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Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Provisional Liquidators Appointed)

(Stock Code: 304)

ANNOUNCEMENT SALE OF CERTAIN ASSETS

Summary

The Provisional Liquidators have, on 3 October 2008, entered into an agreement to sell certain assets in the Group to the Purchaser. The Purchaser has agreed to purchase the shares in 207 directly and indirectly held subsidiaries of the Company which operate the Group's luxury and mid market timepiece distribution and retail businesses which are located primarily in the PRC, Hong Kong, Macau and Taiwan, together with the shares in 天津海鷗錶業集團有限公司 (Tianjin Seagull Watch Co Ltd), 上海金時精密機械有限公司 (Shanghai Gold Time Precision Instrument Co Ltd) and Milus International S.A. and a number of inter company receivables owed by such companies.

The total amount payable by the Purchaser to the Company is HK\$505 million, after adjustment for bank debt owed by Tianjin Seagull Watch Co Ltd totalling HK\$95 million.

The Provisional Liquidators' decision to sell to the Purchaser follows an intensive process of discussion with at least ten interested parties after receiving expressions of interest from over 80 parties. Having regard to the proposed purchase price, the conditions attached and the completion risk involved in each of the offers received by the Provisional Liquidators, it is their strong view that the Purchaser's offer is superior to any other and that it is in the interest of the Company and all of its stakeholders for the proposed sale to the Purchaser to be implemented as soon as practicable.

The agreement to sell to the Purchaser is subject to a number of conditions including the sanction of the Hong Kong Court, which was granted on 6 October 2008, and the discharge of certain financial creditors' claims against Group companies. The Provisional Liquidators are in the course of procuring the necessary releases.

The Provisional Liquidators are liaising with the Hong Kong Stock Exchange in relation to the nature of this transaction, and, if necessary, will comply with requirements for any subsequent announcements under the Listing Rules.

Trading in the shares of the Company was suspended on 18 August 2008 and remains suspended as of the date of this announcement.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

RECENT DEVELOPMENTS

On 10 September 2008, the Hong Kong Court made an Order appointing the Provisional Liquidators to the Company, authorising the Provisional Liquidators to exercise all such powers and undertake such acts as stipulated in the Order. Since being appointed, the Provisional Liquidators have:

- taken control of the Group;
- taken over responsibility of the management of day to day business operations;
- undertaken a financial review of the businesses of the Group;
- taken steps to protect and preserve the Sincere Group; and
- pursued a process to explore the potential for a sale of assets or a strategic investment in the Group.

Since before the appointment of the Provisional Liquidators the Group has been in need of urgent working capital following the withdrawal of facilities by its banks. As such, immediate steps were taken by the Provisional Liquidators to ascertain interest in the Group from prospective purchasers and to attempt to identify a strategic investor. After considering numerous offers and expressions of interest from various parties, the Provisional Liquidators have, on 3 October 2008, entered into an agreement to sell certain assets in the Group to the Purchaser.

As part of the transaction, the Purchaser has agreed to purchase the shares in 207 directly and indirectly held subsidiaries of the Company which operate the luxury and mid market timepiece distribution and retail businesses located primarily in the PRC, Hong Kong, Macau and Taiwan. The Purchaser has also agreed to purchase shares in 天津海鷗錶業集團有限公司 (Tianjin Seagull Watch Co Ltd), 上海金時精密機械有限公司 (Shanghai Gold Time Precision Instrument Co Ltd) and Milus International S.A. and a number of inter company receivables owed by such companies.

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- it is an unconditional offer with limited conditions precedent to closing, and a limited completion risk associated with the transaction;
- it results in a relatively certain amount to be paid in a very short period of time;
- the Purchaser will assume all risk with respect to the numerous joint ventures, landlords and suppliers that the Group requires to operate the business;
- it enables the realisation of the businesses that are most susceptible to dissipation and loss of value in the PRC given the number of parties involved and instability of the PRC retail business; and
- it results in payment of an amount that is likely to exceed the liquidation value of the assets proposed to be sold, and also substantially exceeds the business valuation prepared by the Provisional Liquidators in the most optimistic scenario.

OTHER INFORMATION

The agreement to sell to the Purchaser is conditional upon obtaining the sanction of the Hong Kong Court, which was granted on 6 October 2008, and the release by certain financial creditors of their claims against Group companies which are subject to the sale. The Provisional Liquidators are in the course of procuring the necessary releases.

If and when completion of the sale to the Purchaser occurs, the Group's operations will principally comprise of the Sincere Group, which had operating revenues of approximately S\$450 million for the year ended 31 March 2008. The Provisional Liquidators consider the remaining assets held in the Group after completion of the proposed sale are sufficient to retain the Company's listed status.

The Provisional Liquidators are liaising with the Hong Kong Stock Exchange in relation to the nature of this transaction, and, if necessary, will comply with requirements for any subsequent announcements under the Listing Rules.

Trading in the shares of the Company was suspended on 18 August 2008 and remains suspended as of the date of this announcement.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

Company	Peace Mark (Holdings) Limited (stock code: 0304) whose shares are listed on the main board of the Hong Kong Stock Exchange
Group	the Company and its subsidiaries
Hong Kong Court	the Court of First Instance of the High Court of Hong Kong
Listing Rules	the rules governing the listing of securities in the Hong Kong Stock Exchange
Purchaser	New Flow Group Limited, a subsidiary of Chow Tai Fook Jewellery Company
Sincere Group	Sincere Watch Ltd and its subsidiaries

For and on behalf of
Peace Mark (Holdings) Limited
(Provisional Liquidators Appointed)
Roderick John Sutton and Vincent Fok Hei Yu
Joint and Several Provisional Liquidators

Hong Kong, 31 October 2008

On the basis of the information available from the previous announcements made by the Company, Mr. Chau Cham Wong, Patrick, Mr. Leung Yung, Mr. Tsang Kwong Chiu, Kevin, Mr. Man Kwok Leung, Mr. Cheng Kwan Ling and Mr. de Jaillon Hugues Jacques are executive directors of the Company; Ms. So, Susan, Mr. Kwok Ping Ki, Albert and Mr. Mak Siu Wing, Clifford are independent non-executive directors of the Company.