



RoadShow Holdings Limited

Interim Report 2005



INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2005

The directors (the “Directors”) of RoadShow Holdings Limited (the “Company” or “RoadShow”) present herewith the unaudited consolidated income statement of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2005 (the “Period”) and the unaudited consolidated balance sheet of the Group at 30 June 2005, together with the comparative figures for the six months ended 30 June 2004 and at 31 December 2004 respectively.

FINANCIAL REVIEW

Results

For the six months ended 30 June 2005, the Group reported total operating revenue of HK\$127.8 million, representing an increase of 7% over the corresponding period of the previous year; operating revenue included the Group’s turnover, share of associate’s turnover and other revenue. Compared to a profit attributable to shareholders of the Company of HK\$10.3 million for the six months ended 30 June 2004, the Group recorded a profit attributable to shareholders of the Company of HK\$6.0 million. The Group continues to maintain a strong financial position with total cash and bank balances of HK\$523.1 million at 30 June 2005.

Operating Revenue

For the six months ended 30 June 2005, the Group reported total operating revenue and other revenue of HK\$127.8 million of which HK\$118.0 million was from the media sales services and management business and HK\$9.8 million was from other revenue sources. Operating revenue generated from our Hong Kong and China Mainland operations each accounted for approximately 50% of the Group’s total operating revenue. Total operating revenue generated from our Hong Kong operations decreased from HK\$59.0 million for the six months ended 30 June 2004 to HK\$54.5 million for the six months ended 30 June 2005, while total operating revenue generated from our China Mainland operations increased from HK\$52.8 million for the six months ended 30 June 2004 to HK\$63.6 million for the six months ended 30 June 2005. The Hong Kong media sales revenue decreased by HK\$4.5 million (8%) as compared to the corresponding period of the previous year. The decrease was mainly attributable to the expiry of the bus body media sales, administration and management business in October 2004. If such revenue from the bus body media sales, administration and management are excluded from the comparative figures for 2004, the media sales revenue would have increased by HK\$4.4 million (9%), due to increased advertisers’ spending on our MMOB and bus shelter platforms. The operating revenue from China Mainland increased by HK\$10.8 million (20%) over the corresponding period of the previous year. Such increase was attributable to the growth in the media sales agency services which cover all phases of advertising including creative design and production, media planning and placement.

Operating Expenses

The Group's operating expenses reduced by HK\$0.3 million from HK\$88.8 million in the six months ended 30 June 2004 to HK\$88.5 million in the six months ended 30 June 2005, notwithstanding an increase in amortisation, repair and maintenance expenses by HK\$8.0 million from HK\$2.4 million to HK\$10.4 million between the two periods and additional expenses incurred due to the restructuring of the Group's China Mainland operations through the establishment of a wholly-owned subsidiary under the framework of the Mainland and Hong Kong Closer Economic Partnership Agreement ("CEPA") to expand our outdoor/electronic media sales business on the Mainland. The increase in amortisation expense was due to the addition of outdoor media assets in China Mainland at the end of 2004 for the expansion of the media sales business. The increase in repair and maintenance expense was due to the expiry of a number of warranties particularly for the MMOB system. The reduction in other operating expenses stands testimony to the effectiveness of cost control measures. In addition, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill with effect from 1 January 2005 (compared with a charge of HK\$0.85 million for the six months ended 30 June 2004) and such goodwill is tested annually for impairment.

Interim Dividend

Same as in the corresponding period of the previous year, no interim dividend will be paid for the six months ended 30 June 2005 in accordance with the Company's dividend policy (January-June 2004: HK\$Nil). Final dividends, if any, will be proposed at the year end.

Liquidity, Financial Resources and Capital Structure

At 30 June 2005, the Group's cash and deposits at bank amounted to HK\$523.1 million (31 December 2004: HK\$521.5 million), mainly denominated in Hong Kong Dollars and US Dollars. Apart from providing working capital to support its media sales and management business, the Group maintains a sufficient amount of cash to meet potential needs for business expansion and development.

