

RoadShow
路訊通

RoadShow Holdings Limited



Interim Report 2001

FINANCIAL HIGHLIGHTS

	6 months ended 30 June	
	2001	2000
	(<i>unaudited</i>)	(<i>unaudited</i>)
	HK\$'000	HK\$'000
Total operating revenue	99,779	18,154
Total operating expenses	35,233	5,606
Profit attributable to shareholders	55,730	10,630
EBITDA	70,325	12,609
Basic earnings per share (in Hong Kong cents)	5.8	1.1

The Group generates its revenue from the following businesses:

	6 months ended 30 June	
	2001	2000
	(<i>unaudited</i>)	(<i>unaudited</i>)
	HK\$'000	HK\$'000
Multi-media on-board business	69,293	3,840
Transit network media sales business	21,064	10,719
Merchandising business	4,374	3,252
Other revenue	5,048	343
Total operating revenue	99,779	18,154

INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2001

The directors (the "Directors") of RoadShow Holdings Limited (the "Company" or "RoadShow") have the pleasure of presenting the unaudited profit and loss account of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2001 ("the period") and the unaudited consolidated balance sheet of the Group as at 30 June 2001, together with the comparative figures at 31 December 2000.

The first half of this financial year was highly satisfactory for the Group, with a very successful initial public offering in Hong Kong ("Hong Kong Offering") with 156 times over subscription. The Hong Kong Offering and the International placing ("Global Offering") together with the over-allotment option exercised by the underwriters on 18 July 2001 raised approximately HK\$588.8 million (before expenses) for the Group to fund its expansion on multi-media on-board ("MMOB") business. In January 2001, there were only 200 transit vehicles equipped with MMOB system. At 30 June 2001, a total of 2,100 transit vehicles were equipped with MMOB system with 2 million captive audiences daily.

FINANCIAL REVIEW

Results

Revenue of the Group for the six months ended 30 June 2001 rose sharply by 450% over the same period last year.

For the six months ended 30 June 2001, the Group reported total operating revenue of HK\$99.8 million and profit attributable to shareholders of HK\$55.7 million, representing an increase of approximately 450% and 424% respectively over the same period in 2000. The Group's revenue was derived principally from its multi-media on-board business, transit network media sales and merchandising businesses, with each accounting for approximately 69%, 21% and 4%, respectively of the Group's total operating revenue for the six months ended 30 June 2001.

Multi-media on-board business

Multi-media on-board business revenue increased by HK\$65.5 million, or 1,705%, from HK\$3.8 million in the first half of 2000 to HK\$69.3 million in the first half of 2001. The increase was principally due to the commencement of the commercial launch of the upgrade to the multi-media on-board business to include audio-video programming. In January, February, March and April 2001, about 200, 500, 700 and 1,000 transit vehicles respectively had been installed with the multi-media on-board system. At 30 June 2001, 2,100 transit vehicles were installed with the multi-media on-board system and being used for selling advertising. The Group's existing MMOB system has a sizeable captive audience of 2 million daily. RoadShow believes that unlike other forms of advertising, MMOB system is an attractive medium for advertisers because of its ability to capture a large audience in a captive environment. From the advertisers' point of view, this represents competitive consumer impact and high recall rate and stimulates impulse purchase in a highly cost-effective way.

With a sizeable captive audience, the MMOB system is perceived as an effective advertising medium and gives RoadShow significant competitive advantages in the market. According to research conducted by AC Nielsen in July this year, 66% of the inferred public liked the MMOB service, while 81% of them considered MMOB to be a better bus service.

Transit network media sales business

Transit network media sales business revenue increased by HK\$10.4 million, or 97%, from HK\$10.7 million in the first half of 2000 to HK\$21.1 million in the first half of 2001. The increase was principally due to an increase in media sales in transit vehicle shelters as a result of an increase in advertising spaces in transit vehicle shelters.

