Company and the Offeror in respect of the Offer

“HK\$”	Hong Kong dollar, the legal currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	6 December 2007, being the latest practicable date for ascertaining certain information for the purpose of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder”	TBJ Holdings Pte Ltd, the tenderer of the Major Shareholder Shares and an Unconnected Person
“Major Shareholder Irrevocable Undertaking”	a deed of undertaking by the Major Shareholder dated 7 December 2007 to, among other things, accept the Offer from the Offeror and not to accept any third party offer in respect of the Major Shareholder Shares
“Major Shareholder’s Shares”	104,719,307 Sincere Watch Shares, representing, as at 6 December 2007, approximately 50.67% of the issued share capital of Sincere Watch
“New Peace Mark Shares”	new ordinary shares of the Company to be issued in connection with the Offer (assuming full acceptance of the Offer from all shareholders of Sincere Watch, 47,123,292 New Peace Mark Shares will be issued)
“Offer”	as at the date of this announcement, the pre-conditional offer by the Offeror for the Sincere Watch Shares effected by means of a voluntary general offer made pursuant to Rule 15 of the Singapore Takeovers Code
“Offer Announcement”	the formal announcement of a firm intention to make the Offer, setting out the terms and conditions of the Offer in accordance with the Singapore Takeovers Code once the pre-conditions to the Offer have been satisfied
“Offer Consideration”	(a) S\$2.051 per Sincere Watch Share in cash (representing approximately HK\$11.045), and (b) 0.228 New Peace Mark Shares at the issue price of HK\$12.096 per New Peace Mark Share

“Offer Document”	the formal document making the Offer, setting out the terms and conditions of the Offer in accordance with the Singapore Takeovers Code and enclosing the appropriate form of acceptance
“Offeror”	A-A United Limited, a business company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Peace Mark” or “Company”	Peace Mark (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Peace Mark Controlling Shareholders”	the controlling shareholders of Peace Mark, namely, Patrick Chau Cham Wong and Leung Yung
“Peace Mark Group”	the Company and its subsidiaries
“PRC”	The People’s Republic of China
“Pre-conditional Offer Announcement”	the announcement made for and on behalf of the Offeror pursuant to the Singapore Takeovers Code announcing the Offer and dated the same date as this announcement
“SGM”	the special general meeting of the Company to be convened to consider and approve, if appropriate, the Offer
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Shareholders”	the shareholders of the Company
“SIC”	the Securities Industry Council of Singapore
“Singapore Takeovers Code”	the Singapore Code on Take-overs and Mergers as revised with effect from 1 April 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sincere Watch”	Sincere Watch Limited, a public company incorporated in Singapore with limited liability and whose shares are primarily listed on the SGX-ST
“Sincere Watch Group”	Sincere Watch and its subsidiaries

“Sincere Watch HK”	Sincere Watch (Hong Kong) Limited, a public company incorporated in the Cayman Islands with limited liability and the shares of which are primarily listed on the Stock Exchange
“Sincere Watch Shares”	ordinary shares in the capital of Sincere Watch
“S\$”	Singapore dollar, the legal currency of the Republic of Singapore
“Unconnected Person”	a person who, to the best of the knowledge of the Board, having made all reasonable enquiries, does not own any shares in the Company or the Offeror, and is an independent third party not connected to the Company, the Offeror, each member of the Peace Mark Group, the directors, the chief executive, the substantial shareholders of the Company, the Offeror or its subsidiaries or any of their respective associates

This document contains translations of certain S\$ amounts into HK\$ amounts at the rates of S\$1.00 = HK\$5.385. The rates at which the S\$ amounts are translated into HK\$ amounts is the Bloomberg exchange rate on the Latest Practicable Date. The translations have been provided solely for the convenience of the readers of this announcement and no representation is made that any of the S\$ amounts actually represent the HK\$ amounts or could have been or could be converted into HK\$ at the specified rates, at any particular rate or at all.

The directors of the Company (including any who may have delegated detailed supervision of this announcement) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chau Cham Wong, Patrick, Mr. Leung Yung, Mr. Tsang Kwong Chiu, Kevin, Mr. Man Kwok Keung and Mr. Cheng Kwan Ling as executive directors and Ms. So, Susan, Mr. Kwok Ping Ki, Albert, Mr. Tang Yat Kan, Mr. Wong Yee Sui, Andrew and Mr. Mak Siu Wing, Clifford as independent non-executive directors.

By Order of the Board
Mr. Chau Cham Wong, Patrick
Chairman

Hong Kong, 7 December 2007