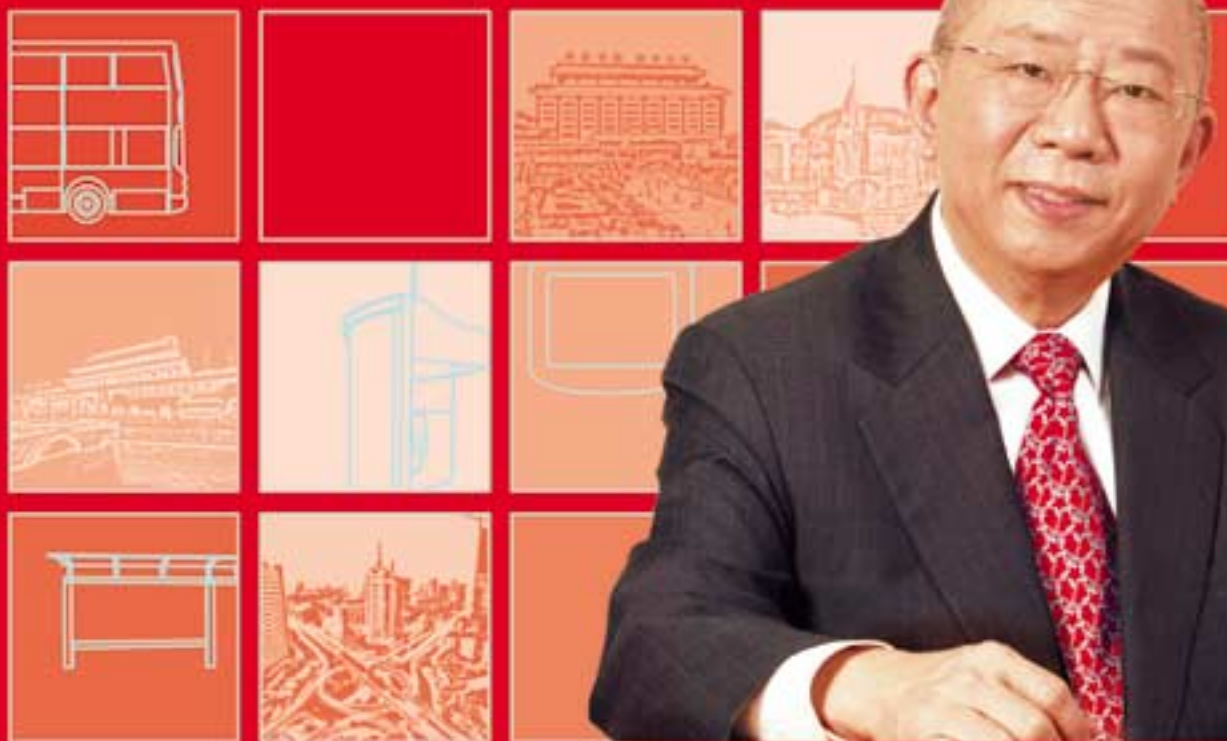


Chairman's Statement

主席報告

The year 2004 was very satisfactory for RoadShow. Revenue and profit increased and substantial progress was made in the Group's prudent and focused expansion strategy.

二零零四年是路訊通可喜的一年。在集團穩健而專注的拓展策略下，收益及盈利都有所增長。



On China Mainland, RoadShow worked to strengthen its position as a diversified and multi-dimensional media sales organisation. We expanded beyond public transit vehicles as a platform for advertising and increased our investment and capitalised on our media advertising rights on the Mainland.

路訊通在中國大陸，加強其多元化、全方位媒體銷售公司的地位。我們的廣告平台已遠超於公共客運車輛，在國內的投資有所增加，亦能讓我們的媒體廣告經營權變成實益。

Our operations on the Mainland contributed about 43% of our 2004 revenue stream, compared to about 39% in 2003 and 6% in 2002. In 2005, our Mainland business is expected to contribute more than 50% of our revenues based on our current projections. This would be achieved within an environment of steadily increasing competition.

The Group continued to stress the importance of corporate governance in the management and operation of the business. We undertook early adoption of new listing rules requirements regarding the establishment and functions of a remuneration committee and in 2005 we plan to develop a corporate governance charter. Management enjoys the full support of our board of directors in stressing the importance of corporate governance and transparency in all of our operations.

我們在國內的業務對二零零四年的收益有約43%貢獻，相比起來，二零零三年有約39%，而二零零二年則有6%。按現在的預測，我們預期，在競爭穩步加劇的環境下，國內業務可望在二零零五年為我們的收益帶來超過50%貢獻。

集團一向強調企業管治對管理及經營業務上的重要性。我們提前採納了新上市規則中有關成立薪酬委員會及其功能的規定，並計劃於二零零五年發展一套企業管治綱領。管理層在強調企業管治對管理及經營業務上的重要性時，亦得到董事會全力支持。

Results for the Year 年度業績

For the year ended 31 December 2004, the Group reported total operating revenue of HK\$243.4 million, representing a 24% increase over the previous year. Compared to a loss attributable to shareholders in the amount of HK\$37.0 million in 2003, the Group recorded a profit attributable to shareholders in the amount of HK\$20.1 million.