At 30 June 2005, the Group had net current assets of HK\$416.3 million (31 December 2004: HK\$425.7 million) and total assets of HK\$1,075.1 million (31 December 2004: HK\$1,092.4 million).

At 30 June 2005, the Group had bank loans amounting to HK\$138.0 million (31 December 2004: HK\$138.0 million).

At 30 June 2005, the Group had stand-by banking facilities totalling HK\$150.0 million (31 December 2004: HK\$150.0 million).

Employees and Emolument Policies

At 30 June 2005, the Group had 189 (31 December 2004: 193) employees in Hong Kong and China Mainland. The Group has adopted the Share Option Scheme, details of which are contained in the paragraph headed "Share Option Scheme" below. The Group offers a comprehensive and competitive remuneration and benefits package to all its 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 Schemes Ordinance and participated in employee pension schemes organised and governed by the relevant local governments for its employees in China Mainland.

PROSPECTS

Hong Kong

Hong Kong's economy has performed well in the first half of 2005, with the GDP growth in real terms at about 4.5%. With the improvement in the labour market and an upbeat sentiment, local consumption can be expected to hold up well in the remainder of the year. Given the strong economic sentiment, the total advertising spending in Hong Kong for the first half of 2005 amounted to HK\$21.4 billion. Furthermore, the opening of Hong Kong Disneyland in September 2005 should give a strong boost to inbound tourism and lift consumer spending further. It is expected that advertising spending in Hong Kong will continue to grow in 2005. The outdoor advertising market and media sales business should benefit from the continued economic growth in 2005. With strong consumer spending and growth in tourism in Hong Kong, it is expected the Group's media sales revenue will continue to grow in the second half of 2005.

The Group continues to produce attractive and diversified programmes, and provide an interactive platform via the use of mobile phones to attract the interest and attention of transit passengers and advertisers. Over the years, advertisers have recognised that MMOB is an effective advertising platform, with a high proportion of repeat customers. In the area of technology, testing of a global positioning system and digital display technology continues. This eventually will enable the MMOB system to provide real time information and location specific advertising.

China Mainland

In China Mainland, the GDP growth for the first half of 2005 was 9.5% which was higher than the general market estimation. Although certain measures have been taken by the Central People's Government to cool down overheated sectors of the economy, advertising spending has not been affected and is expected to continue to have double-digit growth year on year. This is mainly due to economic growth, improved standards of living and up-coming international events to be held in China Mainland such as the 2008 Olympic Games, the 2010 World Expo and the 2010 Asian Games.

The Group's China Mainland operations will continue to contribute an important part of our operating revenue. In 2002, RoadShow's operations in China Mainland contributed only 6% of its total revenue, whereas in the first half of 2005 they accounted for approximately 50% of the Group's total operating revenue. The Mainland business is expected to contribute more than 50% of total revenue in 2005.

The Group plans to expand the media sales business in China Mainland in a prudent and focused manner. The Group will pursue a business development prospect only when it has been shown that the investment will provide a reasonable return and would not have a significant impact on the gearing ratio. Various business development opportunities that compliment RoadShow's existing outdoor and electronic media sales businesses are being explored.

Building on the past few years' success and the growth of the advertising market and under a rising interest rate environment with a solid financial position of HK\$523.1 million cash and bank balances on hand, the Group is confident that some valuable media assets can be captured by the ways of investment in projects/companies with long term and exclusive advertising rights that can benefit from the Group's resources and will contribute to the Group's revenue and enhance shareholders' value.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS
ENDED 30 JUNE 2005

