



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock code: 888)

2006 INTERIM RESULTS ANNOUNCEMENT

Financial Highlights

- Total turnover (including share of associate's turnover) amounted to approximately HK\$139.9 million (2005: HK\$118.1 million)
- Profit attributable to equity shareholders of the Company was about HK\$24.4 million (2005: HK\$6.0 million)
- Basic earnings per share was HK2.45 cents (2005: HK0.61 cents)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

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 2006 and the unaudited consolidated balance sheet of the Group at 30 June 2006, together with the comparative figures for the six months ended 30 June 2005 and at 31 December 2005 respectively.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

		Six months ended 30 June	
		2006	2005
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
		Note	
Group turnover	3	89,754	83,851
Share of associate's turnover		50,151	34,227
		139,905	118,078
Other revenue		14,485	9,756
Total operating revenue		154,390	127,834
Group turnover	3	89,754	83,851
Other revenue		14,485	9,756
Gain on disposal of media assets	4	43,197	–
Operating expenses			
Depreciation and amortisation		(19,542)	(19,058)
Royalty, licence and management fees		(17,110)	(12,101)
Staff expenditure		(13,562)	(13,110)
Site rentals		(8,517)	(12,047)
Repairs and maintenance		(7,050)	(5,211)
Impairment loss of accounts receivable		(4,850)	–
Impairment loss of media assets	5	(2,060)	–
Cost of inventories		(1,775)	(1,875)
Other operating expenses		(28,131)	(25,118)
Total operating expenses		(102,597)	(88,520)
Profit from operations		44,839	5,087
Finance costs		(828)	(1,289)
Share of profit of associate		5,234	5,311
Profit before taxation	6	49,245	9,109
Income tax	7	(6,002)	(1,107)
Profit for the period		43,243	8,002
Attributable to:			
Equity shareholders of the Company		24,434	6,045
Minority interests		18,809	1,957
		43,243	8,002
Earnings per share (in Hong Kong cents)			
Basic and diluted	8	2.45	0.61

UNAUDITED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2006

		At	
		30 June	31 December
		2006	2005
		(Unaudited)	(Audited)
		HK\$'000	HK\$'000
Non-current assets			
Fixed assets		72,735	85,315
Media assets		1,526	95,805
Goodwill		12,487	12,487
Non-current prepayments		54,743	62,610
Interest in associate		179,010	144,388
Deferred tax assets		6,934	7,076
		327,435	407,681
Current assets			
Inventories		2,131	2,237
Amount due from ultimate holding company		3,576	2,764
Accounts receivable		24,753	51,815
Other receivables and deposits		5,450	21,009
Prepayments		15,734	43,734
Current tax recoverable		2,457	2,507
Bank deposits maturing over three months		121,814	128,420
Cash and cash equivalents		350,723	323,859
		526,638	576,345
Assets of a disposal group classified as held for sale		180,750	–
		707,388	576,345

Current liabilities

Accounts payable	3,460	10,986
Other payables and accruals	51,666	41,142
Bank loan	38,000	38,000
Current tax payable	6,186	1,936
	99,312	92,064
Liabilities directly associated with assets of a disposal group classified as held for sale	40,674	–
	139,986	92,064
Net current assets	567,402	484,281
Total assets less current liabilities	894,837	891,962
Non-current liabilities		
Deferred tax liabilities	11,343	13,571
Other unsecured loan	–	15,423
	11,343	28,994
NET ASSETS	883,494	862,968
Capital and reserves		
Share capital	99,737	99,737
Reserves	750,474	742,995
Total equity attributable to equity shareholders of the Company	850,211	842,732
Minority interests	33,283	20,236
TOTAL EQUITY	883,494	862,968

NOTES TO THE UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

1. Basis of preparation

These interim results are unaudited, but have 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 in the interim financial report to be sent out to shareholders of the Company.

These interim results have 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.

The financial information relating to the financial year ended 31 December 2005 that is included in these interim results 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 2005 on which the auditors have expressed an unqualified opinion in their audit report dated 8 March 2006, were included in the Company's 2005 Annual Report and are also available from the Company's principal office.