Merchandising business

Merchandising business revenue increased by HK\$1.1 million, or 33%, from HK\$3.3 million in the first half of 2000 to HK\$4.4 million in the first half of 2001. The increase was principally due to an increase in sales in 2001 as a result of normal sales trend following the introduction of new bus models.

Operating expenses

Operating expenses increased by HK\$29.6 million, or 528%, from HK\$5.6 million in the first half of 2000 to HK\$35.2 million in the first half of 2001. The increase was principally due to an increase in depreciation charges for the MMOB system, salaries and sale commission and production costs as a result of the commencement of the full commercial launch of the upgrade to the multi-media on-board business to include audio-video programming.

Interim Dividend

As originally planned, the Board of Directors ("Board") do not recommend the payment of an interim dividend for the six months ended 30 June 2001 (January - June 2000: Nil).

Liquidity, Financial Resources and Capital Structure

At 30 June 2001, the Group had net current assets of HK\$555.7 million (2000: HK\$50.9 million).

The Group's cash needs are primarily for working capital to support its multi-media on-board, transit network media sales and merchandising businesses. At 30 June 2001, the Group had cash and cash equivalents of approximately HK\$505.3 million, which were denominated in Hong Kong dollars or United States dollars. Cash generated from operations, when not needed for working capital requirements, is principally placed in bank deposits. At 30 June 2001, the proceeds from the Global Offering had been placed into short-term bank deposits.

At 30 June 2001, the Group had no banking facilities in place and had no indebtedness. Apart from intra-group liabilities, the Group did not have, at the close of business on 30 June 2001, any outstanding mortgages, charges, debentures or other loan capital or bank overdrafts, loans or similar indebtedness or hire purchase or finance lease commitments or any guarantees or other material contingent liabilities.

Employees and emoluments policies

At 30 June 2001, the Group had 61 full-time employees of whom 11 were senior management, 31 worked in marketing and sales, 7 in content production, 9 in finance and administration and 3 in business operations. The Group has adopted the Share Option Scheme and Pre-Listing Share Option Scheme, details of which are contained in the paragraph headed "Share Options" (as described on page 14).

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 sale 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 Scheme Ordinance.

PROSPECTS

Despite the slowdown in the economy and the increasing competition for advertisers' dollars, RoadShow, with its niche in the market, envisages growth in its business in the second half of 2001, as more advertisers become aware of its sizeable audience reach and the competitive pricing of its media sales business.

The Group aims to become a leading out-of-home media sales company in the Greater China region. The Group's core strategy is to expand the multi-media on-board business in Hong Kong to transit vehicles in the Greater China region and other countries, such as those in Europe. The Group plans to capitalise on its marketing strengths in the captive advertising market represented by the passengers who use public transit vehicles and the pedestrians along transit vehicles routes. The Group is exploring business opportunities and is seeking to establish strategic partnerships in carrying out multi-media on-board business in (a) other modes of transportation such as taxis, boats and rails; and (b) other delivery channels such as hotels, shopping malls, restaurants and convenience stores. The Group, believes that expanding the delivery channels of its out-of-home media sales and products into other business settings will diversify and increase its revenue base and increase its operating efficiency.

At 30 June 2001, 2,100 transit vehicles in Hong Kong were equipped with MMOB system, with daily captive audiences of 2 million. An additional 500 transit vehicles in Hong Kong will be installed with MMOB system by the end of this year. Having begun installing the MMOB system on public light buses in the second half of 2001, it is expected that a total of 200 public light buses will be equipped with the system by the end of 2001.

The Group is continuing to enrich and diversify the program content of its MMOB system. In the second half of 2001, the Group plans to install a transit vehicle tracking system - consisting of a global positioning system receiver and a central processing unit - which will enable the provision of real time information to the audience and add value to the Group's services.

With China's entry into the World Trade Organisation set to provide an opportunity for the Group to develop its MMOB business in China. The Group is adopting a prudent and pragmatic approach, based on a strategy aimed at establishing a regional network on the Mainland. The Group will continue to monitor the development in China and pace its strategy to establish this regional network accordingly.

