

ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司

STOCK CODE 股份代號：888

CREATING
SUSTAINABLE
future

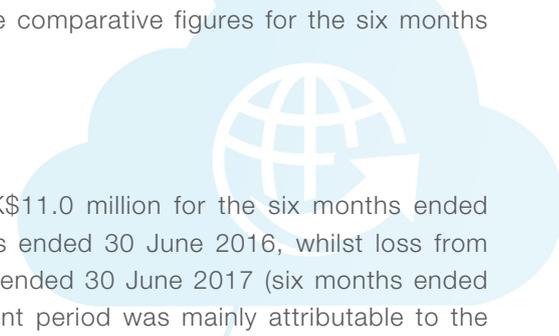




Interim Results for the Six Months Ended 30 June 2017

The directors of RoadShow Holdings Limited (the “Company” or “RoadShow”) (the “Directors”) submit herewith the unaudited consolidated statement of profit or loss and unaudited consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2017 and the unaudited consolidated statement of financial position of the Group at 30 June 2017, together with the comparative figures for the six months ended 30 June 2016 and at 31 December 2016 respectively.

Financial Review



Loss attributable to equity shareholders of the Company was HK\$11.0 million for the six months ended 30 June 2017, compared with HK\$11.8 million for the six months ended 30 June 2016, whilst loss from operations was approximately HK\$10.1 million for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$8.7 million). The increase in loss for the current period was mainly attributable to the reduction in revenue by approximately HK\$27.9 million mainly due to the gradual scaling down of the BUS-TV business approaching the expiry of the related licence agreement with The Kowloon Motor Bus Company (1933) Limited (“KMB”) on 30 June 2017, net off by the net reversal of provision for onerous contracts of approximately HK\$10.1 million, an exchange gain of approximately HK\$5.2 million due to appreciation of the Renminbi, the decrease in depreciation and amortisation by approximately HK\$5.4 million and the reduction in cost of inventories sold by approximately HK\$5.1 million due to expiry of a licence agreement on the sale of merchandises.

Operating Revenue



For the six months ended 30 June 2017, the Group reported total operating revenue of HK\$174.0 million of which HK\$163.4 million was from the media sales services and HK\$10.6 million was from other revenue and other net income. Revenue generated from media sales services was HK\$163.4 million for the six months ended 30 June 2017 compared with HK\$191.3 million for the six months ended 30 June 2016, representing a decrease of approximately 14.6% mainly resulting from the expiry of the licences relating to BUS-TV and billboard businesses.

Operating Expenses

The Group’s operating expenses decreased by HK\$22.5 million, from HK\$206.6 million for the six months ended 30 June 2016 to HK\$184.1 million for the six months ended 30 June 2017, mainly due to the decrease in depreciation and amortisation by approximately HK\$5.4 million, the decrease in cost of inventories sold by approximately HK\$5.1 million following the expiry of a licence agreement on the sale of merchandises and the net reversal of provision for onerous contracts of approximately HK\$10.1 million.

Interim Dividend



The Directors do not propose to declare an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$Nil).

Liquidity, Financial Resources and Capital Structure

Liquidity and Financial Resources

At 30 June 2017, the Group's bank deposits and cash amounted to HK\$380.5 million (31 December 2016: HK\$398.0 million), which are denominated in Hong Kong dollars, United States ("US") dollars and Renminbi. Apart from providing working capital to support its media sales services, the Group maintains a strong cash position to meet potential needs for business expansion and development.

At 30 June 2017 and 31 December 2016, the Group did not have any bank borrowings. The gearing ratio, representing the ratio of bank borrowings to the total share capital and reserves of the Group was 0% at 30 June 2017 and 31 December 2016. At 30 June 2017 and 31 December 2016, the Group had stand-by banking facilities totalling HK\$30.0 million.

At 30 June 2017, the Group had net current assets of HK\$466.9 million (31 December 2016: HK\$475.4 million) and total assets of HK\$576.6 million (31 December 2016: HK\$618.7 million).

Charge on Assets

At 30 June 2017, bank deposits of HK\$79.3 million (31 December 2016: HK\$78.3 million) were pledged mainly to secure certain bank guarantees provided by the subsidiaries of the Company to fellow subsidiaries regarding their due performance and payment under certain licence agreements between the subsidiaries of the Company and the fellow subsidiaries.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the six months ended 30 June 2017, the Company recognised an exchange gain of approximately HK\$5.2 million (six months ended 30 June 2016: exchange loss of HK\$1.9 million) due to the appreciation of the Renminbi against Hong Kong dollars. During the period, there was no material fluctuation in the exchange rates of Hong Kong dollars and US dollars. The Group did not engage in any transactions involving derivative financial instruments and did not commit to any financial instruments to hedge its financial position exposure during the six months ended 30 June 2017.