These interim results contain condensed consolidated financial statements and selected explanatory notes. The notes on these interim results 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 2005 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 Hong Kong Financial Reporting Standards ("HKFRSs").

2. Segment 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
Mainland China

There are no sales between the geographical segments.

Six months ended 30 June 2006			Six months ended 30 June 2005		
Group	Share of associate	Total	Group	Share of associate	Total
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue					
Hong Kong	66,576	–	54,498	–	54,498
Mainland China	23,178	50,151	29,353	34,227	63,580
Total	89,754	50,151	83,851	34,227	118,078
Segment result					
Hong Kong	5,846	–	2,324	–	2,324
Mainland China	33,882	5,234	(3,120)	5,311	2,191
	39,728	5,234	(796)	5,311	4,515
Unallocated operating income and expenses		4,283			4,594
Profit before taxation		49,245			9,109

* For identification purpose only

3. **Turnover**
The Group is principally engaged in the provision of media sales and management and administrative services for MMOB business and the operation of media advertising management services through marketing advertising spaces on transit vehicle exteriors, shelters and outdoor signages.

Turnover represents income from media sales and management and administrative services, net of agency commission and rebate.
4. **Gain on disposal of media assets**
During the six months ended 30 June 2006, the Group disposed of certain media assets in Beijing with a net book value of HK\$27,503,000, resulting in a gain on disposal of HK\$43,197,000. Further details in relation to the disposal are set out in the Company’s circular dated 31 July 2006.
5. **Impairment loss of media assets**
A number of advertising display panels were dismantled during the six months ended 30 June 2006. Management considers that the estimated future cash flows generated from these panels are less than their reconstruction costs. Therefore, all these media assets with carrying amount of HK\$2,060,000 were impaired and charged to the income statement during the period.
6. **Profit before taxation**
Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2006 (Unaudited) HK\$’000	2005 (Unaudited) HK\$’000
Amortisation of media assets	5,545	5,202
Depreciation of fixed assets	13,997	13,856
Interest income	(10,082)	(5,933)
Interest on bank loans	828	1,289
Operating lease charges	1,124	1,219
Production, programming and marketing costs (included in other operating expenses)	18,578	18,985
	Six months ended 30 June	
	2006 (Unaudited) HK\$’000	2005 (Unaudited) (restated) HK\$’000
Current tax		
Provision for Hong Kong Profits Tax	4,716	1,831
Provision for PRC income tax	3,372	448
	8,088	2,279
Deferred taxation		
Reversal and origination of temporary differences	(2,086)	(1,172)
	6,002	1,107

The provision for Hong Kong Profits Tax is calculated at the rate of 17.5% on the estimated assessable profits for the period. Taxation for the subsidiaries in Mainland China is charged at the appropriate current rates of taxation ruling in the People’s Republic of China.

8. **Earnings per share**
(a) Basic earnings per share
The calculation of basic earnings per share is based on the profit attributable to the Company’s ordinary equity shareholders of HK\$24,434,000 for the six months ended 30 June 2006 (six months ended 30 June 2005: HK\$6,045,000) and the weighted average of 997,365,332 ordinary shares (2005: 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 2005 and there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2006. Accordingly, the amount of diluted earnings per share is the same as basic earnings per share for the six months ended 30 June 2006 and 2005.
9. **Comparative figures**
Certain comparative figures have been restated as a result of a change in accounting policy during the preparation of the 2005 annual financial statements. In prior periods, the Group’s share of taxation of associate accounted for using the equity method was included as part of the Group’s income tax in the consolidated income statement. In accordance with the implementation guidance in HKAS 1, the Group has changed the presentation and included the share of taxation of associate in the share of profit of associate reported in the consolidated income statement before arriving at the Group’s profit or loss before tax. This resulted in a decrease in “share of profit of associate” in the consolidated income statement for the period ended 30 June 2005 by HK\$1,753,000 and a corresponding decrease in “income tax”, with no impact on profit after taxation of the Group for the period ended 30 June 2005.

On the face of the consolidated income statement, a separate line item for repairs and maintenance was added and the line item for licence and royalty fees was extended to include management fee. Management of the Group considers that such presentation better reflects the Group’s operations. Certain comparative figures have been reclassified in this respect to conform with the current period’s presentation.