		Six months ended 30 June	
		2005	2004
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Note		HK\$'000	HK\$'000
	Group turnover	83,851	90,433
	Share of associate's turnover	34,227	21,298
		118,078	111,731
	Other revenue	9,756	7,664
	Total operating revenue	127,834	119,395
	Group turnover	83,851	90,433
	Other revenue	9,756	7,664
	Operating expenses		
	Licence and royalty fees	(4,180)	(4,956)
	Cost of inventories	(1,875)	(1,902)
	Depreciation and amortisation	(19,058)	(17,985)
	Site rental	(12,047)	(12,574)
	Staff expenditure	(13,110)	(14,493)
	Other expenses	(38,250)	(36,925)
	Total operating expenses	(88,520)	(88,835)
	Profit from operations	5,087	9,262
	Finance costs	(1,289)	(202)
	Share of profit of associate	7,064	4,876
	Profit from ordinary activities before taxation	10,862	13,936
	Income tax	(2,860)	(506)
	Profit from ordinary activities after taxation	8,002	13,430
	Attributable to:		
	Shareholders of the Company	6,045	10,325
	Minority interests of subsidiaries	1,957	3,105
		8,002	13,430
	Earnings per share (in Hong Kong cents)	0.61	1.04

The notes on pages 8 to 17 form part of this interim financial report.

UNAUDITED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2005

		At	
		30 June 2005 (Unaudited) HK\$'000	31 December 2004 (Audited) HK\$'000 (restated)
Note			
Non-current assets			
	Fixed assets	99,031	112,552
	Media assets	100,784	114,722
	Goodwill	29,848	29,848
	Non-current prepayments	98,476	106,343
	Interest in associate	118,934	93,910
	Deferred tax assets	8,850	7,214
		455,923	464,589
Current assets			
	Inventories	2,193	2,143
	Amount due from ultimate holding company	8 4,629	4,437
	Accounts receivable	9 46,715	54,295
	Other receivables and deposits	22,196	25,168
	Prepayments	15,734	15,734
	Current tax recoverable	4,607	4,607
	Cash and cash equivalents	10 523,118	521,455
		619,192	627,839
Current liabilities			
	Accounts payable	11 9,914	14,320
	Other payables and accruals	38,375	49,153
	Dividend payable	13,963	–
	Bank loans	138,000	138,000
	Current tax payable	2,656	639
		202,908	202,112
Net current assets		416,284	425,727
Total assets less current liabilities		872,207	890,316
Non-current liabilities			
	Deferred tax liabilities	15,270	14,806
	Other unsecured loan	15,132	21,123
		30,402	35,929
NET ASSETS		841,805	854,387
Capital and reserves			
	Share capital	99,737	99,737
	Reserves	719,099	727,017
Total equity attributable to shareholders of the Company		12 818,836	826,754
Minority interests of subsidiaries		12 22,969	27,633
TOTAL EQUITY		12 841,805	854,387

The notes on pages 8 to 17 form part of this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2005

		Six months ended 30 June		
		2005	2004	
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	
<i>Note</i>		HK\$'000	<i>HK\$'000</i> <i>(restated)</i>	
Total equity at 1 January:				
	Attributable to shareholders of the Company	12	826,754	806,586
	Minority interests of subsidiaries	12	27,633	29,208
		12	854,387	835,794
Net income for the period recognised directly in equity:				
	Exchange difference on translation of the financial statements of foreign entities		-	3
	Net income for the period recognised directly in equity		-	3
Net profit for the period:				
	Attributable to shareholders of the Company		6,045	10,325
	Minority interests of subsidiaries		1,957	3,105
	Total recognised income and expenses for the period		8,002	13,430
	Dividend payment to minority shareholders		(6,621)	(3,321)
	Dividend approved in respect of the previous financial year	6	(13,963)	-
	Total equity at 30 June		841,805	845,906

The notes on pages 8 to 17 form part of this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT FOR
THE SIX MONTHS ENDED 30 JUNE 2005

	<u>Six months ended 30 June</u>	
	2005 <i>(Unaudited)</i> <i>HK\$'000</i>	2004 <i>(Unaudited)</i> <i>HK\$'000</i>
Net cash generated from operating activities	35,820	23,769
Net cash used in investing activities	(6,294)	(23,155)
Net cash (used in)/generated from financing activities	(27,863)	96,477
Net increase in cash and cash equivalents	1,663	97,091
Cash and cash equivalents at 1 January	521,455	434,691
Cash and cash equivalents at 30 June	<u>523,118</u>	<u>531,782</u>

The notes on pages 8 to 17 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

1. **Basis of preparation**

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors (the “Board”) is included on page 22.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”, issued by the HKICPA. It was authorised for issuance on 6 September 2005.

