

China

RoadShow together with Daye Transmedia Co., Ltd. (“Daye”), a company owned by the People’s Daily formed a joint venture with an estimated investment of RMB100,000,000. Established in 1948, People’s Daily runs the most authoritative and influential newspaper in China, known for its coverage of the latest government policies and guidance to public opinions. Daye is a company owned by the People’s Daily and one of the few nation-wide TV programs production and media service organizations in China.

The establishment of the joint venture will strengthen both in their expansion into the advertising market, in China and overseas, in both multi-media and traditional media. In addition, it will also enhance economic co-operation and exchange in information and technological aspects in the Chinese advertising industry.

The joint venture will develop MMOB business in Beijing and will operate a 30-year full-service national advertising license covering all media platforms throughout China. In addition to carrying out advertising creative design, production, media planning, placement, and representation of all types of media platforms, it will also, within the permitted arena of the law of China, provide programme production, and syndication to over 500 Chinese provincial, city, cable and non-cable TV stations to build a nation-wide programme distribution network.

With China’s accession to the World Trade Organisation and the hosting of the 2008 Olympic Games in Beijing, there is huge growth potential for the media sales industry in China. In May this year, RoadShow secured the rights to operate advertising on Huaihai Road in Shanghai. It is anticipated that the media sales business in China will see a rapid growth, arising from a strong demand for advertising services. RoadShow will build on its experience and success in Hong Kong to explore future growth opportunities in China. Our market penetration plan is focused on high potential markets which have high consumption power and densely populated areas such as Beijing, Shanghai and Guangzhou. The Group expects that its acquisition efforts in China will continue and will become the revenue driver for our media sales businesses.

Hong Kong

Since RoadShow’s establishment in 2000, it has become a leading out-of-home media sales company. Advertisers are aware of the effectiveness of MMOB as an advertising media, the size of our audience reach of over two million daily, and the competitive pricing of our media sales businesses. In a survey conducted by AC Nielsen in July 2002 on the public’s acceptance of MMOB, it showed that 72% of those interviewed liked the service and 83% considered MMOB a factor contributing to better bus services. Around 98% of those interviewed in July 2002 had experienced MMOB, and more than half of the respondents were regular commuters travelling by bus at least once a day.

Trials of the Global Positioning System (“GPS”) commenced in first half of the year on selected buses. Initial trials are focusing on the bus tracking; GPS will be used to provide real time information, traffic, weather, news and location specific advertising to our audience and add value to RoadShow’s services. Trial results are expected to be evaluated at the end of this year.

The first half of 2002 presented a challenging environment for the media sales business in Hong Kong which is related to the profitability of corporate clients and the world economic situation. Under the current economic environment, we expect the business outlook for the rest of 2002 to be correlated to the development of Hong Kong’s economic environment. On the other hand, RoadShow has built an almost unassailable position in the market it has targeted. With the Group’s strong financial position and the efforts of our management team and dedicated staff force, we are well positioned to capture business growth in taking advantage of the recovery of the Hong Kong economy when economic uncertainties begin to clear up.

Macau

RoadShow had entered into an agreement with Shun Tak Holdings Limited (“Shun Tak”) to form a joint venture company to expand our media sales business in Macau. The joint venture company intends to capture the advertising opportunities arising from tourist traffic generated by Macau. It will initially manage the MMOB systems and related advertising sales business for “TurboJET” high speed passenger ferries, currently operated by Shun Tak, which cover Hong Kong, Kowloon, Macau, Guangzhou and Shenzhen. The joint venture will also develop and carry out media advertising sales and management services on an array of transit network facilities and outdoor tourist spots across Macau and the Pearl River Delta Region.