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Peace Mark (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Provisional Liquidators Appointed)

(Stock Code: 304)

(1) EXCLUSIVITY AGREEMENT (2) MEMORANDUM OF UNDERSTANDING AND (3) ADJOURNMENT OF WINDING-UP HEARING

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

The Investor has submitted to the Provisional Liquidators the Restructuring Proposal involving, among others, the Possible Acquisition, capital restructuring, Share Subscription and schemes of arrangement for the restructuring of the Company and the resumption of trading of the shares of the Company on the Stock Exchange.

On 4 June 2011, the Investor, the Company and the Provisional Liquidators entered into the Exclusivity Agreement to grant the Investor the Exclusivity Period for the discussion and finalisation of a resumption proposal of the Company. The Exclusivity Period may be further extended by the parties to the Exclusivity Agreement in writing.

On 7 June 2011, RMA, the Company and the Provisional Liquidators entered into the MOU proposing to acquire the entire interest in the Target in connection with the Restructuring Proposal, subject to entering into of formal agreement.

A resumption proposal dated 7 June 2011 containing, among others, details of the Restructuring Proposal and the Possible Acquisition was submitted to the Stock Exchange for their review and consideration.

The Provisional Liquidators announce that on 9 May 2011, the High Court of Hong Kong ordered that the hearing of the winding-up petition in respect of the Company be further adjourned to 22 August 2011.

Shareholders of the Company and potential investors should note that detailed terms and conditions of the Restructuring Proposal are yet to be finalised and the Restructuring Proposal is subject to the entering into of the Formal Agreement, which may or may not be proceeded.

Trading in the Shares has been suspended since 9:30 a.m. on 18 August 2008 at the request of the Company and will remain suspended until further notice.

INTRODUCTION

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

Reference is made to the announcement of the Company dated 11 September 2008 in relation to, among others, the appointment of Roderick John Sutton and Vincent Fok Hei Yu, both of Ferrier Hodgson Limited (currently FTI Consulting), to act as the Provisional Liquidators.

The Investor has submitted to the Provisional Liquidators the Restructuring Proposal involving, among others, the Possible Acquisition, capital restructuring, Share Subscription and schemes of arrangement for the restructuring of the Company and the resumption of trading of the shares of the Company on the Stock Exchange.

EXCLUSIVITY AGREEMENT

Date: 4 June 2011

Parties: (i) the Investor;
(ii) the Company; and
(iii) the Provisional Liquidators.

Pursuant to the Exclusivity Agreement, the Investor is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Wong. The Investor and the parties acting in concert with it have not dealt in any Shares within six months prior to the date of the Exclusivity Agreement. The Investor and Mr. Wong are Independent Third Parties.

Exclusivity

The Provisional Liquidators have agreed to grant the Investor an exclusivity period of 12 months up to 3 June 2012 for the discussion and finalisation of a resumption proposal of the Company. The Exclusivity Period may be further extended by the parties to the Exclusivity Agreement in writing.

Fees contribution

The Investor shall advance a total sum of HK\$20,000,000 to the Provisional Liquidators (the “**Fees Contribution**”) as contribution towards professional fees, which shall be paid in cash in stages as provided in the Exclusivity Agreement.

In the event that the Company is wound up or upon termination of the Exclusivity Agreement pursuant to its terms, the Fees Contribution paid by the Investor (to the extent already used or reserved for settlement of the professional fees incurred) shall be regarded as unsecured debts against the Company.

As of the date of this announcement, the Investor has advanced a sum of HK\$5,000,000 as Fees Contribution.

Termination

The Exclusivity Agreement shall terminate and become null and void on the earlier of:

- (a) the expiry of the Exclusivity Period subject to extension by the parties to the Exclusivity Agreement in writing;
- (b) the entering into of the Formal Agreement;
- (c) circumstances have arisen which, in the reasonable opinion of the Investor and the Provisional Liquidators, make it unlikely that the terms of the Possible Acquisition, Restructuring Proposal or the resumption proposal of the Company, as the case may be, will be able to be implemented; and
- (d) the commission by any party of any material breach of any of the provisions of the Exclusivity Agreement and, in the case of a breach capable of remedy, that party fails to remedy the same within fourteen (14) days after receipt of a written notice from any other party giving full particulars of the breach and requiring it to be remedied.

