



Chairman's Statement

At the beginning of 2003, a new management team with extensive experience in technology and telecommunication has joined Mansion. As a key member of the New Management team, I am pledging our commitment to work together with the director who remains in office, to lead the Group into a new era.

Affected by the persistently sluggish global market in 2002, the stagnant Hong Kong economy and its static property market, the fire protection industry at large as well as the Group saw adverse performance. The previous management had committed to improve the Group's overall profitability and had undergone restructuring during the year, which involved the rationalization of its business operations and disposal of loss making business.

While the local market looks grim, the flourishing PRC market continues to show positive signs with numerous opportunities arising. In line with the Group's strategy to explore the PRC market, the Group's Shanghai joint venture company, Shanghai Mansion Wananda Fire Systems Co., Ltd. was established in January 2002. The new company strives to exploit the potential in this booming market and increases its penetration in the region.

The New Management has ample experience in the operation and technical solutions from technology and telecommunication industries which shall help Mansion to strengthen its business. The Group will continue to carry on its existing business and the New Management will identify business opportunities to maximise the return of the Group. To stimulate growth of the Group and add momentum to its activities, we will use the Group's internal resources to develop business in telecommunications area. Capitalizing on the technological advancements in the global market, we are hopeful that the proposed new business unit will evolve into a recognised service provider of highly customized and cost effective telecommunication services to local and overseas customers. The New Management believes that this will generate a new income stream for the Group and enlarge its profitability.

Leveraging on the vision and expertise of the New Management, the stable revenues generated from the existing business as well as the disposal of loss making operations, we have every confidence that the Group will capture promising business opportunities ahead, successfully explore new business arenas to bring better value to our shareholders as well as our customers.

Michele Matsuda

Chairman

Hong Kong
23rd April 2003