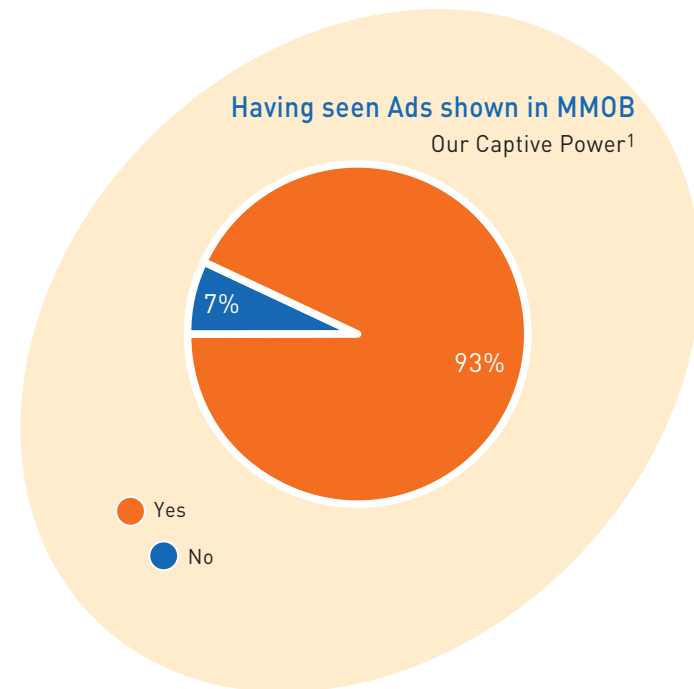
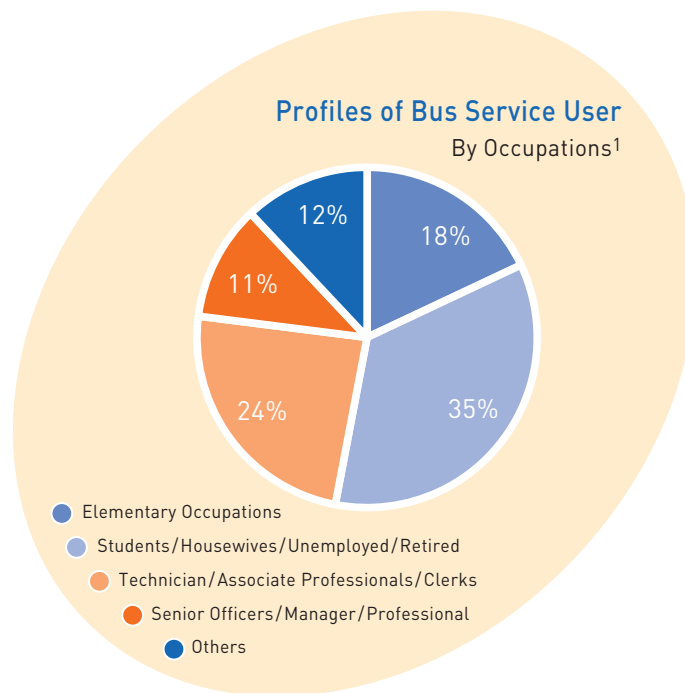


# Operational Review >



## Media Sales Services >

The Group's media sales and management services include the Multi-media On-board ("MMOB") business and the management and marketing of display advertising spaces on bus shelters, billboards, bus bodies, lamp posts and telephone booths in China and Hong Kong.



<sup>1</sup>Base on the survey by ACNielsen in July 2002.

**MMOB business** The Group's MMOB business involves installing, operating and maintaining equipment and LCD units in transit vehicles for the transmission of tailor-made programming and advertisements, sourcing programme content and marketing and selling advertising on the MMOB system.

Unlike other forms of advertising, the MMOB system is an attractive medium for advertisers because of its ability to reach a sizable audience and enables the Group to have a significant competitive advantage in the market.

According to a survey conducted by ACNielsen on RoadShow, MMOB has been highly effective in reaching and capturing passengers' attention with 93% of those interviewed indicating that they have seen advertisements on RoadShow during their bus journeys. The survey also showed that MMOB has a recall rate of over 90% on brand and on product awareness. In addition, it indicated that RoadShow has stimulated impulse purchasing with a high percentage of passengers reporting that the MMOB advertisements sparked their interest in buying certain products.