The financial information relating to the financial year ended 31 December 2004 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the financial year ended 31 December 2004 on which the auditors have expressed an unqualified opinion in their report dated 14 March 2005, were included in the Company’s 2004 Annual Report and are also available from the Company’s registered office.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 2004 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2004 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2005 annual financial statements. Details of these changes in accounting policies are set out in note 2.

2. **Changes in accounting policies**

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and interpretations) that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board has determined the accounting policies to be adopted in the preparation of the Group’s annual financial statements for the year ending 31 December 2005, on the basis of HKFRSs currently in issue.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2005 which have been reflected in this interim financial report.

(a) *Employee share option schemes (HKFRS 2, Share-based payment)*

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group is required to recognise the fair value of such options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a capital reserve within the entity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained profits.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 and accordingly, the new recognition and measurement policies have not been applied to the following grants of options:

- (i) all options granted to employees on or before 7 November 2002; and
- (ii) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

All the options granted by the Company fall within the above two categories. This change in accounting policy has no impact on the results of the Group for the six months ended 30 June 2005. Details of the share option schemes can be found in the Company's annual report for the year ended 31 December 2004 and pages 19 and 20 of this interim financial report.

(b) Amortisation of positive goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

In prior years, positive goodwill was amortised on a straight-line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1 January 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as at 1 January 2005 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the six months ended 30 June 2005. This has increased the Group's profit after tax for the six months ended 30 June 2005 by HK\$850,000.

(c) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to shareholders of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and shareholders of the Company.

The presentation of minority interests in the unaudited consolidated income statement, balance sheet and statement of changes in equity for the comparative period has been restated accordingly.

3. Segmental reporting

Geographical segment information based on location of assets is chosen as the primary reporting format.

Geographical segments

The Group comprises the following main geographical segments:

Hong Kong
China Mainland

There are no sales between the geographical segments.

	Six months ended 30 June 2005			Six months ended 30 June 2004		
	Group (Unaudited) HK\$'000	Share of associate (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Group (Unaudited) HK\$'000	Share of associate (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue						
Hong Kong	54,498	–	54,498	58,969	–	58,969
China Mainland	29,353	34,227	63,580	31,464	21,298	52,762
Total	83,851	34,227	118,078	90,433	21,298	111,731
Segment result						
Hong Kong	2,324	–	2,324	5,319	–	5,319
China Mainland	(3,120)	7,064	3,944	181	4,876	5,057
	(796)	7,064	6,268	5,500	4,876	10,376
Unallocated operating income and expenses			4,594			3,560
Profit from ordinary activities before taxation			10,862			13,936

4. Profit from ordinary activities before taxation

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2005 (Unaudited) HK\$'000	2004 (Unaudited) HK\$'000
Amortisation of media assets	5,202	653
Amortisation of positive goodwill	–	848
Depreciation	13,856	16,484
Interest income	(5,933)	(3,560)
Interest on bank loans	1,289	202
Loss on disposal of fixed assets	42	–
Operating lease charges	1,219	1,430
Production, programming and marketing costs (included in other operating expenses)	18,985	20,425

5. Income tax

	Six months ended 30 June	
	2005 (Unaudited) HK\$'000	2004 (Unaudited) HK\$'000
Current tax		
Hong Kong Profits Tax for the current period	1,831	1,662
Provision for PRC income tax	448	544
Deferred taxation	(1,172)	(1,700)
	1,107	506
Share of associate's taxation	1,753	–
Income tax	2,860	506

The provision for Hong Kong Profits Tax is calculated at the rate of 17.5% (January-June 2004: 17.5%) on the estimated assessable profits for the period. Taxation for the China Mainland subsidiaries is charged at the appropriate current rates of taxation ruling in the People's Republic of China ("PRC").

