



ROADSHOW HOLDINGS LIMITED

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

2004 Interim Results Announcement

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"), together with the comparative figures for the six months ended 30 June 2003.

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
Total operating revenue		119,395	78,680
Group turnover	2	90,433	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)
Total operating expenses		(88,835)	(96,744)
Profit/(loss) from operations		9,262	(25,171)
Finance costs		(202)	(488)
Share of profit of associate		4,876	1,274
Profit/(loss) from ordinary activities before taxation	3	13,936	(24,385)
Income tax expense	4	(506)	(26)
Profit/(loss) from ordinary activities after taxation		13,430	(24,411)
Minority interests		(3,105)	(1,821)
Profit/(loss) attributable to shareholders		10,325	(26,232)
Earnings/(loss) per share (in Hong Kong cents)	5	1.04	(2.63)

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

1. Basis of results

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") (previously named the Hong Kong Society of Accountants). KPMG's unmodified independent review report to the Board of Directors is included in the interim financial report to be sent to shareholders of the Company.

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

These interim results are 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
Segment revenue						
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	90,433	21,298	111,731	63,651	7,107	70,758
Segment results						
Hong Kong	5,319	—	5,319	(25,420)	—	(25,420)
Mainland China	181	4,876	5,057	(4,338)	1,274	(3,064)
	5,500	4,876	10,376	(29,758)	1,274	(28,484)
Unallocated operating income and expenses			3,560			4,099
			13,936			(24,385)

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):

	Six months ended 30 June	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Amortisation of other intangible assets	653	926
Amortisation of positive goodwill	848	599
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)	20,425	28,475

4. Income tax expense

Recognised in the consolidated income statement:

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

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. 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.

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.

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.

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).

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.

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.

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.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

A detailed results announcement of the Group for the six months ended 30 June 2004 containing all information required by paragraph 46(1) to 46(6) of Appendix 16 to the Listing Rules in force prior to 31 March 2004, which remains applicable to results announcements in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements, will be published on the website of the Stock Exchange (www.hkex.com.hk) in due course.

By Order of the Board
John CHAN Cho Chak
Chairman

Hong Kong, 15 September 2004

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; Mr. Michael WONG Yick-kam as Deputy Chairman; Ms Winnie J. NG as Group Managing Director; Mr. MAK Chun Keung and Ms Amanda LUI Yee Fai as Directors; Mr. James Conrad LOUEY, Mr. Anthony NG, Ms LAU Mei Mui, May and Mr. YEN Shiao Hua, Sheridan as Non-Executive Directors; Ms Carlye Wai-Ling TSUI, MBE, JP and Mr. HUI Ki On, GBS, CBE, QPM, CPM as Independent Non-Executive Directors; Ms LAU Shung Oi, Susanna as Alternate Director of Mr. Michael WONG Yick-kam.