



Mr. Chau Cham Wong, Patrick – Chairman

*“We are proud of a scorecard that marks a legacy of **strong accomplishments.** Our results were not accidental and we are dedicated to achieve **continuous growth** and to stretch our business across the globe.”*

We have just completed one of the most important and successful years in Peace Mark's history. In March 2003, we celebrated our 20th year of establishment, and our 10th listing anniversary on the Stock Exchange of Hong Kong. Our turnover for the year also reached the billion-dollar mark and we are ideally positioned to continue this encouraging trend.

Despite the SARS outbreak and the sluggish global economic conditions, we were still able to stand tall to experience steady growth. Peace Mark continued to build on the strong foundation stones established in the past. Having successfully completed our vertical integration, synergies and cost benefits are beginning to materialize and we are consolidating our position as a leading player within the watch industry. Efforts were also concentrated on expanding our position in the global market. Our goal is to ensure our long-term competitiveness and to maximize shareholder value.

Looking back over the past 20 years, when we started as a pure OEM manufacturer, our core competencies and profitability have advanced considerably, and we have successfully built a sound business model to become an established ODM player in the industry. Furthermore, we are now able to provide our customers with one-stop services ranging from design and product engineering to after-sales servicing. Looking ahead, we will continue to implement sound business plans and grow strategically through acquisitions and joint ventures in the years to come. We will also continue to enlarge our brand portfolio and brand management capabilities to become stronger in the areas of OBM and distribution. We at Peace Mark

are proud of our accomplishments and we are dedicated to achieving our mission to become a truly global organization.

On behalf of the Board, I would like to take this opportunity to express my sincere thanks to all our staff, the management team and board members for their hard work and dedication. Their commitment to the Group, along with the support of shareholders, bankers, customers and suppliers, has been crucial to our long-term success.



Chau Cham Wong, Patrick
Chairman

Hong Kong
26 June, 2003