As disclosed in the Prospectus, part of the proceeds from the Global Offering will be used to acquire or invest in complementary businesses, products and technologies or to establish joint ventures that the Group believes will complement its current or future business. On-going discussions in relation to these are being held with various parties.

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2001

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2001	2000
		\$'000	\$'000
TURNOVER	2		
Multi-media on-board business		69,293	3,840
Transit network media sales business		21,064	10,719
Merchandising business		4,374	3,252
		<u>94,731</u>	<u>17,811</u>
Other revenue		5,048	343
Total operating revenue		<u>99,779</u>	<u>18,154</u>
OPERATING EXPENSES			
Licence and royalty fees		2,490	743
Cost of inventories		2,110	1,487
Depreciation		5,779	61
Staff costs		15,096	2,818
Other operating expenses		9,758	497
Total operating expenses		<u>35,233</u>	<u>5,606</u>
Profit from ordinary activities before taxation	3	64,546	12,548
Taxation	4	5,290	1,918
Profit from ordinary activities after taxation		59,256	10,630
Minority interests		3,526	—
Profit attributable to shareholders		<u>55,730</u>	<u>10,630</u>
Earnings per share (in Hong Kong cents)	6		
Basic		<u>5.8</u>	<u>1.1</u>
Diluted		<u>5.8</u>	<u>1.1</u>

No separate statement of recognised gains and losses has been prepared as the net profit for the period would be the only component of this statement.

The notes on pages 7 to 12 form part of this interim financial report.

UNAUDITED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2001

(Expressed in Hong Kong dollars)

	Note	At	
		30 June 2001 <i>(unaudited)</i> \$'000	31 December 2000 <i>(audited)</i> \$'000
Non-current assets			
Fixed assets	7	104,431	6,458
Current assets			
Inventories	8	669	872
Amount due from ultimate holding company	9	—	39,123
Accounts receivable	10	73,184	15,335
Other receivables, prepayments and deposits		5,762	2,095
Cash and cash equivalents	11	505,308	17,117
		584,923	74,542
Current liabilities			
Amount due to ultimate holding company	9	7,300	—
Accounts payable	12	3,851	1,911
Advertising deposits received		—	1,229
Other payables and accruals		10,748	5,857
Dividend payable		—	10,000
Taxation		7,354	4,628
		29,253	23,625
Net current assets		555,670	50,917
Minority interests		3,711	339
Net assets		656,390	57,036
Capital and reserves			
Share capital	13	96,000	—
Reserves	14	560,390	57,036
		656,390	57,036

The notes on pages 7 to 12 form part of this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2001

(Expressed in Hong Kong dollars)

	\$'000
Net cash inflow from operating activities	14,857
Net cash outflow from returns on investments and servicing of finance	(5,169)
Net cash outflow from investing activities	<u>(103,752)</u>
Net cash outflow before financing	(94,064)
Net cash inflow from financing	<u>582,255</u>
Increase in cash and cash equivalents	488,191
Cash and cash equivalents at 1 January 2001	<u>17,117</u>
Cash and cash equivalents at 30 June 2001	<u><u>505,308</u></u>

The notes on pages 7 to 12 form part of this interim financial report

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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 Society of Accountants (“HKSA”). KPMG’s independent review report to the Board is included on page 16.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules (“Listing Rules”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), including compliance with Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the HKSA except that comparative figures for the cash flow statement have not been prepared as the Company has taken advantage of the transitional provisions set out in the Listing Rules.

The same accounting policies adopted in the accountants’ report as disclosed in the prospectus of the Company dated 19 June 2001 (“Prospectus”) have been applied to the interim financial report.

