



## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2004

The directors (the "Directors") of RoadShow Holdings Limited (the "Company" or "RoadShow") present herewith the unaudited income statement of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2004 (the "Period") and the unaudited consolidated balance sheet of the Group at 30 June 2004, together with the comparative figures for the six months ended 30 June 2003 and at 31 December 2003.

### FINANCIAL REVIEW

#### Results

The Group achieved significant operational and financial improvements in the first half of 2004 as compared with the corresponding period of 2003. For the Period, the Group reported total operating revenue of HK\$119.4 million, representing an increase of 52% over the same period of the previous year ; operating revenue included the Group's turnover, share of associate's turnover and other revenue. Compared to a loss attributable to shareholders of HK\$26.2 million for the six months ended 30 June 2003, the Group recorded a profit attributable to shareholders in the amount of HK\$10.3 million. The Group continues to maintain a strong financial position with total cash and bank balances of HK\$531.8 million at 30 June 2004.

#### Operating Revenue

For the six months ended 30 June 2004, the Group reported total operating revenue of HK\$119.4 million. The operating revenue was derived principally from its media sales business operated in both Hong Kong and Mainland China, with each accounting for approximately 49% and 44% respectively of the total operating revenue for the six months ended 30 June 2004. Total operating revenue generated from our Hong Kong and Mainland China media sales business increased from HK\$46.1 million and HK\$24.6 million to HK\$59.0 million and HK\$52.7 million, representing an increase of 28% and 114%, respectively. The increase in the operating revenue was mainly due to the sales effort made by the staff of the Group and the associate; the improved overall economic environment in Mainland China and Hong Kong and the rebound of the advertising market. The Group also introduced new marketing strategies and packages to attract new advertisers which enhanced our revenue for the Period.

#### Operating Expenses

The Group's operating expenses reduced by HK\$7.9 million from HK\$96.7 million in 2003 to HK\$88.8 million in 2004 notwithstanding that depreciation and amortisation and site rental expenses increased by HK\$12.8 million from HK\$17.8 million in 2003 to HK\$30.6 million in 2004. The increase in depreciation and amortisation expenses was due to the additions of the MMOB system and outdoor media sales assets in Hong Kong and Mainland China at the end of 2003 for the expansion of the media sales business. The increase in site rental for the Period was directly due to the expansion in media sales business in Mainland China. The reduction in other operating expenses stands testimony to the effectiveness of cost control measures and improvement in the collection of accounts receivable during the Period.

#### Interim Dividend

Same as in the previous period, no interim dividend will be paid for the six months ended 30 June 2004 in accordance with the Company's dividend policy (January-June 2003: HK\$Nil). Final dividends, if any, will be proposed at the year end.

#### Liquidity, Financial Resources and Capital Structure

At 30 June 2004, the Group's cash and deposits at bank amounted to HK\$531.8 million, (31 December 2003: HK\$534.7 million), mainly denominated in Hong Kong Dollars and US Dollars. The Group's cash needs are primarily for working capital to support its media sales business, whereas a sufficient amount of cash is maintained to meet potential business expansion and development.

At 30 June 2004, the Group had net current assets of HK\$422.5 million (31 December 2003: HK\$432.4 million) and total assets of HK\$1,089.1 million (31 December 2003: HK\$1,083.1 million).

At 30 June 2004, the Group had bank loans amounting to HK\$138.0 million (31 December 2003: HK\$138.0 million). The gearing ratio, representing the ratio of bank borrowings to the total share capital and reserves of the Group was 17% at 30 June 2004 (31 December 2003: 17%).

At 30 June 2004, the Group had stand-by banking facilities totalling HK\$150.0 million (31 December 2003: HK\$200.0 million).

### **Use of Proceeds from Listing**

Since the listing of RoadShow on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 June 2001 (the "Listing Date"), the Group has incurred capital expenditure of approximately HK\$344.1 million for the purchase of equipment for use in the Multi-media On-board ("MMOB") business and for the business expansion and development in Mainland China. The balance of the proceeds, which has not been utilised, has been deposited with licensed banks in Hong Kong.

### **Employees and Emolument Policies**

At 30 June 2004, the Group had 140 (31 December 2003: 132) employees in Hong Kong and Mainland China. The Group has adopted the Share Option Scheme (the "Scheme"), details of which are contained in the paragraph headed "Share Option Schemes" 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 Mainland China.