Contingent Liabilities

The Group did not have any significant contingent liabilities at 30 June 2017 and 31 December 2016.

Employees and Remuneration Policies

At 30 June 2017, the Group had 113 full-time employees. 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.

Business Review and Prospects

In the first half of 2017, Hong Kong's advertising market continued to be adversely impacted by global and local economic uncertainties. Although adspend rebounded in the second quarter of 2017, the outlook for the media industry, outdoor in particular, was still murky as advertisers tend to be very cautious when deciding when and where to place their marketing campaigns.

The Group's revenue from advertising dropped amid keen competition from the digital media and other out-of-home (OOH) media vendors, the gradual scaling down of the BUS-TV business due to the reason stated in the following paragraph and the expiry of the licence relating to the billboard business. The Group has taken measures to streamline its operations and reduce operating costs so as to increase its cost efficiency. As a result, the Group's performance for the six months ended 30 June 2017 was not significantly worse as compared with the same period last year.

Having reviewed the Group's operations and considered the terms included in the tender invitation issued by KMB for a new licence relating to the BUS-TV business, the Group decided during the year ended 31 December 2016 not to submit a tender for this new licence, which would have succeeded the then existing licence due to expire on 30 June 2017. As a result, the Group's BUS-TV business ceased with effect from 1 July 2017. The cessation of the BUS-TV business will allow the Group to reallocate its resources to other more profitable areas of its business.

On the other hand, KMB has exercised its option to extend the term of the licence agreement in respect of the BUS-BODY and IN-BUS advertising businesses for another 36 months from 1 July 2017 to 30 June 2020 (both dates inclusive) with all other terms and conditions of the licence agreement remaining unchanged.

Furthermore, in May 2017, the Group by itself entered into a licence agreement with KMB for the provision of bus shelter advertising agency services to KMB for an initial term of 5 years commencing from 1 July 2017 and ending on 30 June 2022 (both dates inclusive), which may be extended for another 5 years from 1 July 2022 to 30 June 2027 (both dates inclusive), at the option of KMB. This licence has succeeded the licence relating to bus-shelter advertising business jointly operated with JCDecaux Cityscape Limited which expired on 30 June 2017.

Looking ahead, Hong Kong's advertising market and retail sector will continue to be impacted by global economic uncertainty. While we anticipate that adspend, especially on OOH advertising, will remain stagnant in the second half of 2017, we will strive hard to maintain the competitiveness of our core operations and maximise cost efficiency by streamlining operations and implementing tighter cost controls. In moving forward, we will work tirelessly to maintain our proven policy of ensuring healthy expansion by meticulously examining opportunities to diversify our business portfolio and increase market share whenever and wherever possible. Along the way, RoadShow will also continue to do its utmost to achieve greater value and improve results for both clients and our shareholders.

Consolidated Statement of Profit or Loss – Unaudited

For the six months ended 30 June 2017

	Note	Six months ended 30 June	
		2017 HK\$'000	2016 HK\$'000
Revenue	3 & 4	163,389	191,293
Other revenue and other net income/(loss)	5	10,577	6,585
Total operating revenue		173,966	197,878
Operating expenses			
Royalty, licence and management fees		(101,489)	(102,686)
Cost of production		(32,708)	(35,184)
Staff expenditure		(31,959)	(33,350)
Depreciation and amortisation		(2,321)	(7,767)
Cost of inventories sold		—	(5,070)
Repairs and maintenance		(3,111)	(3,340)
Impairment loss on accounts receivable		(1,812)	—
Reversal of provision for onerous contracts, net	15	10,095	—
Other operating expenses		(20,804)	(19,161)
Total operating expenses		(184,109)	(206,558)
Loss before taxation	6	(10,143)	(8,680)
Income tax	7	(1,834)	(1,356)
Loss for the period		(11,977)	(10,036)
Attributable to:			
Equity shareholders of the Company		(10,972)	(11,848)
Non-controlling interests		(1,005)	1,812
Loss for the period		(11,977)	(10,036)
Loss per share (in Hong Kong cents)	9		
Basic and diluted		(1.10)	(1.19)

The notes on pages 9 to 22 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 8.

Consolidated Statement of Profit or Loss and Other Comprehensive Income – Unaudited

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Loss for the period	(11,977)	(10,036)
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of operations outside Hong Kong, net of tax	587	(199)
Total comprehensive income for the period	(11,390)	(10,235)
Attributable to:		
Equity shareholders of the Company	(10,385)	(12,047)
Non-controlling interests	(1,005)	1,812
Total comprehensive income for the period	(11,390)	(10,235)

The notes on pages 9 to 22 form part of this interim financial report.