The Company was listed on the Main Board of the Stock Exchange on 28 June 2001. The Company was incorporated on 8 December 2000 and on 1 April 2001 the Company became the holding company of the Group pursuant to a group reorganisation (“Reorganisation”). Details of the Reorganisation are set out in the Prospectus. The Group resulting from the Reorganisation is regarded as a continuing entity, and accordingly, the Reorganisation has been accounted for on the basis of merger accounting. The interim financial report has been prepared as if the current group structure had been in existence throughout the six month periods ended 30 June 2000 and 2001, rather than from the date on which the Reorganisation was completed. The consolidated balance sheet at 31 December 2000 is a combination of the balance sheets of the Company and its subsidiaries at 31 December 2000. The net difference between the value recorded for the shares issued and the nominal value of the issued share capital received in exchange is transferred to contributed surplus. Directors are of the opinion that the interim financial report prepared on this basis presents fairly the results of operations and the state of affairs of the Group as a whole.

2. Segmental information

The Company acts as an investment holding company and the Group is principally engaged in out-of-home media sales for marketing advertising spaces on the exterior and interior of transit vehicles and engaged in a merchandising business of selling commemorative items in Hong Kong.

The analysis of the principal activities of the operations of the Company and its subsidiaries during the financial period are as follows:

	Group turnover		Contribution to profit from operations	
	Six months ended 30 June	2000	Six months ended 30 June	2000
	\$'000	\$'000	\$'000	\$'000
Multi-media on-board business	69,293	3,840	47,275	3,368
Transit network media sales business	21,064	10,719	13,058	8,281
Merchandising business	4,374	3,252	1,678	1,355
	<u>94,731</u>	<u>17,811</u>	<u>62,011</u>	<u>13,004</u>
Other group income/(expenses)			<u>2,535</u>	<u>(456)</u>
			<u>64,546</u>	<u>12,548</u>

The Group’s turnover and operating profit are almost entirely derived from Hong Kong. Accordingly, no analysis by geographical segment is provided.

3. Profit from ordinary activities before taxation

Profit from ordinary activities before taxation is arrived at after charging:

	Six months ended 30 June	
	2001	2000
	\$'000	\$'000
Production cost	4,540	—
Retirement costs included in staff costs	540	135
Auditors' remuneration	168	11
Operating lease charges	636	168

4. Taxation

Taxation in the consolidated profit and loss account represents:

	Six months ended 30 June	
	2001	2000
	\$'000	\$'000
Provision for Hong Kong Profits Tax	5,290	1,918

The provision for Hong Kong Profits Tax is calculated at the rate of 16% (2000: 16%) on the estimated assessable profits for each period.

Deferred tax has not been provided as timing differences are not likely to reverse in the foreseeable future.

5. Dividend

As originally planned, the Board do not recommend the payment of an interim dividend for the six months ended 30 June 2001 (2000: Nil).

6. Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of \$55,730,000 for the six months ended 30 June 2001 (2000: \$10,630,000) and the 960,000,000 shares in issue during the period (2000: 960,000,000 shares), being the shares that would have been in issue throughout the period on the assumption that the Reorganisation as set out in the section headed "Corporate Reorganisation" in Appendix 6 of the Prospectus were completed at 1 January 2000.

(ii) Diluted earnings per share

The diluted earnings per share is based on the profit attributable to ordinary shareholders of \$55,730,000 (2000: \$10,630,000), assuming that all the outstanding share options had been exercised at the beginning of the period or at the date of grant of the options, if later and the weighted average number of 960,790,000 (2000: 960,000,000) shares issued and issuable. There were no dilutive potential ordinary shares in existence during 2000.

7. Fixed assets

	At 30 June 2001			At 31 December 2000		
	<i>(unaudited)</i>			<i>(audited)</i>		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Audio and visual equipment	110,056	(5,975)	104,081	6,471	(218)	6,253
Furniture and fixtures	376	(26)	350	209	(4)	205
	<u>110,432</u>	<u>(6,001)</u>	<u>104,431</u>	<u>6,680</u>	<u>(222)</u>	<u>6,458</u>

8. Inventories

Inventories, comprising of finished goods of bus models, are carried at cost.