## **PROSPECTS**

### **Hong Kong**

Hong Kong's economy gathered momentum in the first quarter of 2004, continuing the robust and broad-based recovery seen in the second half of 2003 due to the relaxation of travel restrictions on individuals residing in China to Hong Kong and the signing of CEPA. Looking forward, the economic recovery in Hong Kong will be further supported with the launch of the Hong Kong Disneyland, the hosting of the Association of Southeast Asian Nations games and new casino developments in Macau. Moreover, many of the factors that have depressed local consumer sentiment in recent years are fading. The rebound in property prices and improvements in unemployment have led to increased local consumer spending. The outdoor advertising market and media sales business should benefit from the continued economic growth in 2004.

In 2004, RoadShow entered into an agreement with Xinhua News Agency to telecast informative Mainland news and produce a special programme on the 2004 Athens Olympic Games. 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 passengers and advertisers. 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.

With the experience of the past few years, the rebound of the advertising market, our solid financial position and over HK\$531 million cash and bank balances on hand, we are confident that our media sales business will continue to grow and expand beyond Hong Kong with our aim to provide value-added services to passengers and enhance our shareholders' value.

**Mainland China**

In Mainland China, RoadShow has become multi-dimensional and expanded into other realms of media sales business. The Group has developed its outdoor and television media sales business in the Mainland China Region with four offices in Beijing, Shanghai, Guangzhou and Shenzhen.

In the next few years, international events to be held in Mainland China such as the 2008 Olympic Games, 2010 World Expo and 2010 Asian Games could fuel Beijing, Shanghai and Guangzhou as the engines of growth in advertising expenditure in Mainland China and create opportunities for our Group to prosper. RoadShow continues to develop and expand its outdoor media sales business which includes bus bodies, bus shelters, billboards, telephone booths and metro transit networks in Beijing, Shanghai and Guangzhou. Although the occupancy rate of our media sales assets in Mainland China was low in 2003, being the start-up phase, the efforts the Group made in 2004 have seen the utilisation rate increase and we expect to see a continued rise in the second half of 2004. We shall also be expanding our outdoor media sales operation by adding more bus shelters in Beijing and Guangzhou in the second half of 2004, which will also enhance the Group's revenue this year.

Our joint venture with Daye Transmedia Co., Ltd. is one of the few nation-wide television programme production and media service organisations in the country that provides programme syndication and advertising network of over 200 cities in China. The joint venture, operated under a 30-year full-service national advertising licence, also engages in all phases of advertising including creative design and production, media planning and placement. We offer tailor made advertising to individual clients and can manage advertising campaigns from start to finish.

The Group will continue to focus on expanding its presence in Beijing, Shanghai, Guangzhou, Shenzhen and other major cities in Mainland China in 2004 and beyond.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2004

	Note	Six months ended 30 June	
		2004	2003
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Group turnover		90,433	63,651
Share of associate's turnover		21,298	7,107
Subtotal		111,731	70,758
Other revenue		7,664	7,922
<b>Total operating revenue</b>		<b>119,395</b>	<b>78,680</b>
<b>Group turnover</b>	2	<b>90,433</b>	63,651
Other revenue		7,664	7,922
Operating expenses			
Licence and royalty fees		(4,956)	(5,200)
Cost of inventories		(1,902)	(2,098)
Depreciation and amortisation		(17,985)	(12,100)
Site rental		(12,574)	(5,664)
Staff expenditure		(14,493)	(13,905)
Provision for doubtful debts		—	(14,001)
Other expenses	3	(36,925)	(43,776)
<b>Total operating expenses</b>		<b>(88,835)</b>	(96,744)
<b>Profit/(loss) from operations</b>		<b>9,262</b>	(25,171)
Finance costs		(202)	(488)
Share of profit of associate		4,876	1,274
<b>Profit/(loss) from ordinary activities before taxation</b>	3	<b>13,936</b>	(24,385)
<b>Income tax expense</b>	4	<b>(506)</b>	(26)
<b>Profit/(loss) from ordinary activities after taxation</b>		<b>13,430</b>	(24,411)
<b>Minority interests</b>		<b>(3,105)</b>	(1,821)
<b>Profit/(loss) attributable to shareholders</b>		<b>10,325</b>	<b>(26,232)</b>
<b>Earnings/(loss) per share (in Hong Kong cents)</b>	6	<b>1.04</b>	<b>(2.63)</b>

The notes on pages 8 to 12 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2004

