

Chairman's Statement

Peace Mark (Holdings) Limited



Mr. Chau Cham Wong, Patrick
Chairman



Financial Year 2004 adds another **impressive** and **exciting** chapter to the record book of the Peace Mark Group.

While successes and positive accomplishments were reported throughout the Group, further efforts were also planned to ensure that **continuous growth** would be achieved in the coming years.





We are proud of a scorecard that marks another year of strong accomplishments, and our results were not accidental. Instead, the impressive growth is a direct result of a carefully mapped out long-term strategic plan, which is guided by the close supervision of our experienced global management team. As a reputable manufacturer in the timepiece industry, we were able to grow our existing OEM and ODM manufacturing businesses. Further progress was also achieved in strengthening our capabilities as a vertically integrated manufacturer. We are proud to announce that we have recently enlarged our manufacturing abilities by adding a watch movement manufacturing facility. Moreover, to achieve outstanding products, a new state of the art components manufacturing facility equipped with strong upscale design support was established. All in all, the aforementioned developments enable Peace Mark to better serve upscale or high end timepiece customers worldwide. These impressive achievements, however, do not simply end at this point.

As a distributor of timepieces, we have successfully gained a strong foothold in our downstream business and extended our number of points of sale to over 23,000 worldwide. Meanwhile, we are also pleased to announce that as of May 2004, we have successfully become the single largest timepiece distributor in the PRC by having over 550 points of sale. All in all, we have solidified our position as a timepiece company with a global perspective whilst expanding our abilities to provide a one-stop solution to our valued customers and strategic partners.



Key message and future outlook

Our outlook for the FY2005 and onwards is robust and we expect top and bottom line growth driven by the continuous increase in our manufacturing operations as well as our expansion into the global downstream distribution business.

Again, on behalf of the Board of Directors, may I take this opportunity to thank our supporters and strategic partners for another great year of shared success and also take this chance to thank my dedicated and devoted employees while also not forgetting to welcome the new members on board the global Peace Mark team.

The Peace Mark Group has all the key fundamentals and foundation stones to realize its mission and our dedicated management team is confident that these goals will be realized in the years to come.