9. Amounts due from/to ultimate holding company

The amounts are unsecured, interest-free, repayable on demand and represent normal trade receivables and payables.

10. Accounts receivable

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

	At 30 June 2001	At 31 December 2000
	<i>(unaudited)</i>	<i>(audited)</i>
	\$'000	\$'000
Current	16,876	12,076
One to two months	23,100	2,015
Two to three months	12,325	395
Three to six months	13,914	417
More than six months	6,969	432
	<u>73,184</u>	<u>15,335</u>

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

11. Cash and cash equivalents

	<u>At 30 June 2001</u>	<u>At 31 December 2000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
	<u>\$'000</u>	<u>\$'000</u>
Deposits with banks	499,356	16,200
Cash at bank and in hand	5,952	917
	<u>505,308</u>	<u>17,117</u>

12. Accounts payable

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

	<u>At 30 June 2001</u>	<u>At 31 December 2000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
	<u>\$'000</u>	<u>\$'000</u>
Current	3,851	1,911

13. Share capital

Issued and fully paid (\$0.10 each)

	<u>No. of shares</u>	<u>\$'000</u>
At 1 January 2001	—	—
Shares issued to KMB Holdings	97,000,000	9,700
Shares issued under the Reorganisation	623,000,000	62,300
Shares issued under the Global Offering	240,000,000	24,000
	<u>960,000,000</u>	<u>96,000</u>

On 18 July 2001, the underwriters of the Global Offering exercised the over-allotment option for the issuance of 21,694,000 ordinary shares of the Company at \$2.25 per share in accordance with the International Placing Agreement entered into by it, the Company and others on 18 June 2001.

14. Reserves

	<u>Share premium</u>	<u>Contributed surplus</u>	<u>Retained profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
At 1 January 2001	—	—	57,036	57,036
Reorganisation adjustment	—	(200)	(38,789)	(38,989)
Profit attributable to shareholders	—	—	55,730	55,730
Capital contribution by KMB Holdings	85,500	—	—	85,500
Proceeds from Global Offering	516,000	—	—	516,000
Capitalisation issue	(62,300)	—	—	(62,300)
Global Offering expenses	(52,587)	—	—	(52,587)
	<u>486,613</u>	<u>(200)</u>	<u>73,977</u>	<u>560,390</u>

15. Commitments

(a) Capital commitments

At 30 June 2001, the Group had the following capital commitments in relation to the purchase of visual equipment not provided for:

	<u>At 30 June 2001</u>	<u>At 31 December 2000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
	\$'000	\$'000
Contracted for	107	100,378
Authorised but not contracted for	<u>34,192</u>	<u>—</u>

(b) Operating lease commitments

The total future minimum lease payments under non-cancellable operating lease are payable as follows:

	<u>At 30 June 2001</u>	<u>At 31 December 2000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
	\$'000	\$'000
Within 1 year	<u>636</u>	<u>—</u>

16. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2001.

17. Material related party transactions

The Group is part of a larger group of companies under The Kowloon Motor Bus Holdings Limited ("KMB Holdings") and has significant transactions and relationships with members of the KMB Holdings Group. Related parties refer to enterprises over which KMB Holdings is able to exercise significant influence.

In connection with the Reorganisation, the Company and the KMB Holdings Group entered into a number of agreements under which the Group will provide media sales management services to the KMB Holdings Group, and the KMB Holdings Group will grant exclusive rights to the Group to carry out certain businesses. For the purposes of this report, the Group's consolidated profit and loss account and cash flow statements for the period and the Group's consolidated balance sheets at 30 June 2001 and 31 December 2000 have been prepared on the basis that these agreements have been in effect during the relevant period.

