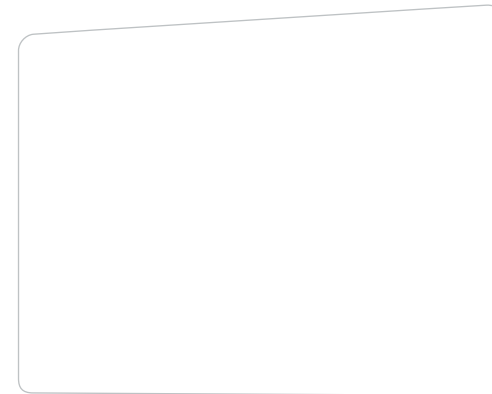


GROUP MANAGING
DIRECTOR'S REPORT

The creation of RoadShow was based on a new concept in advertising aimed at people riding public transit vehicles, the underlying strength of our advertising product. By offering audio-video programme viewed by millions of passengers on thousands of vehicles, RoadShow has become the leader in Hong Kong of the out-of-home media market.



The Group's strong performance during 2001 was principally due to the commercial launch of the MMOB business to include audio-video programming and the subsequent expansion of the system from 200 public transit vehicles at the end of 2000 to 2,400 buses and 200 public transit light buses carrying some two million passengers by the end of 2001.

The media sales management and administrative services also grew during the year as a result of the installation of additional advertising spaces in public transit vehicle shelters and the increased recognition of the effectiveness of bus body advertising among outdoor advertising media in communicating with street-level audiences. It is ideal for branding, extending the reach of advertising campaigns and steering traffic to nearby locations.

The merchandising business also performed well during 2001. The Group sells a variety of souvenirs and memorabilia with the KMB logo including model buses in different styles and commemorative editions, calendars, rulers, mugs, key holders, memo pads, pencils, pins and other items. These items are sold at transit vehicle service centres and specialty shops in Hong Kong.

MULTI-MEDIA ON-BOARD RoadShow is currently the major provider of large-scale MMOB services on transit vehicles in Hong Kong. MMOB has proven to be an effective advertising medium that gives the Group a significant competitive advantage over traditional media channels.

The MMOB system consists of liquid crystal display ("LCD") monitors and video compact disc ("VCD") players, both mounted inside transit vehicles. The MMOB system transmits to passengers tailor-made programmes consisting of information, entertainment, educational programmes, community service announcements and advertisements. The programmes include advertising, music video, movie trailers, public service announcements, educational material, English and Putonghua language lessons, travelogues, public health advisories and investment commentary. In the longer term, the Group plans to expand the MMOB services to include a transit vehicle tracking system with a global positioning system ("GPS") technology. Such a system will facilitate efficient bus operations and location-specific advertising.

Enhancing MMOB A major achievement during the year was RoadShow's listing on the Main Board of The Stock Exchange of Hong Kong. A significant portion of the funds raised during the initial public offering, that was substantially over-subscribed, will be invested in further development of the MMOB system, both technologically and in programme content and expansion of business in Mainland China.

Currently MMOB is delivered through a series of strategically mounted, onboard, vibration-resistant LCD monitors connected to a VCD player with each offering a 160 degree viewing angle. Quality sound is evenly distributed to passengers through a four-channel stereo system.



We plan to install an enhanced MMOB system that integrates global positioning and mobile display technology consisting of a global positioning system receiver and a central processing unit. This will enable us to provide real time information to the audience including public service announcements, news and traffic and bus schedule information and make location specific advertising possible.

Our aim is to continue enriching and diversifying our programme content to ensure that it appeals to our audience who travel with us every day. Variety and diversification in content are critical considerations. In our planning, we pay attention to guidelines used in television programming where advertising consists of not more than one-fifth of the content. The Group is considering ways to develop the capability of producing its own programming to supplement contents provided by third parties.

Hong Kong's first MMOB bus infotainment system was well received by our customers, according to KMB quarterly customer satisfaction surveys. This was reaffirmed by research conducted by AC Nielsen in January 2002 where 71% of the respondents liked the MMOB service and 85% considered MMOB to be a positive enhancement to public bus service. However, one area of some concern is the minority of passengers who are not satisfied with the service. We have communicated with these passengers and have made adjustments in the operation that were well received. However, we continue to maintain lines of

communication with those who continue to voice complaints. While it is a most difficult task, we work hard in trying to accommodate everyone's expectations.

CYBER BUS STOPS The RoadShow Cyber Bus Stop is an innovative development that enables the Group to expand its business and offer advertisers the ability to programme their messages for delivery at specific times across the entire Cyber Bus Stop network or to specific locations. Located at strategic intervals along major public transit vehicle routes and in major terminals, Cyber Bus Stops offer interactive access to route information and website via touch-screen display panels. Users can also browse certain website and purchase goods and services by using the LCD panels at the front of each cyber bus stop. One Cyber Bus Stop has been installed in mid January 2002 for testing.

FORGING ALLIANCES RoadShow has built an almost unassailable position in its markets. In Hong Kong, the Group has formed exclusive joint ventures with major transit operators to install and manage MMOB system on their vehicles. This represents a formidable entry barrier for would-be competitors. The Group will continue to pursue and strengthen strategic alliances with transit vehicle operators to offer its MMOB system and other media sales services. Ultimately, RoadShow will enable advertisers to reach an audience of four million passengers a day on more than 4,000 public transit vehicles through a single point of contact.

DIVERSIFICATION During 2001, the Group also began to develop a strategy to diversify the out-of-home media sales business to other venues such as taxis, boats and railroads and exploring additional delivery channels including hotels, shopping malls and restaurants. By expanding into other business settings, the Group can increase its revenue base and operating efficiency.

GREATER CHINA Mainland China's rapid economic growth has led to a strong demand for advertising services. Building on our dominant position in Hong Kong, RoadShow plans to develop outdoor media sales businesses, including MMOB business in Mainland China. We have signed agreements with transit operators to bring MMOB to major cities that account for a major percentage of advertising spending in the Mainland. We also are identifying opportunities for expansion on the Mainland through other complementary businesses in addition to public transit through possible mergers and acquisitions and joint ventures.

PEOPLE As a service business, RoadShow is strongly reliant on its dedicated and professional staff for its continued success going forward.

As at year-end, the Group had 63 full-time employees. The Group offers a comprehensive and competitive remuneration and benefits package to all employees. In addition, it offers a performance bonus scheme to its senior staff based on achievement of business objectives

and a sales commission scheme to its sales team based on achievement of advertising revenue targets. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Scheme Ordinance.

MOVING FORWARD Our goal is for RoadShow to become a worldwide brand name and the best and largest multi-media company in the greater China region. We will do this by being innovative and creative in developing products and services that add real value to our advertising customers who receive a very effective medium for their messages.

One of our strengths is that as a spin-off of KMB, we have strong management experience in the public transit business. We know both ends of the business well and this will contribute to our success.

The RoadShow team looks forward to another successful year and a very promising future. My thanks go to all of our staff for their dynamic, creative and innovative work that has taken the RoadShow concept forward and created real value for all of our stakeholders.

Winnie J. NG

Group Managing Director