6. Dividend

- (a) Same as in the corresponding period of the previous year, no interim dividend will be paid for the six months ended 30 June 2005 in accordance with the Company's dividend policy (January-June 2004: HK\$Nil). Final dividends, if any, will be proposed at the year end.
- (b) Dividend attributable to the previous financial year, approved during the interim period:

	Six months ended 30 June	
	2005	2004
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	HK\$'000	HK\$'000
Final dividend in respect of the financial year ended 31 December 2004, approved during the following interim period of HK1.4 cents per share (year ended 31 December 2003: HK\$Nil per share)	13,963	–

7. Earnings per share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK\$6,045,000 for the six months ended 30 June 2005 (six months ended 30 June 2004: HK\$10,325,000) and the weighted average of 997,365,332 ordinary shares (2004: 997,365,332 shares) in issue during the period.

(b) *Diluted earnings per share*

The exercise of the subscription rights conferred by the share options would not have any dilutive effect on the earnings per share for the six months ended 30 June 2004 and 2005. The share options granted on 11 March 2002 expired on 11 March 2005 and there were no dilutive potential ordinary shares in existence as at 30 June 2005.

8. Amount due from ultimate holding company

The amount is unsecured, interest-free, repayable on demand and represents normal trade receivables and payables.

9. Accounts receivable

Details of the ageing analysis of accounts receivable are as follows:

	At 30 June 2005 (Unaudited) HK\$'000	At 31 December 2004 (Audited) HK\$'000
Current and overdue within one month	21,504	19,668
One to two months overdue	5,429	5,859
Two to three months overdue	3,206	4,560
More than three months overdue	17,126	24,208
	47,265	54,295
Less: Provision for doubtful debts	(550)	–
	46,715	54,295

All of the accounts receivable are expected to be recovered within one year.

Customers of the media sales business are generally granted credit terms of 90 days. Customers of the merchandising business either pay cash or are generally granted credit terms of 30-90 days.

10. Cash and cash equivalents

	At 30 June 2005 (Unaudited) HK\$'000	At 31 December 2004 (Audited) HK\$'000
Deposits with banks	486,666	496,281
Cash at bank and in hand	36,452	25,174
Cash and cash equivalents	523,118	521,455

11. Accounts payable

Details of the ageing analysis of accounts payable are as follows:

	At 30 June 2005 (Unaudited) HK\$'000	At 31 December 2004 (Audited) HK\$'000
Within one month	9,914	14,320

All of the accounts payable are expected to be settled within one year.

12. Capital and reserves

(Unaudited)

Note	Attributable to shareholders of the Company								Minority interests of subsidiaries HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Contributed surplus HK\$'000 (restated)	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 January 2004	99,737	531,769	238	(200)	91	174,951	806,586	29,208	835,794	
Exchange differences on translation of the financial statements of foreign entities	-	-	-	-	3	-	3	-	3	
Profit for the period	-	-	-	-	-	10,325	10,325	3,105	13,430	
Dividend payment to minority shareholders	-	-	-	-	-	-	-	(3,321)	(3,321)	
At 30 June 2004	99,737	531,769	238	(200)	94	185,276	816,914	28,992	845,906	
Exchange differences on translation of the financial statements of foreign entities	-	-	-	-	51	-	51	-	51	
Profit for the period	-	-	-	-	-	9,789	9,789	552	10,341	
Dividend payment to minority shareholders	-	-	-	-	-	-	-	(1,911)	(1,911)	
At 31 December 2004	99,737	531,769	238	(200)	145	195,065	826,754	27,633	854,387	
At 1 January 2005	99,737	531,769	238	(200)	145	195,065	826,754	27,633	854,387	
Profit for the period	-	-	-	-	-	6,045	6,045	1,957	8,002	
Dividend payment to minority shareholders	-	-	-	-	-	-	-	(6,621)	(6,621)	
Dividend approved in respect of previous financial year	6(b)	-	-	-	-	(13,963)	(13,963)	-	(13,963)	
At 30 June 2005	99,737	531,769	238	(200)	145	187,147	818,836	22,969	841,805	