	Note	At	
		30 June	31 December
		2004	2003
		(Unaudited)	(Audited)
		HK\$'000	HK\$'000
<b>Non-current assets</b>			
Fixed assets		196,268	188,788
Intangible assets		54,986	56,487
Non-current prepayments		111,646	104,643
Interest in associate		88,829	83,464
Deferred tax assets		7,285	5,332
		<u>459,014</u>	<u>438,714</u>
<b>Current assets</b>			
Inventories		2,239	2,644
Amount due from ultimate holding company	7	2,936	2,232
Accounts receivable	8	53,383	44,318
Other receivables and deposits		17,563	23,214
Prepayments		17,443	33,168
Current tax recoverable		4,724	4,154
Cash and cash equivalents	9	531,782	434,691
Pledged bank deposits	9	—	100,000
		<u>630,070</u>	<u>644,421</u>
<b>Current liabilities</b>			
Accounts payable	10	8,103	10,757
Other payables and accruals		59,076	61,182
Bank loans		138,000	138,000
Current tax payable		2,438	2,093
		<u>207,617</u>	<u>212,032</u>
<b>Net current assets</b>		<u>422,453</u>	<u>432,389</u>
<b>Total assets less current liabilities</b>		<u>881,467</u>	<u>871,103</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		14,438	14,186
Other unsecured loan		21,123	21,123
<b>Minority interests</b>		<u>28,992</u>	<u>29,208</u>
<b>Net assets</b>		<u>816,914</u>	<u>806,586</u>
<b>Capital and reserves</b>			
Share capital		99,737	99,737
Reserves	11	717,177	706,849
		<u>816,914</u>	<u>806,586</u>

The notes on pages 8 to 12 form part of this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2004

	<b>Six months ended 30 June</b>	
	<b>2004</b>	2003
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Shareholders' equity at 1 January	<u>806,586</u>	<u>863,394</u>
Exchange difference on translation of the financial statements of foreign entities	3	(1)
<b>Net gain/(loss) not recognised in the consolidated income statement</b>	<u>3</u>	<u>(1)</u>
Profit/(loss) for the period	<u>10,325</u>	<u>(26,232)</u>
Final dividend approved in respect of the previous financial year	<u>—</u>	<u>(19,947)</u>
<b>Shareholders' equity at 30 June</b>	<u><b>816,914</b></u>	<u><b>817,214</b></u>

The notes on pages 8 to 12 form part of this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED CASHFLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2004

		<b>Six months ended 30 June</b>	
		<b>2004</b>	2003
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Note</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>Net cash generated from operating activities</b>	<b>23,769</b>	7,533
	<b>Net cash used in investing activities</b>	<b>(23,155)</b>	(19,145)
	<b>Net cash from financing activities</b>	<b>96,477</b>	10,263
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>97,091</b>	(1,349)
	<b>Cash and cash equivalents at 1 January</b>	<b>434,691</b>	509,011
	<b>Cash and cash equivalents at 30 June</b>	<b><u>531,782</u></b>	<b><u>507,662</u></b>

The notes on pages 8 to 12 form part of this 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”) (previous named the Hong Kong Society of Accountants). KPMG’s unmodified independent review report to the Board of Directors (the “Board”) is included on page 16.

The interim financial report has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2003 included in the interim financial report 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 2003, on which auditors have expressed an unqualified opinion in their report dated 23 March 2004, were included in the Company’s 2003 Annual Report and are also available from the Company’s registered office.

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 2003 annual financial statements.

This interim financial report is prepared on a basis consistent with the accounting policies adopted in the 2003 annual financial statements.

**2. Segmental information**

**Geographical segments**

The Group comprises the following main geographical segments:

Hong Kong  
Mainland China

There are no sales between the geographical segments.

Segment revenue included the Group’s share of associate’s turnover. Segment results included only those relating to the Group.

	Six months ended 30 June 2004			Six months ended 30 June 2003		
	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
<b>Segment revenue</b>						
Hong Kong	58,969	—	58,969	46,131	—	46,131
Mainland China	31,464	21,298	52,762	17,520	7,107	24,627
Total	<u>90,433</u>	<u>21,298</u>	<u>111,731</u>	<u>63,651</u>	<u>7,107</u>	<u>70,758</u>
<b>Segment results</b>						
Hong Kong	5,319	—	5,319	(25,420)	—	(25,420)
Mainland China	181	4,876	5,057	(4,338)	1,274	(3,064)
	<u>5,500</u>	<u>4,876</u>	<u>10,376</u>	<u>(29,758)</u>	<u>1,274</u>	<u>(28,484)</u>
Unallocated operating income and expenses			3,560			4,099
			<u>13,936</u>			<u>(24,385)</u>

### **Business segments**

The Group's revenue and results in both Hong Kong and Mainland China are derived almost entirely from media sales business. Accordingly, no analysis by business segment is provided.