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 2006 in accordance with the Company’s dividend policy (January-June 2005: HK\$Nil). Final dividends, if any, will be proposed at the year end.

FINANCIAL REVIEW
Results

For the six months ended 30 June 2006, the Group reported total operating revenue of HK\$154.4 million, representing an increase of 21% over the corresponding period of the previous year. The total operating revenue included the Group’s turnover, share of associate’s turnover and other revenue. Compared to the profit attributable to equity shareholders of the Company of HK\$6.0 million for the six months ended 30 June 2005, the Group recorded a profit attributable to equity shareholders of the Company of HK\$24.4 million for the six months ended 30 June 2006. The Group continues to maintain a strong financial position with total cash and bank balances of HK\$530.0 million (including HK\$57.5 million under assets of a disposal group classified as held for sale) at 30 June 2006.

Operating Revenue

For the six months ended 30 June 2006, the Group reported total operating revenue of HK\$154.4 million of which HK\$139.9 million was from the media sales services and management business and HK\$14.5 million was from other revenue sources. Revenue from media sales services and management business generated from our Hong Kong and Mainland China operations accounted for approximately 43% and 47% of the Group’s total operating revenue respectively. Total revenue generated from media sales services and management business of our Hong Kong operations increased from HK\$54.5 million for the six months ended 30 June 2005 to HK\$66.6 million for the six months ended 30 June 2006, while that generated from our Mainland China operations also increased from HK\$63.6 million for the six months ended 30 June 2005 to HK\$73.3 million for the six months ended 30 June 2006. The Hong Kong media sales revenue increased by HK\$12.1 million (22%) as compared to the corresponding period of the previous year. The increase was mainly attributable to the increased revenue from media sales management and administrative services regarding transit vehicle exteriors, and multi-media on-board (“MMOB”) business due to expansion of the MMOB system to New World First Bus (“NWFB”) during 2006. The operating revenue from Mainland China increased by HK\$9.7 million (15%) over the corresponding period of previous year. Such increase was due to an increase in the share of an associate’s revenue by HK\$15.9 million (47%) and was partially offset by a decrease in the revenue from the Group’s subsidiaries in Mainland China by HK\$6.2 million (21%) as a result of intense competition.

Operating Expenses

The Group’s operating expenses increased by HK\$14.1 million from HK\$88.5 million for the six months ended 30 June 2005 to HK\$102.6 million for the six months ended 30 June 2006. The increase was mainly due to the royalty fees paid to NWFB for the extension of MMOB business

to the NWFB fleet, increased repairs and maintenance expenses, and also impairment losses of accounts receivable and media assets of HK\$4.9 million and HK\$2.1 million respectively.

Liquidity, Financial Resources and Capital Structure

At 30 June 2006, the Group’s cash and deposits at bank amounted to HK\$530.0 million (31 December 2005: HK\$452.3 million), denominated in Hong Kong Dollars, US Dollars and Renminbi. 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.

The Group had net current assets of HK\$567.4 million (31 December 2005: HK\$484.3 million) and total assets of HK\$1,034.8 million at 30 June 2006 (31 December 2005: HK\$984.0 million).

At 30 June 2006, the Group had bank loan amounting to HK\$38.0 million (31 December 2005: HK\$38.0 million). The gearing ratio, representing the ratio of bank borrowings to the total equity attributable to equity shareholders of the Company, was 4.5% at 30 June 2006 (31 December 2005: 4.5%).

The Group had stand-by banking facilities totalling HK\$50.0 million at 30 June 2006 (31 December 2005: HK\$50.0 million).

Changes since 31 December 2005

On 19 June 2006, the Group disposed of certain media assets in Beijing at a consideration of HK\$76.9 million, resulting in a gain on disposal of HK\$43.2 million. The transaction constitutes a discloseable transaction of the Company pursuant to the Listing Rules. On 30 June 2006, the Group, among other things, disposed of all its 51% interest in a subsidiary in Guangzhou at a total consideration of HK\$49.4 million. The transaction constitutes a major and connected transaction of the Company pursuant to the Listing Rules. Further details in relation to these transactions are set out in the Company’s circular dated 31 July 2006.