13. Commitments

Capital commitments of the Group outstanding at 30 June 2005 in relation to the purchase of fixed assets and investments not provided for in the interim financial report are as follows:

	At 30 June 2005 (Unaudited) HK\$'000	At 31 December 2004 (Audited) HK\$'000
Authorised but not contracted for	264,302	283,170

14. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2005 and 31 December 2004.

15. Material related party transactions

The Group has the following related party transactions:

		Six months ended 30 June	
		2005 (Unaudited) HK\$'000	2004 (Unaudited) HK\$'000
Management and administrative fee income	<i>(a)</i>	400	9,265
Licence and royalty fees paid for the right to sell advertising spaces on transit vehicle exteriors and shelters	<i>(b)</i>	(3,424)	(3,554)
Rental expenses	<i>(c)</i>	(641)	(641)
Management fee expenses	<i>(d)</i>	(5,220)	(4,865)
Guaranteed rentals	<i>(e)</i>	3,599	2,968
Service fee paid for logistic function	<i>(f)</i>	(245)	(245)

Notes:

- (a) Fee income was earned for the provision of media sales management and administrative services to a subsidiary of The Kowloon Motor Bus Holdings Limited (“KMB”), a substantial shareholder of the Company.
- (b) Licence and royalty fees were paid for selling advertising spaces on certain transit vehicle exteriors and certain transit vehicle shelters owned by a subsidiary of KMB.
- (c) Rental expenses were paid to a subsidiary of KMB for leasing properties, computer equipment and software systems, furniture and fixtures.
- (d) Management fees were paid to Texon Media Limited (“TML”), a fellow subsidiary of a minority shareholder of a subsidiary of the Company, for the provision of media sales agency services in relation to bus shelters.
- (e) The Group entered into a contract with TML for media sales agency services and maintenance and operational services provided to the Group in relation to the bus shelters. The Group shall be entitled to a guaranteed rental calculated based on the rates per panel and the number of bus shelter panels.
- (f) The Group paid a service fee to TML for the logistic function provided to the Group in relation to the bus shelters under the media sales business.

The Directors are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

16. Comparative figures

Certain comparative figures have been restated as a result of changes in accounting policies as set out in note 2 above.

17. Ultimate holding company

The Directors consider the ultimate holding company at 30 June 2005 to be The Kowloon Motor Bus Holdings Limited, which is incorporated in Bermuda and listed in Hong Kong.

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 30 June 2005 had the following interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) at that date as recorded in the register of Directors’ interests and short positions required to be kept under section 352 of the SFO:

(i) Interests in issued shares

The Company: Ordinary shares of HK\$0.1 each

Beneficial interests	Personal interests	Family interests	Corporate interests	Other interests	Total	% of total
					number of shares held	issued shares
Winnie J. NG (<i>Note 1</i>)	1,000,000	–	–	123,743	1,123,743	0.1%
Anthony NG (<i>Note 1</i>)	–	–	–	123,743	123,743	0.0%
James Conrad LOUEY	283,500	600,000	–	–	883,500	0.1%

The Kowloon Motor Bus Holdings Limited (“KMB”)

(Note 2): Ordinary share of HK\$1 each

Beneficial interests	Personal interests	Family interests	Corporate interests	Other interests	Total number	% of total
					of shares held	issued shares
John CHAN Cho Chak	2,000	–	–	–	2,000	0.0%
Winnie J. NG (<i>Note 3</i>)	41,416	–	–	21,000,609	21,042,025	5.2%
Anthony NG (<i>Note 3</i>)	233,954	–	–	21,000,609	21,234,563	5.3%
James Conrad LOUEY	13,929	–	–	–	13,929	0.0%

Note:

- Each of Ms Winnie J. NG and Mr. Anthony NG has interest in 123,743 shares in the Company as a beneficiary of certain private trusts which beneficially held the shares.
- KMB is the ultimate holding company of the Company.
- Each of Ms Winnie J. NG and Mr. Anthony NG has interest in 21,000,609 shares in KMB as a beneficiary of certain private trusts which beneficially held the shares.