**Sales and services** MMOB has demonstrated that despite difficult economic conditions, it is an effective outdoor medium that can support any type of major advertising campaign. During 2002, the Group maintained a diversified base of about 600 customers, representing a variety of sectors. These included advertising agencies, cosmetics, electronics, jewellery, leisure, media, finance, banking, insurance, retail, educational, real estate, food, telecommunication and beverage businesses.

The Group offers a variety of sale packages to suit advertisers with different campaigns and budgets. To increase media sales, the Group employs various techniques to encourage customers to commit to advertising bookings, including discounts, bonus spots and special advertising packages for longer term commitments and using market research to demonstrate the effectiveness of out-of-home media sales. The Group's prices are calculated to be competitive with other advertising media in Hong Kong.

Our professional sales team works hard at maintaining solid relationships with our advertisers and assists them in launching successful advertising campaigns. The Group will continue to expand our advertisers' coverage and to gain market share from other media sales companies by providing quality sales services and maintaining competitive pricing.

**Programming** The MMOB programme content is specifically tailored for transit vehicle passengers. Content consists of short segments that are designed to hold the interest of transit vehicle passengers. Content includes music video ("MV"), movie trailers, drama series, animation, travelogues and interactive Short Message Service ("SMS") games. The Group also offers infotainment programmes including community service messages, crime prevention, ICAC drama series, travelogues, environmental protection, health education, sport and recreation, business and economic reviews, news and current affairs and celebrity interviews.



#### < Multi-media On-board

MMOB is particularly appealing to public transit passengers who might be looking for gift ideas and find them through the advertising made available during their journey to make purchases.

There is approximately one hour of original programme repeated 16 times throughout the day and changed daily.

The Group's major content providers include: ATV, Breakthrough Limited, BoardcastOne.com, Cool Magazine, Dynamic Video Multi-Media Limited, IFA.NET Limited, Phoenix Satellite Television Co. Ltd., Radio Television Hong Kong, SuperTV.tv and major record companies and movie distributors.

In 2002, the Group built on its experience and success in developing its own content, including production of the "Celebrity Chat" programme, in which about 52 celebrities were interviewed; the "Sun Yat-sen Documentary series"; "Magic Buzz"; "Gourmet Guide" and "RoadShow and EMI Mini Concert."

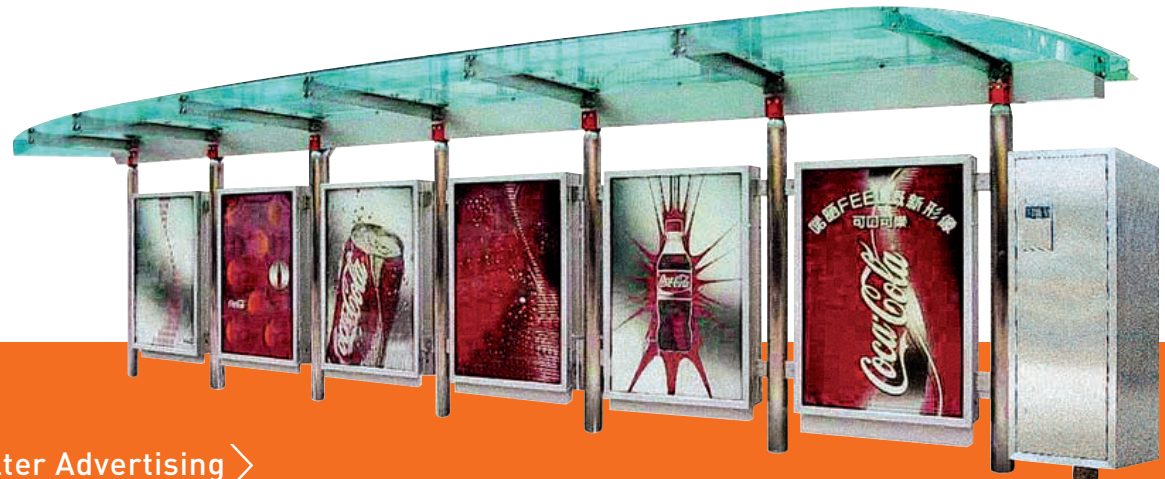
Another breakthrough programme was the "Exclusive Premiere MV", which brought the latest MV's of the most popular singers outdoors. RoadShow, through the 2,600 public transit vehicles equipped with the MMOB system, exclusively premiered the latest MV's to over two million passengers daily.

