

RoadShow relies primarily on advertising revenue that is highly sensitive to the profitability of our corporate clients and the world economic situation. The September 11 terrorist attack on the U.S. had a definite negative effect on the advertising market, although it is difficult to determine the precise impact. Whilst it is unclear how the worldwide economy will evolve during 2002, we do know from past experience that in times of economic uncertainty people turn to public transit vehicles for their transportation needs based on cost considerations. Thus, we expect our viewing audience to grow despite any economic weakness. At the same time, RoadShow will continue to expand the MMOB system and ultimately this will grow to more than 4,000 transit vehicles reaching an audience of four million passengers a day.

Overall, MMOB provides added value to both our passengers and our advertisers. Our passengers benefit from the essential public transit information that is provided along with public service, educational and entertainment programming. Our advertisers gain cost effective access to an ever-growing audience consisting of people who are leaving their homes to either earn money or spend it.

Whilst commuters benefit from the information that MMOB provides, advertisers appreciate the opportunity to deliver their messages to these distraction-free decision-makers. People on their way to spend money can be effectively targeted by MMOB. Advertisers, for example, can identify consumers travelling to shopping centers and entertainment venues on transit

vehicles. MMOB is particularly appealing to shoppers who might be looking for gift ideas and find them via the advertising made available during their journey to make purchases.

We may not be the first in the world to bring audio-video programme to buses, but the concept of turning this into an out-of-home advertising channel on such a large scale daily commuter public transit operation must be one of the world's firsts.

The vast majority of public transit vehicle passengers appreciate the MMOB service according to various surveys, but one area of some concern is a minority of our passengers who, for one reason or another, have voiced dissatisfaction. We have maintained a dialogue with these passengers and made some adjustments in the operation, such as lowering volumes. Most people were satisfied with the Group's responsiveness and we continue to communicate with those who have ideas for further adjustments.

LONG TERM STRATEGY Our strategy is to first build on our position in the Hong Kong market and then explore opportunities in greater China, particularly the Mainland, and then look at opportunities to expand into the United Kingdom and Europe.

China's entry into the World Trade Organisation provides an opportunity for the Group to develop its business on the Mainland and we are adopting a prudent and pragmatic approach

based on a strategy aimed at accomplishing this goal. We are currently in discussions with potential partners in China and have signed a number of memoranda of understanding with various transit operators to bring MMOB to major Chinese cities. China's rapid economic growth has led to a strong demand for advertising services with the country becoming the fastest growing advertising market in Asia. Our strategy includes seeking opportunities to acquire or invest in businesses or establish joint ventures that we believe will complement RoadShow's current or future business. The Group will continue to monitor developments in Mainland China and pace its strategy accordingly to establish this regional network.

In Hong Kong we are now in partnership with Citybus and will form exclusive joint ventures with other major transit vehicle operators to install and manage MMOB system on their vehicles. We will also continue to expand the MMOB business by establishing strategic partnerships with other modes of transportation and exploring additional delivery channels. RoadShow will continue to improve, enrich and diversify the programming content of the MMOB system to benefit both our passengers and our advertisers.

Our vision is to become the leading out-of-home media sales company in the greater China region by providing value-added service to passengers and an effective advertising medium for advertisers at competitive prices.

OUR PEOPLE The success of RoadShow is dependent on our experienced and professional staff. The Board thanks our employees for their invaluable contributions to the business over the past year and counts on their valuable contributions for the continuing success of our new business in the future.

DIRECTORS My thanks go to the Audit Committee, chaired by Mr Norman Leung Nai Pang with Ms Carlye Wai-Ling Tsui and Mr Hui Ki On as members, for the painstaking and professional work they have done during the year.

I would also like to express my sincere appreciation and thanks to my fellow directors, in particular the Group Managing Director Ms Winnie J. Ng, for their support and contributions towards the successful performance of the Group.

John CHAN Cho Chak

Chairman