The principal recurring related party transactions with the KMB Holdings Group during the period, which were carried out in the ordinary course of business, are as follows:

	Note	Six months ended 30 June	
		2001	2000
		\$'000	\$'000
Management and administration fee income	(i)	11,089	8,189
Licence and royalty fees paid for the right to sell advertising spaces on transit vehicle exteriors and shelters	(ii)	2,490	1,331
Rental expenses	(iii)	636	168
Management fee expense paid to the KMB Holdings Group	(iv)	—	28
Profit attributable to minority interests held by the KMB Holdings Group	(v)	908	—

- (i) Fee income was earned for the provision of media sales management and administrative services to the KMB Holdings Group.
- (ii) Licence and royalty fees were paid for selling advertising spaces on certain transit vehicle exteriors and certain transit vehicle shelters owned by the KMB Holdings Group.
- (iii) The Group paid rental expense to the KMB Holdings Group for leasing properties, computer equipment and software system, furniture and fixtures.
- (iv) Management fee expense for office and administration services provided by the KMB Holdings Group is charged based on either the cost of providing such services or a percentage of the annual turnover of the Group.
- (v) The amount represents the KMB Holdings Group's share of equity interests in an equity joint venture of the Group.

Pursuant to an agreement entered into between KMB Holdings and RoadShow Creations Limited ("RoadShow Creations"), a wholly-owned subsidiary of the Company, RoadShow Creations will pay in terms of bus models in lieu of cash for the right granted by the KMB Holdings Group to use the intellectual property for the Group's merchandising business or as agreed by both parties.

18. Subsequent events

On 18 July 2001, the underwriters of the Global Offering exercised the over-allotment option for the issuance of 21,694,000 ordinary shares of the Company at \$2.25 per share in accordance with the International Placing Agreement entered into by it, the Company and others on 18 June 2001. The net proceeds from the issuance of 21,694,000 ordinary share amounted to \$47,591,000.

19. Ultimate holding company

The Directors consider the ultimate holding company at 30 June 2001 to be KMB Holdings, which is incorporated in Bermuda and listed in Hong Kong.

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2001 the interests of the following Directors in the securities in the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register required to be kept pursuant to Section 29 of the SDI Ordinance or otherwise 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

Name of directors	Number of shares in the Company (the "Shares")				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Anthony NG (<i>Note 1</i>)	—	—	112,494	—	112,494

Note 1: Mr. Anthony Ng is the beneficial owner of 1/3 of the entire issued share capital of Si Chong Investment Company Limited ("Si Chong") which holds 112,494 shares and is deemed to be interested in the same number of shares held by Si Chong by virtue of the SDI Ordinance.

b. Directors' right to acquire shares

Pursuant to the Pre-listing share option scheme adopted by the Company on 7 June 2001 (the "Pre-Listing Share Option Scheme") (as described in Appendix VI of the prospectus dated 19 June 2001 issued by the Company), the following Directors have been granted options to acquire for shares in the Company (the "Options") as set out below:

Name of directors	Number of options and outstanding at period end	Nature of interest
John CHAN Cho Chak	2,380,000	Personal
Norman LEUNG Nai Pang	2,380,000	Personal
Winnie J. NG	3,380,000	Personal
MAK Chun Keung	2,380,000	Personal
Amanda LUI Yee Fai	2,380,000	Personal
James Conrad LOUEY	128,000	Personal

The exercise period for Directors who have been granted Options under the Pre-Listing Share Option Scheme shall be two years commencing six months from 28 June 2001, the date on which the shares are listed on the Stock Exchange (the "Listing Date"), except that for Directors who have been granted 1,000,000 or more Options under the Pre-Listing Share Option Scheme, they could (a) during the period from the beginning of the seventh month up to the end of the twelfth month from the Listing Date exercise up to 50% of the number of Options that they have been granted under the Pre-Listing Share Option Scheme, and (b) exercise the remaining unexercised Options after the end of the twelfth month from the Listing Date up to the end of exercise period. The Options granted to the above Directors are at the exercise price of HK\$1.80 per share.