### **3. Profit/(loss) from ordinary activities before taxation**

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

	<b>Six months ended 30 June</b>	
	<b>2004</b>	<b>2003</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Amortisation of other intangible assets	653	599
Amortisation of positive goodwill	848	926
Interest income	(3,560)	(4,099)
Interest on bank loans	202	488
Loss on disposal of fixed assets	—	16
Operating lease charges	1,430	1,107
Production, programming and marketing costs (included in other operating expenses)	<u>20,425</u>	<u>28,475</u>

### **4. Income tax expense**

Recognised in the consolidated income statement:

	<b>Six months ended 30 June</b>	
	<b>2004</b>	<b>2003</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current tax</b>		
Hong Kong Profits Tax for the current period	1,662	425
Provision for PRC income tax	544	933
	<u>2,206</u>	<u>1,358</u>
<b>Deferred tax</b>		
Reversal and origination of temporary differences	(1,700)	(2,823)
Effect of change in tax rate	—	1,491
	<u>(1,700)</u>	<u>(1,332)</u>
Income tax expense	<u>506</u>	<u>26</u>

The provision for Hong Kong Profits Tax is calculated at the rate of 17.5% (January-June 2003: 17.5%) on the estimated assessable profits for the period. Taxation for the Mainland China subsidiaries is charged at the appropriate current rates of taxation ruling in the People's Republic of China ("PRC").

## 5. Dividend

- (a) Same as in the previous period, no interim dividend will be paid for the six months ended 30 June 2004 in accordance with the Company's dividend policy (January-June 2003: 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	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous year approved during the interim period, HK\$Nil per share (2003: HK2 cents per share)	—	19,947

## 6. Earnings/(loss) per share

### (a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to shareholders of HK\$10,325,000 for the six months ended 30 June 2004 (six months ended 30 June 2003: loss attributable to shareholders of HK\$26,232,000) and the weighted average of 997,365,332 ordinary shares (2003: 997,365,332 shares) in issue during the Period.

### (b) Diluted earnings/(loss) per share

The exercise of the subscription rights conferred by the share options would not have any dilutive effect on the earnings/(loss) per share for the six months ended 30 June 2004 and 2003.

## 7. Amount due from ultimate holding company

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

## 8. Accounts receivable

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

	At 30 June 2004	At 31 December 2003
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Within one month	17,992	28,803
One to two months	6,292	5,382
Two to three months	4,718	2,100
More than three months	49,882	33,534
	78,884	69,819
Less: Provision for doubtful debts	(25,501)	(25,501)
	53,383	44,318

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.

## 9. Cash and cash equivalents and pledged bank deposits

	At 30 June 2004	At 31 December 2003
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deposits with banks	482,249	416,220
Cash at bank and in hand	49,533	18,471
	<u>531,782</u>	<u>434,691</u>
Cash and cash equivalents	531,782	434,691
Pledged bank deposits	—	100,000
	<u>531,782</u>	<u>534,691</u>

## 10. Accounts payable

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

	At 30 June 2004	At 31 December 2003
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one month	<u>8,103</u>	<u>10,757</u>

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

## 11. Reserves

	<i>(Unaudited)</i>					
	Share premium	General reserve	Contributed surplus	Exchange reserve	Retained profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2004	531,769	238	(200)	91	174,951	706,849
Exchange differences on translation of the financial statements of foreign entities	—	—	—	3	—	3
Profit attributable to shareholders	—	—	—	—	10,325	10,325
At 30 June 2004	<u>531,769</u>	<u>238</u>	<u>(200)</u>	<u>94</u>	<u>185,276</u>	<u>717,177</u>

## 12. Commitments

### *Capital commitments*

Capital commitments of the Group outstanding at 30 June 2004 in relation to the purchase of fixed assets and investments not provided for in the interim financial report are as follows:

	At 30 June 2004	At 31 December 2003
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted for	—	9,722
Authorised but not contracted for	<u>283,170</u>	<u>283,170</u>

## 13. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2004 and 31 December 2003.

#### 14. Material related party transactions

The Group has the following related parties transactions which were:

	Note	Six months ended 30 June	
		2004 <i>(Unaudited)</i>	2003 <i>(Unaudited)</i>
		HK\$'000	HK\$'000
Management and administrative fee income	(a)	9,265	9,265
Licence and royalty fees paid for the right to sell advertising spaces on transit vehicle exteriors and shelters	(b)	(3,554)	(3,879)
Rental expenses	(c)	(641)	(641)
Management fee expenses	(d)	(4,865)	(4,451)
Guaranteed rentals	(e)	2,968	7,250
Service fee paid for receivable management	(f)	(245)	(245)

- (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 system, 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 shelters panels.
- (f) The Group paid a service fee to TML for the receivable management 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.