Except for the above transactions, there were no other significant changes in the Group financial position or from the information disclosed under Operational Review in the annual report for the year ended 31 December 2005.

PROSPECTS

In Hong Kong, the Group will continue to expand its customer base by selling the benefits of its MMOB platform to more advertisers to promote their products and services. The Group will also continue to develop more creative means in both Hong Kong and Mainland China to capitalize on opportunities to increase its revenue. The Group’s daily audience in Hong Kong was expanded with the extension of the MMOB telecast network to NWFB public transit vehicles in 2006.

However, the external environment during 2006 will be somewhat uncertain given such factors as high oil prices that would have a negative impact on the economy. Though the continued growth of the advertising market in Mainland China is certainly positive, the increase in the cost of sales and stronger competition in both Hong Kong and Mainland China will result in lower gross profit margins which will affect the rate of return on investment. In addition, the macroeconomic adjustments initiated by the Chinese central government in an effort to manage the pace of growth of some over-heated industries will continue during 2006 and this may have a negative effect on the Group’s operations.

The Group is addressing these concerns by providing more value-added after sales services to its customers to encourage advertisers to increase their spending with the Group and increase the Group’s market share. The Group will continue to enhance the contents of MMOB programmes for the benefit of its transit vehicle passengers. The Group will also continue to work closely with advertisers and advertising agencies to achieve the maximum desired effect of their promotional campaigns.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

On 8 March 2006, the Board approved and adopted a number of new sections of the “RoadShow Code on Corporate Governance” (the “RoadShow Code”) which, among other things, rectify the following two deviations from the code provisions (in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules) as reported in the annual report for the year ended 31 December 2005:

- the division of responsibilities between the Chairman and Chief Executive Officer was not set out in writing; and
- the code for securities transactions by directors and relevant employees was not set out in writing.

Except for the above two deviations which have been rectified on 8 March 2006, the Company has been in compliance with all applicable code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2006.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group and discussed auditing, internal control and financial reporting matters, and also reviewed these unaudited interim results for the six months ended 30 June 2006. The review of these unaudited interim results was conducted with the Group’s external auditors, KPMG.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

APPOINTMENT OF ALTERNATE DIRECTOR

The Board announces the appointment of Mr. Sammy LAU Chung Hing as Alternate Director to Mr. Michael WONG Yick-kam of the Company with effect from 7 September 2006.

Mr. Sammy LAU Chung Hing, aged 43, is a manager of Corporate Planning and Investments Department in Sun Hung Kai Properties Limited and is responsible for financial analysis and investments, strategic and corporate planning as well as investor relations. He has extensive experience in research and investment. Mr. Lau holds a MBA degree from the Chinese University of Hong Kong and a BSc degree in Computer Science and Mathematics from the University of Illinois at Urbana-Champaign. He is also a Chartered Financial Analyst.

Mr. Lau has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. He does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. As an Alternate Director, Mr. Lau is not entitled to receive any Directors’ fees from the Company.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

These interim results announcement of the Group for the six months ended 30 June 2006 containing all the information required by the Listing Rules will also be published on the website of the Stock Exchange (www.hkex.com.hk).

By Order of the Board
John CHAN Cho Chak
Chairman

Hong Kong, 11 September 2006

As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. John CHAN Cho Chak, GBS, JP as Chairman and Non-executive Director; Mr. Michael WONG Yick-kam as Deputy Chairman and Non-executive Director; Ms. Winnie J. NG as Group Managing Director; Mr. MAK Chun Keung, Mr. Anthony NG, Mr. James Conrad LOUEY, Ms. LAU Mei Mui, May and Mr. Andrew SO Sing Tak as Non-executive Directors; Ms. Carlye Wai-Ling TSUI, BBS, MBE, JP, Mr. HUI Ki On, GBS, CBE, QPM, CPM and Dr. Eric Li Ka Cheung, GBS, OBE, JP as Independent Non-executive Directors; Mr. Sammy LAU Chung Hing as Alternate Director to Mr. Michael WONG Yick-kam.