c. Directors' interests in associated corporation

Name of Director	Name of associated corporation	Number of shares in associated corporation				Total
		Personal interests	Family interests	Corporate interests	Other interests	
John CHAN Cho Chak	KMB Holdings	2,000	—	—	—	2,000
Winnie J. NG (<i>Note 1</i>)	KMB Holdings	25,200	—	—	19,226,233	19,251,433
James Conrad LOUEY	KMB Holdings	7,200	—	—	—	7,200
Anthony NG (<i>Notes 1&2</i>)	KMB Holdings	233,594	—	1,774,376	19,226,233	21,234,203

Notes :

- Each of Ms. Winnie J. Ng and Mr. Anthony Ng has interest, as a potential beneficiary, in certain private trusts which beneficially held 19,226,233 shares in KMB Holdings.
- Mr. Anthony Ng is the beneficial owner of 1/3 of the entire issued share capital in Si Chong which holds 1,774,376 shares in KMB Holdings and is deemed to be interested in the same number of shares in KMB Holdings held by Si Chong by virtue of the SDI Ordinance.

Save as disclosed herein, at 30 June 2001, none of the Directors 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 maintained under Section 29 of the SDI Ordinance or as notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2001, the register required to be kept under Section 16(1) of the SDI Ordinance showed that the Company had been notified of the following interests in the Company's issued share capital being 10% or more of the shares in issue:

Name	Note	Number of Shares
KMB Resources Limited		720,000,000
KMB Holdings	(1)	720,000,000
Sun Hung Kai Properties Limited	(2)&(3)	735,854,000

Notes:

- (1) As KMB Resources Limited ("KMB Resources") is a wholly-owned subsidiary of KMB Holdings, which in turn holds 75% of the entire issued capital in the Company, KMB Holdings is deemed to be interested in the same number of shares held by KMB Resources under the SDI Ordinance.
- (2) As Sun Hung Kai Properties Limited ("SHKP") holds more than 1/3 of the issued share capital of KMB Holdings, SHKP is deemed to be interested in the same number of shares held by KMB Holdings under the SDI Ordinance.
- (3) In addition to the deemed interests of shares held by SHKP as set out in Note (2) above, SHKP is deemed to be interested in 15,854,000 shares held through various nominees.

SHARE OPTIONS

On 11 April 2001 and 7 June 2001 RoadShow's Pre-Listing Share Option Scheme and Share Option Scheme (the "Schemes") were approved by the then shareholders under which the Directors may, at their discretion, offer any employee (including any Director) of RoadShow or any of its wholly-owned subsidiary options to subscribe for shares in RoadShow subject to the terms and conditions stipulated in the Schemes.

At 30 June 2001 the Company has conditionally granted options to 102 persons to subscribe for a total of 28,579,000 shares (representing approximately 2.97% of the total issued share capital of the Company at 30 June 2001) under the Pre-Listing Share Option Scheme at the exercise price of HK\$1.80 per share.

The exercise period for grantees who have been granted options under the Pre-Listing Share Option Scheme shall be two years commencing six months from 28 June 2001 (the "Listing Date") except that for grantees who were granted 1,000,000 or more options to subscribe for shares under the Pre-Listing Share Option Scheme, they could (a) during the period from the beginning of the seventh month up to the end of the twelfth month from the Listing Date exercise up to 50% of the number of options that they have been granted under the Pre-Listing Share Option Scheme, and (b) exercise the remaining unexercised options after the end of the twelfth month from the Listing Date up to the end of the exercise period.

No option has been exercised, cancelled or lapsed during the period from the date of grant to 30 June 2001. At 30 June 2001, no option has been granted under the Share Option Scheme.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters (including review of the unaudited interim financial report for the six months ended 30 June 2001). The review of the unaudited interim financial report was conducted with RoadShow's external auditors. The independent review report of the external auditors is set out on page 16.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's own shares.

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 2001.

Hong Kong, 12 September 2001

By Order of the Board
John CHAN Cho Chak
Chairman



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.

Directors' responsibilities

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 Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the Directors.

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 Society of 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 2001.

KPMG

Certified Public Accountants

Hong Kong, 12 September 2001