(ii) Interests in underlying shares

The Directors of the Company have been granted options under the Company’s share option scheme, details of which are set out in the Section “Share Option Scheme” below.

Apart from the foregoing, none of the Directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, any of its holding companies, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Company.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, its holding companies, subsidiaries or fellow subsidiaries was a party, in which a Director of the Company had a material interest, subsisted at the end of the period or at any time during the period.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

At 30 June 2005, the interest or short position of the persons (not being Directors of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Number of shares
KMB Resources Limited	728,127,410
KMB (<i>Note</i>)	728,127,410

Note: As KMB Resources Limited ("KMB Resources") is a wholly-owned subsidiary of KMB, which in turn holds 73.01% of the entire issued share capital in the Company, KMB is deemed to be interested in the same number of shares held by KMB Resources under the SFO.

SHARE OPTION SCHEME

The Company has a Share Option Scheme ("Share Option Scheme") which was adopted on 7 June 2001, under which the Directors may, at their discretion, offer any employee (including any Directors) of the Company or any of its wholly-owned subsidiaries options to subscribe for shares in the Company to recognise his/her contributions to the growth of the Group, subject to the terms and conditions stipulated in the scheme.

The total number of securities available for issue under the Share Option Scheme as at 1 January 2005 was 14,270,000 shares which represented 1.4% of the issued share capital of the Company. In respect of the maximum entitlement of each participant under the scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

Under the Share Option Scheme, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company granted for nil consideration under the Share Option Scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

	Number of options outstanding at the beginning of the period	Number of options outstanding at end of the period	Number of shares acquired on exercise of options during the period	Exercise price per share	Market value per share at date of grant of options
Winnie J. NG	3,800,000	Nil	Nil	HK\$2.25	HK\$2.25
Amanda LUI Yee Fai	2,800,000	Nil	Nil	HK\$2.25	HK\$2.25
Employees	7,670,000	Nil	Nil	HK\$2.25	HK\$2.25
	<u>14,270,000</u>				

The above options were granted on 11 March 2002 and were exercisable during the period from 12 March 2002 to 11 March 2005. No options were exercised during the period and all of them expired on 11 March 2005.

CORPORATE GOVERNANCE

Over the years, the Group has placed strong emphasis on maintaining high standards of corporate governance. This policy and culture ensure that the Group's corporate decision-making process, internal control, disclosure of information and communication with shareholders are conducted in accordance with sound management practices and in full compliance with the regulatory standards.

AUDIT COMMITTEE

The Audit Committee is composed of four Non-Executive Directors, three of whom are independent Non-Executive Directors. Meetings are held to review with senior management the accounting principles and practices adopted by the Group; the accuracy and fairness of the financial statements; and the scope of both internal and external audit work. The Audit Committee also ensures that effective internal control procedures and practices are in place. The independent review report of the external auditors is set out on page 22.

ENHANCED SHAREHOLDERS VALUE

The Group conducts its businesses based on high standards of corporate governance. The corporate decision-making process is carried out in an honest, open and systematic manner. Through maintaining and inspiring investors' confidence in the Group's management and internal controls, we work to further enhance the value of the Group for our shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, in compliance with the Code on Corporate Governance Practices as set out by the Stock Exchange in Appendix 14 to the Listing Rules, at any time during the six months ended 30 June 2005.

By Order of the Board
John CHAN Cho Chak
Chairman

Hong Kong, 6 September 2005

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF ROADSHOW HOLDINGS LIMITED

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 4 to 17.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review, which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

KPMG

Certified Public Accountants

Hong Kong, 6 September 2005