MEMORANDUM OF UNDERSTANDING

Date: 7 June 2011

- Parties: (i) RMA, the majority shareholder owning 80% interests in the Target;
- (ii) the Company; and
- (iii) the Provisional Liquidators.

Pursuant to the MOU, the parties to the MOU have reached the mutual understanding that, in connection with the Restructuring Proposal, the Company contemplates to acquire the entire interest in the Target from RMA and a minority shareholder, which shall be subject to (i) terms and conditions in the MOU; (ii) fulfillment of all the condition precedents of the Restructuring Proposal set out in the Exclusivity Agreement; (iii) the execution of the formal agreement and related documentation governing the terms of the Possible Acquisition; and (iv) obtaining all necessary waivers, consent and approvals including but not limited to those from the Stock Exchange, the SFC and any other relevant regulatory authorities. Each party to the MOU agreed to negotiate and agree in good faith the terms governing the Possible Acquisition and to facilitate the preparation of the documents referred to and implementation of the transactions contemplated under the Exclusivity Agreement.

The Target is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of distribution of a renowned brand luxury watches and provision of after sales services. The Target is owned as to 80% by RMA and as to 20% by a minority shareholder. To the best of the Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, RMA and the minority shareholder of the Target are Independent Third Parties.

SUBMISSION OF RESUMPTION PROPOSAL

On 22 December 2010, the Stock Exchange announced that it proposed to exercise its right pursuant to Practice Note 17 of the Listing Rules to cancel the listing of the Shares. Unless the Stock Exchange receives a viable resumption proposal, the Stock Exchange may cancel the listing status of the Company on the Stock Exchange after 21 June 2011. A resumption proposal dated 7 June 2011 contains, among others, details of the Restructuring Proposal and the Possible Acquisition was submitted to the Stock Exchange for their review and consideration.

ADJOURNMENT OF WINDING UP HEARING

The Provisional Liquidators announce that on 9 May 2011, the High Court of Hong Kong ordered that the hearing of the winding-up petition in respect of the Company be further adjourned to 22 August 2011.

GENERAL

Shareholders of the Company and potential investors should note that detailed terms and conditions of the Restructuring Proposal are yet to be finalised and the Restructuring Proposal is subject to the entering into of the Formal Agreement, which may or may not be proceeded.

Trading in the Shares has been suspended since 9:30 a.m. on 18 August 2008 and will remain suspended until further notice. Further announcement will be made should there be any major development on the Restructuring Proposal.

On the basis of the information available from the previous announcements made by the Company, Mr. Chau Cham Wong, Patrick, Mr. Man Kwok Leung, and Mr. De Jaillon Hugues Jacques are executive directors of the Company.

DEFINITIONS

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

“associates”	has the same meaning ascribed to it under the Listing Rules
“Business Day”	a day (other than a Saturday or a Sunday) on which banks are generally open for business in Hong Kong
“Company”	Peace Mark (Holdings) Limited (Provisional Liquidators Appointed), a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Exclusivity Agreement”	the exclusivity agreement dated 4 June 2011 made between the Investor, the Provisional Liquidators and the Company
“Exclusivity Period”	the exclusivity period of 12 months commencing from the date of the Exclusivity Agreement, i.e. 4 June 2011
“Formal Agreement”	the formal agreement for the Restructuring Proposal

“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Investor”	Noble Wealth Holdings Limited, a company incorporated under the laws of British Virgin Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Ching Ping Alex
“MOU”	the memorandum of understanding dated 7 June 2011 entered into among RMA, the Company and the Provisional Liquidators in relation to the Possible Acquisition
“Possible Acquisition”	the proposed acquisition of the Target under the MOU
“Provisional Liquidators”	Roderick John Sutton and Vincent Fok Hei Yu, the joint and several provisional liquidators of the Company
“Restructuring Proposal”	the implementation of the matters involving, among others, the Possible Acquisition, capital restructuring, Share Subscription and schemes of arrangement for the restructuring of the Company and the resumption of trading of the shares of the Company on the Stock Exchange
“RMA”	Richard Mille (Asia) Limited, a company incorporated in Hong Kong
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Subscription”	the proposed subscription of new shares of the Company by the Investor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	a company incorporated in Hong Kong with limited liability and principally engaged in the business of distribution of a renowned brand luxury watches and provision of after sales services

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, 28 June 2011