

PROSPECTS

Despite the slowdown in the economy and the increasing competition for advertisers' dollars, RoadShow, with its niche in the market, envisages growth in its business in the second half of 2001, as more advertisers become aware of its sizeable audience reach and the competitive pricing of its media sales business.

The Group aims to become a leading out-of-home media sales company in the Greater China region. The Group's core strategy is to expand the multi-media on-board business in Hong Kong to transit vehicles in the Greater China region and other countries, such as those in Europe. The Group plans to capitalise on its marketing strengths in the captive advertising market represented by the passengers who use public transit vehicles and the pedestrians along transit vehicles routes. The Group is exploring business opportunities and is seeking to establish strategic partnerships in carrying out multi-media on-board business in (a) other modes of transportation such as taxis, boats and rails; and (b) other delivery channels such as hotels, shopping malls, restaurants and convenience stores. The Group believes that expanding the delivery channels of its out-of-home media sales and products into other business settings will diversify and increase its revenue base and increase its operating efficiency.

At 30 June 2001, 2,100 transit vehicles in Hong Kong were equipped with MMOB system, with daily captive audiences of 2 million. An additional 500 transit vehicles in Hong Kong will be installed with MMOB system by the end of this year. Having begun installing the MMOB system on public light buses in the second half of 2001, it is expected that a total of 200 public light buses will be equipped with the system by the end of 2001.

The Group is continuing to enrich and diversify the program content of its MMOB system. In the second half of 2001, the Group plans to install a transit vehicle tracking system - consisting of a global positioning system receiver and a central processing unit - which will enable the provision of real time information to the audience and add value to the Group's services.

With China's entry into the World Trade Organisation set to provide an opportunity for the Group to develop its MMOB business in China. The Group is adopting a prudent and pragmatic approach, based on a strategy aimed at establishing a regional network on the Mainland. The Group will continue to monitor the development in China and pace its strategy to establish this regional network accordingly.

As disclosed in the Prospectus, part of the proceeds from the Global Offering will be used to acquire or invest in complementary businesses, products and technologies or to establish joint ventures that the Group believes will complement its current or future business. On-going discussions in relation to these are being held with various parties.