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This announcement does not constitute an offer or a solicitation to any person. The Offer is not being made into any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to shareholders in any such jurisdiction.



Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0304)

VOLUNTARY DISCLOSURE MAJOR TRANSACTION CONSIDERATION ISSUE

Issue of the first batch of New Peace Mark Shares as part of the Offer Consideration

**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
Voluntary General Offer in Singapore**



MACQUARIE

Macquarie Securities (Asia) Pte Ltd

Update on the Offer and Offer Consideration

The Offer was declared unconditional in all respects on 21 February 2008. As at close of business on 25 February 2008, the Offeror had received valid acceptances in respect of 110,432,451 Sincere Watch Shares representing 53.43 per cent. of the entire issued share capital of Sincere Watch (the “**First Batch of Acceptances**”).

The Offer Consideration in respect of the First Batch of Acceptances comprises S\$226,496,957 (approximately HK\$1,265,438,499, using the exchange rate for 29 February 2008 as quoted on Bloomberg) in cash paid on 29 February 2008 and 25,178,597 New Peace Mark Shares issued on 29 February 2008.

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

Reference is made to the Company’s circular to shareholders dated 16 January 2008 (the “**Circular**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Circular, unless otherwise stated.

UPDATE ON THE OFFER

The Offer was declared unconditional in all respects on 21 February 2008. As at close of business on 25 February 2008, the Offeror had received valid acceptances in respect of 110,432,451 Sincere Watch Shares representing 53.43 per cent. of the entire issued share capital of Sincere Watch, including 104,719,307 Sincere Watch Shares tendered by the Major Shareholder on 21 February 2008. The New Peace Mark Shares to be issued to the Major Shareholder as part of the Offer Consideration will be subject to a three-year lock up period. The remaining New Peace Mark Shares to be issued as part of the Offer Consideration will rank *pari passu* in all respects with the Company’s existing issued ordinary shares.

OFFER CONSIDERATION AND ISSUE OF NEW PEACE MARK SHARES

Six settlement batches

The accepting Sincere Watch shareholders will receive 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 in consideration for each Sincere Watch Share they validly tendered in acceptance of the Offer. In compliance with the Singapore Code on Take-overs and Mergers, it is currently expected that the Offer Consideration in respect of acceptances under the Offer will be settled in six batches on or about 29 February 2008, 7 March 2008, 14 March 2008, 20 March 2008, 25 March 2008 and 28 March 2008.

The Offer Consideration in respect of the First Batch of Acceptances comprises S\$226,496,957 (approximately HK\$1,265,438,499, using the exchange rate for 29 February 2008 as quoted on Bloomberg) in cash paid on 29 February 2008 and 25,178,597 New Peace Mark Shares issued on 29 February 2008 (the “**First Batch of Consideration Shares**”).

Issue of the New Peace Mark Shares

The New Peace Mark Shares to be issued as part of the Offer Consideration will be issued by the Company under the general mandate (the “**General Mandate**”) given to the Directors at the Company’s general meeting held on 23 August 2007. It is currently expected that the New Peace Mark Shares will be issued in six batches on or about 29 February 2008, 7 March 2008, 14 March 2008, 20 March 2008, 25 March 2008 and 28 March 2008 respectively, and Tricor Secretaries Limited, the Company’s share registrar will issue and despatch the share certificates for each of the six batches of New Peace Mark Shares on such dates as part of the Offer Consideration for the Sincere Watch Shares in each batch.

Listing of the New Peace Mark Shares

The Stock Exchange, by a letter dated 30 January 2008, granted listing approval for the New Peace Mark Shares, subject to the fulfilment of all other conditions to the Offer and the proper allotment and issue of the New Peace Mark Shares and due despatch of the relevant share certificates to the Sincere Watch Shareholders who have tendered their Sincere Watch Shares in acceptance of the Offer.

It is currently expected that the New Peace Mark Shares will be listed in six batches on or around the same time as the issue of the New Peace Mark Shares on 29 February 2008, 7 March 2008, 14 March 2008, 20 March 2008, 25 March 2008 and 28 March 2008, respectively. It is also currently expected that dealings in the First Batch of Consideration Shares on the Stock Exchange will commence at 9.30 a.m. (Hong Kong time) on Monday, 3 March 2008.

Save in respect of the settlement of the Offer Consideration in respect of the First Batch of Acceptances, the dates referred to above in connection with the settlement of the Offer Consideration in respect of acceptances under the Offer and the issuance and listing of the New Peace Mark Shares are indicative only and may be subject to change.

ISSUE OF A-A UNITED LIMITED SHARES TO THE COMPANY

As stated in the Circular, the Company has been advised by its Bermudian counsel that in consideration of the issue of the New Peace Mark Shares, the Offeror should issue new ordinary shares to Peace Mark. The reason for this is that Peace Mark is offering New Peace Mark Shares as part of the Offer Consideration and therefore effectively settling part of the Offer Consideration on behalf of the Offeror (its indirect, wholly-owned subsidiary). The Offeror will issue in aggregate the same number of new ordinary shares to Peace Mark as the number of New Peace Mark Shares which Peace Mark will issue in aggregate to Sincere Watch shareholders who validly accept the Offer.

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

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, 29 February 2008