截至二零零四年十二月三十一日止年度，集團錄得經營收益總額港幣243,400,000元，較去年上升24%。而相比二零零三年之股東應佔虧損港幣37,000,000元，本集團錄得股東應佔盈利港幣20,100,000元。

Dividend 股息

The Directors recommend the payment of a final dividend of HK1.4 cents for the year ended 31 December 2004 (2003 : no final dividend).

董事建議派發截至二零零四年十二月三十一日止年度之末期股息每股1.4港仙（二零零三年度並無派發末期股息）。

Prospects 前景

Economic forecasts indicate that the growth Hong Kong experienced in 2004 will continue in 2005 bolstered by a strong influx of tourists from the Mainland encouraged by relaxed travel and currency restrictions. The opening of Disneyland in 2005 in Hong Kong will lend further stimulus to our tourist industry. The new Guangzhou International Airport and the expansion of the Guangzhou Metro Rapid Transit System will also fuel growth of the outdoor advertising market and media sales business. Furthermore, the 2008 Olympic Games in Beijing, the 2010 World Expo in Shanghai and the 2010 Asian Games in Guangzhou should benefit our business in those markets going forward.

In Hong Kong, economic growth and positive market sentiment will generate increased advertising expenditure. This will contribute to further growth in our revenue and profits as we expand our advertiser base by selling to more advertisers the benefits of our MMOB platform in promoting their products and services. We will also continue to develop more creative means to capitalise on opportunities to increase our revenues.

On China Mainland, GDP grew by 9.5% in 2004 and is expected to grow further by about 8% over 2005. According to industry research, total advertising spending on the Mainland has been growing at double digit rates since the early 1990's and reached about US\$23 billion in 2004.

However, the external environment during 2005 will be beset with considerable uncertainty involving such factors as high oil prices, the weakness of the U.S. dollar and anticipated interest rate increases.

經濟預測顯示，國內的旅客因受到放寬旅遊及貨幣限制的鼓勵而大量湧入的刺激下，香港在二零零四年的增長勢頭可望在二零零五年持續，而香港迪士尼樂園在二零零五年開幕，將可為香港旅遊業帶來進一步刺激。廣州新國際機場及廣州擴大城市高速集體運輸系統，同樣帶動戶外廣告市場及媒體銷售業務的增長。此外，在北京舉行的二零零八年奧運會、在上海舉行的二零一零年世界博覽會及在廣州舉行的二零一零年亞運會，都有利於我們在這些市場上繼續發展業務。

在香港，經濟增長及市場情緒向好，都令廣告開支有所上升。際此之時，我們把流動多媒體平台對產品及服務的好處向更多廣告商推廣，使我們的廣告商基礎得以拓展，並會對我們的收益及盈利的進一步增長帶來貢獻。我們亦將繼續發展更多創新途徑，把握增加收益的良機。

在中國大陸的國內生產總值在二零零四年增長有9.5%增長，並預期在二零零五年將有約8%增長。根據業界調查，國內的廣告開支總額由九零年代初起呈雙位數增長，到了二零零四年約達230億美元。

然而，二零零五年的外在環境將受到不少不穩定因素困擾，當中包括高油價、美元疲弱及預期加息等因素。

While the continued growth of the advertising market on China Mainland is certainly positive, it has resulted in rising costs of investment and a subsequent lower rate of return. Also, an increase in sales costs and increased competition in outdoor media sales in both the Mainland and Hong Kong have resulted in lower gross profit margins. Also, China's launching of central government economic controls to cool some over-heated industries could possibly have a negative impact on RoadShow's Mainland operations.

However, we are addressing these concerns by providing more value-added after sales services to our customers to encourage advertisers to increase their spending with us and increase our market share. We also continue to enhance MMOB programme contents so that transit vehicle passengers will feel that watching RoadShow's MMOB programming is a natural part of their daily routine.

We are also creating more flexible packaging and working closely with advertisers and advertising agencies so that their promotional campaigns will have the maximum desired effect.

The Group constantly seeks opportunities to improve cost effectiveness and to enhance revenue for our existing operations. We have applied a strict credit control policy for our Hong Kong and Mainland operations to improve the accounts receivable turnover.

Surveys indicate that most public transit vehicle passengers appreciate MMOB while a minority are critical of the service. We have made adjustments in the operations, such as zero or lower audio volume in certain areas of the vehicles. Management continues to maintain a dialogue with passengers who are unhappy about the service and we will continue to communicate with them.