Charity appeals from more than 100 organisations were aired during the year including 68 Flag Day Organisers and various charity and fund raising events, including the Children's Cancer Foundation, the Hong Kong Digestive Foundation, the Community Chest, the Hong Kong Council of Social Service and many others.

The Group will continue to enrich and diversify its programme content by sourcing more regional and local content suppliers, introducing more interactive games and special feature programmes and participating as a media partner in various concerts, movie productions and other events. The Group's overall production costs are expected to increase in 2003, as more resources are devoted to enriching and up-grading the content to generate greater interest in our programmes.

**Operations** The Group continued with the MMOB Volume Standardisation Campaign to standardise the volume of the MMOB system to ensure a comfortable level on all vehicles and the Quality Assurance Plan to maintain smooth operations of the MMOB system and to meet the Group's pre-set standards. In 2002, the Group designated one side of the lower deck of each transit vehicles as the "silent area."

Trials of the Global Positioning System ("GPS") were initially focused on bus tracking and bus fleet management. Trials on selected public transit vehicles commenced in mid-2002 and are expected to be evaluated in the first quarter of 2003. Installation of the GPS/bus tracking system will begin once the trials are found successful in meeting the Group's specifications. This will enable the provision of real time information to the audience and add value to RoadShow's services.



### Passenger Shelter Advertising >

The attractive display posters have been found to be highly effective in communicating with street-level audiences.

**Mainland China** Mainland China is Asia-Pacific's fastest growing advertising market. According to the latest Advertising Expenditure Information, in the nine months ended 30 September 2002, Mainland China posted HK\$93 billion in advertising spending, as compared to HK\$24 billion in Hong Kong for the same period. RoadShow believes advertising spending in Mainland China will continue to grow and that entry into the Mainland advertising sales market represents a golden opportunity.

RoadShow, together with Daye Transmedia Co., Ltd. ("Daye"), a company wholly owned by the People's Daily, formed a joint venture to operate under a 30-year full-service national advertising licence covering all media platforms throughout the mainland of China. In addition to providing advertising creative design, production, media planning, placement, and representation of all types of media platforms, it will also, within the conditions permitted under Chinese law, provide programme production and syndication to over 500 Chinese provincial, city, cable and non-cable TV stations to build a nationwide programme distribution network. The establishment of the joint venture strengthens our expansion into the advertising market, in China and overseas, in both multi-media and traditional media. In addition, it will enhance economic co-operation and exchange of information and technology involving the Chinese advertising industry.

In 2002, RoadShow secured the rights to operate advertising on Shanghai's "Lamplight Rainbow". Commonly known as "Light Tunnel", this has been designated as one of the top 10 scenic night spots in Shanghai. In addition to the visually arresting bridge-shape advertising neon lights, the range of diversified outdoor media assets include double-sided panel light boxes, billboards.

In Guangzhou, RoadShow formed a joint venture that is involved in media sales on bus shelters, bus bodies and outdoors billboards and signages in Guangzhou. In 2003, the joint venture will expand by obtaining additional outdoor media in Shanghai, Guangzhou and Shenzhen.

RoadShow will continue to build on its experience and success in Hong Kong to explore future growth opportunities in Mainland China. Our market penetration plan is focused on high potential markets which have high consumption power and dense population, such as Beijing, Shanghai, Shenzhen and Guangzhou. The Group expects that its acquisition efforts in Mainland China will become the revenue driver for our media sales business.

## The Group and The Community >

RoadShow received the Caring Company Award from the Hong Kong Council of Social Service. The Group continuously supports many charities and non-profit organisations through the dissemination of community service messages and charity appeals on MMOB. The Group also participates in various charity and fund raising events and encourages its employees to participate in the Dress Causal Day organised by the Community Chest.

## People >

People are our greatest asset and the key to our business success. The Group is committed to nurturing a culture across the whole organisation where employees feel a sense of belonging and are valued and appreciated. The Group promotes teamwork and continuously seeks to improve our work processes. We offer an equitable and competitive remuneration and benefits package to all employees. The Group also provides our people with the necessary tools, training, support and infrastructure so that they can be highly effective and productive.

Innovative telephone booth in Guangzhou >