#### 15. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

#### 16. Ultimate holding company

The Directors consider the ultimate holding company at 30 June 2004 to be The Kowloon Motor Bus Holdings Limited, which is incorporated in Bermuda and listed in Hong Kong.

## DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2004, the interest of the Directors of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they have taken or are deemed to have taken under such provisions of the SFO or were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or were to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

### (a) Directors' interests in shares of the Company

The Directors of the Company who held office at 30 June 2004 had the following interests in the issued share capital of the Company at that date as recorded in the register of Directors' interests in shares:

Name of Director	Ordinary shares of HK\$0.1 each				Total number of shares held
	Personal interests	Family interests	Corporate interests	Other interests	
Winnie J. NG (Note)	1,000,000	—	—	123,743	1,123,743
James Conrad LOUEY	283,500	600,000	—	—	883,500
Anthony NG (Note)	—	—	—	123,743	123,743

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 aforesaid block of shares.

### (b) Directors' interests in associated corporation

Name of Director	Name of associated corporation	Number of shares in associated corporation				Total number of shares held
		Personal interests	Family interests	Corporate interests	Other interests	
John CHAN Cho Chak	KMB	2,000	—	—	—	2,000
Winnie J. NG (Note)	KMB	41,416	—	—	21,000,609	21,042,025
James Conrad LOUEY	KMB	13,929	—	—	—	13,929
Anthony NG (Note)	KMB	233,954	—	—	21,000,609	21,234,563

Note: Each of Ms. Winnie J. NG and Mr. Anthony NG has interest in 21,000,609 shares in The Kowloon Motor Bus Holdings Limited (“KMB”) as a beneficiary of certain private trusts which beneficially held the aforesaid block of shares.

Save as disclosed herein, at 30 June 2004, none of the Directors or their associates had any personal, family, corporate or other interests in the share capital of the Company or its associated corporations as required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

### (c) Directors' right to subscribe shares

Details of Directors' right to acquire shares of the Company are set out in the section “Share Option Schemes” below.

## 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 2004, 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 (Note)	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 SCHEMES

The Company has two share option schemes, the Pre-Listing Share Option Scheme (which expired on 28 December 2003) and the Share Option Scheme, which were 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 schemes.

The total number of securities available for issue under the Share Option Scheme as at 30 June 2004 was 14,920,000 shares which represented 1.5% of the issued share capital of the Company at 30 June 2004. 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.

At 30 June 2004, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company (of which the market value per share at 30 June 2004 was HK\$0.80) granted for nil consideration under the Share Option Scheme of the Company. Each option gives the holder the right to subscribe for one share. The options granted are not recognised in the financial statements until they are exercised.

### Share Option Scheme

	Number of options outstanding at 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	3,800,000	Nil	HK\$2.25	HK\$2.25
Amanda LUI Yee Fai	2,800,000	2,800,000	Nil	HK\$2.25	HK\$2.25
Employees	10,060,000	8,320,000	Nil	HK\$2.25	HK\$2.25

The above options were granted on 11 March 2002 and they are exercisable during the period from 12 March 2002 to 11 March 2005. 1,740,000 options have lapsed during the period because the grantees ceased employment with the Group.

## 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 is conducted in accordance with sound management practices and in full compliance with the regulatory standards.

## AUDIT COMMITTEE

The Audit Committee is composed of three Non-Executive Directors, two of whom are independent Non-Executive Directors. Meetings are held every six months 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 16.

## REMUNERATION COMMITTEE

The Group established the Remuneration Committee in March 2004 comprising three Non-Executive Directors, two of whom are independent Non-Executive Directors. The Remuneration Committee is responsible for making recommendations to the Board regarding the Company's framework of directors' remunerations.

## 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 OF BEST PRACTICE

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 of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules, at any time during the six months ended 30 June 2004.

By Order of the Board  
**John CHAN Cho Chak**  
*Chairman*

Hong Kong, 15 September 2004



## 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 12.

### **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 Statement of Standard Accounting Practice 25 "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 2004.

**KPMG**

*Certified Public Accountants*

Hong Kong, 15 September 2004