



CHAIRMAN'S STATEMENT

The financial year 2001 was very satisfactory for RoadShow Holdings Limited (the "Company" or "RoadShow") and its subsidiaries (collectively referred to as the "Group"). Financial performance was strong, despite a difficult economic environment; the growth of the business was remarkable and the divestiture from The Kowloon Motor Bus Holdings Limited ("KMB") and the listing of RoadShow on the Main Board of The Stock Exchange went exceedingly well.

As at the beginning of 2001 we had 200 public transit vehicles with the Multi-media On-board ("MMOB") system and at year-end this had grown to 2,400 KMB and Citybus buses and about 200 public light buses, a 12 folds increase in total. With a daily viewership of approximately two million passengers, MMOB became a significant advertising medium that gives RoadShow a significant competitive advantage over traditional media channels. In addition, the number of advertising spaces in passenger shelters also increased significantly in 2001.

RoadShow was established as a wholly owned subsidiary of KMB in December 2000 to manage its media sales services, media sales management and administrative services and merchandising business. The initial public offering in Hong Kong and the international placing in June 2001, together with the over-allotment option exercised by the underwriters in July 2001, raised about HK\$588.8 million, before expenses, for the RoadShow Group. The listing provided RoadShow with a diversified funding source to finance its existing operations and future expansion.

Our plans are to offer real time news and traffic information when we eventually use bus tracking technology via a Global Positioning System ("GPS") for MMOB buses and cyber bus stops, that offer interactive access to route information and websites via touch-screen display panels.

RESULTS FOR THE YEAR For the year ended 31 December 2001, the Group reported total operating revenue of HK\$301.3 million and profit attributable to shareholders of HK\$175.1 million. The profit attributable to shareholders was fairly in-line with the forecasts as outlined in the prospectus of RoadShow dated 19 June 2001 ("Prospectus"). The Group's revenue was derived principally from its media sales services, media sales management and administrative services and merchandising business, with each accounting for approximately 87%, 7% and 3%, respectively, of the Group's total operating revenue for the year ended 31 December 2001.

MEDIA SALES SERVICES Revenue from media sales services increased by HK\$234.4 million, from HK\$26.6 million in 2000 to HK\$261.0 million in 2001. The increase was principally the result of the upsurge in media sales in transit vehicle shelters and the full commercial launch of the MMOB business in transit vehicles. At 31 December 2001, the Group had 1,888 transit vehicle shelter panels with a territory wide coverage and a total of 2,400 MMOB transit vehicles with a sizeable audience reach of over two million daily.

MEDIA SALES MANAGEMENT AND ADMINISTRATIVE SERVICES Media sales management and administrative services revenue increased by HK\$2.8 million, from HK\$17.1 million in 2000 to HK\$19.9 million in 2001. The increase was principally due to increased recognition of the effectiveness of bus body advertising compared with other types of outdoor advertising media.

MERCHANDISING BUSINESS The Group also engages in merchandising business to produce and market collectables mainly transit vehicle models and memorabilia. In 2001, a total quantity of 41,500 limited edition models ranging from classic to modern transit vehicle types were marketed worldwide.

DIVIDEND At the forthcoming Annual General Meeting, the directors of the Company will recommend the payment of a final dividend of HK3.8 cents per share with scrip option for the year ended 31 December 2001 (2000: HK\$Nil).

PROSPECTS MMOB is an innovative concept that has proven to be a profitable undertaking after only one year of operation. We knew before pioneering the concept that others would follow our lead if we were successful and this has become the case. We now have a competitor who did not exist when we started, which clearly shows that there is a market for MMOB. We welcome the competition as RoadShow has built an almost unassailable position in the markets it has targeted.

The greatest priority going forward is in the area of systems development. As was stated during the initial public offering, the funds raised will be used to enhance the operation, particularly the development of GPS. The purpose of this is two folds: to develop a vehicle tracking system that will benefit KMB's bus operations and to add value to RoadShow

services by providing more programmes that include real time information, traffic, weather and news. The system will also enable the bus operators whom we serve to expand their own systems and develop new applications. Feasibility studies and trials are on-going with various suppliers for the provision of the GPS system.



Passengers watching MMOB programmes on buses.