即使中國大陸廣告市場的持續增長勢頭依舊，但卻導致投資成本上升，而回報率則因而下降。另一方面，中港兩地的銷售成本上升，加上兩地戶外媒體銷售競爭激烈，亦導致毛利率有所下降，再加上國內為冷卻某些過熱行業而展開中央政府經濟調控措施，亦可能會對路訊通的國內業務產生負面影響。

不過，我們針對這些顧慮對症下藥，向客戶提供更多增值售後服務，鼓勵廣告商增加向我們付出的廣告開支，同時提高我們的市場佔有率。我們亦不斷加強流動多媒體節目的內容，讓客運車輛乘客感受到觀賞流動多媒體節目成為了他們日常生活的一部份。

我們亦為廣告商及廣告代理提供靈活性高的套裝，並和他們緊密合作，使他們的推廣活動得到預期中的最大效益。

集團不斷尋找機會，改善我們現有業務的成本效益，同時加強收益。我們就中港兩地的業務採取嚴謹的信貸監控政策，以改善應收帳的回數期。

據調查顯示，絕大部份公共客運車輛乘客對流動多媒體服務讚賞不已，惟少數乘客對有關服務亦有意見。我們已在實際運作中作出調整，例如調低節目音量或將車內某些區域劃定為靜音區。管理層將保持開放態度，繼續與不滿意有關服務的乘客溝通，並將繼續與他們保持溝通。

Long Term Strategy 長遠策略

Our Hong Kong operation will grow and be profitable in line with economic growth, the growth in the advertising market in general and the utilisation of our MMOB system which has room for expansion. As more advertisers recognise the value of MMOB, it will become a regular medium for their product and brand promotions aimed at people who are travelling to either earn money or spend it.

The Group's China Mainland operation will continue to be an important factor in our operating revenue and profitability. We plan to expand the media sales business on the Mainland, but in a prudent and focused manner. We will pursue a business development prospect only when it has been shown that the investment will provide a reasonable return and not have a significant impact on our gearing ratio. Within this guiding principle, we will explore investment opportunities that compliment RoadShow's existing outdoor and electronic media sales businesses.

To enhance our media assets on the Mainland, we will invest in projects and/or companies with long term and exclusive advertising rights that can benefit from the Group's resources. We also plan to increase our presence on the Mainland by establishing a wholly owned media sales company with a full media sales licence and terms, as permitted under the Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA"), to further expand our media sales operations and enhance the Group's branding.

我們的香港業務將隨著經濟增長、整體上廣告市場的增長以及具備擴展空間的流動多媒體系統的運用而成長，並有利可圖。隨著愈來愈多廣告商認同流動多媒體的價值所在，流動多媒體可期成為他們接觸一群出外賺取收入或消費的人士，向這些人士推廣產品及品牌的必然媒體。

集團的中國大陸業務將繼續成為經營收益及盈利的主要源頭。我們計劃以穩健而專注的步伐拓展國內的媒體銷售業務，並會在看到投資可望得到合理回報，而又不會對我們的資產負債比率產生重大影響時，方會把業務發展的候選項目落實。在這原則指導下，我們當發掘一些對路訊通現有戶外及電子媒體銷售業務相輔相成的投資機會。

為了加強我們在國內的媒體資產，我們將投資在擁有長期獨家廣告經營權，並可以因集團的資源而得益的項目及/或公司上。我們亦計劃透過按內地與香港關於更緊密經貿關係安排（「CEPA」）的批准，成立一家具全盤媒體銷售牌照及條款的全資媒體銷售公司，提高我們在國內的知名度，從而進一步拓展我們的媒體銷售業務，同時加強集團的品牌。



Our People 員工

The Board thanks our employees for their dedication and invaluable contributions to the business during the year. We know that RoadShow's success is dependent on our experienced and professional staff and we look forward to their support for the continuing success of our business as we move forward.

路訊通的成功，全賴一班經驗豐富、專業的員工。董事會謹向全體員工於過去一個充滿挑戰的年度為集團業務全力以赴並對集團業績的貢獻表示衷心謝意並期望他們再接再勵，為集團續創佳績。

Director 董事

Many thanks go to the Audit Committee, chaired by Mr. Michael Wong Yick-kam with Dr. Eric Li Ka Cheung, Ms Carlye Wai-Ling Tsui and Mr. Hui Ki On as members, for their painstaking and professional work during the year.

I would 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 toward the successful performance of the Group.

本人感謝審核委員會主席黃奕鑑先生及成員李家祥博士、徐尉玲女士和許淇安先生，去年孜孜不倦，竭誠提供專業服務。

此外，董事會同寅，特別是集團董事總經理伍穎梅女士，在年內鼎力支持業務發展，對集團作出寶貴的貢獻，本人謹此致謝。

John CHAN Cho Chak

Chairman

主席

陳祖澤