Consolidated Statement of Financial Position – Unaudited

At 30 June 2017

	Note	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Non-current assets			
Property, plant and equipment		12,344	13,629
Intangible assets		—	—
Non-current prepayments and deposits		1,349	1,523
Deferred tax assets		8,901	10,393
		22,594	25,545
Current assets			
Inventories		—	—
Amounts due from fellow subsidiaries	10(b)	7,548	5,203
Accounts receivable	11	77,829	101,154
Other receivables and deposits		8,486	10,098
Current tax recoverable		222	400
Pledged bank deposits	12	79,343	78,343
Bank deposits and cash	13	380,548	397,954
		553,976	593,152
Current liabilities			
Accounts payable	14	911	1,977
Amount due to ultimate holding company	10(a)	3	3
Amounts due to fellow subsidiaries	10(b)	858	1,065
Other payables and accruals		79,951	99,165
Provision for onerous contracts	15	4,360	14,455
Current tax payable		1,038	1,060
		87,121	117,725
Net current assets		466,855	475,427
Total assets less current liabilities		489,449	500,972
Non-current liabilities			
Deferred tax liabilities		5	138
NET ASSETS		489,444	500,834
CAPITAL AND RESERVES			
Share capital		99,737	99,737
Reserves		381,492	391,877
Total equity attributable to equity shareholders of the Company		481,229	491,614
Non-controlling interests		8,215	9,220
TOTAL EQUITY		489,444	500,834

The notes on pages 9 to 22 form part of this interim financial report.

Consolidated Statement of Changes in Equity – Unaudited

For the six months ended 30 June 2017

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	General reserve	Contributed surplus	Other reserve	Exchange reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
Balance at 1 January 2016	99,737	602	531,569	(605)	13,346	(106,760)	537,889	7,684	545,573
Changes in equity for the six months ended 30 June 2016:									
(Loss)/profit for the period	—	—	—	—	—	(11,848)	(11,848)	1,812	(10,036)
Other comprehensive income	—	—	—	—	(199)	—	(199)	—	(199)
Total comprehensive income for the period	—	—	—	—	(199)	(11,848)	(12,047)	1,812	(10,235)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	(1,600)	(1,600)
Balance at 30 June 2016 and 1 July 2016	99,737	602	531,569	(605)	13,147	(118,608)	525,842	7,896	533,738
Changes in equity for the six months ended 31 December 2016:									
(Loss)/profit for the period	—	—	—	—	—	(33,412)	(33,412)	1,324	(32,088)
Other comprehensive income	—	—	—	—	(816)	—	(816)	—	(816)
Total comprehensive income for the period	—	—	—	—	(816)	(33,412)	(34,228)	1,324	(32,904)
Balance at 31 December 2016 and 1 January 2017	99,737	602	531,569	(605)	12,331	(152,020)	491,614	9,220	500,834
Changes in equity for the six months ended 30 June 2017:									
Loss for the period	—	—	—	—	—	(10,972)	(10,972)	(1,005)	(11,977)
Other comprehensive income	—	—	—	—	587	—	587	—	587
Total comprehensive income for the period	—	—	—	—	587	(10,972)	(10,385)	(1,005)	(11,390)
Balance at 30 June 2017	99,737	602	531,569	(605)	12,918	(162,992)	481,229	8,215	489,444

The notes on pages 9 to 22 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement – Unaudited

For the six months ended 30 June 2017

	Note	Six months ended 30 June	
		2017 HK\$'000	2016 HK\$'000
Operating activities			
Cash (used in)/generated from operations		(25,002)	10,697
The People's Republic of China ("PRC") income tax paid		(324)	(253)
Net cash (used in)/generated from operating activities		(25,326)	10,444
Investing activities			
Increase in bank deposits with original maturities over three months		(75,736)	(52,502)
Other cash flows arising from investing activities		2,206	(6,967)
Net cash used in investing activities		(73,530)	(59,469)
Financing activity			
Dividend paid to non-controlling shareholders		—	(1,600)
Net cash used in financing activity		—	(1,600)
Net decrease in cash and cash equivalents		(98,856)	(50,625)
Effect of foreign exchange rate changes		835	(713)
Cash and cash equivalents at 1 January		204,621	138,571
Cash and cash equivalents at 30 June	13	106,600	87,233

The notes on pages 9 to 22 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 15 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 23.

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2016 are available from the Company’s principal place of business. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 March 2017.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment reporting

The Group manages its business by geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments.

Hong Kong: Provision of media sales, design and management services and production of advertisements

Mainland China: Provision of media sales services and production of advertisements

There are no sales between the reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenues and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

3. Segment reporting (continued)

Information regarding the Group's reportable segments for the six months ended 30 June 2017 and 2016 is set out below.

(a) Reportable segment revenues and profit or loss:

	Hong Kong		Mainland China		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue from external customers	163,389	191,293	—	—	163,389	191,293
Other revenue and other net income/(loss)	2,393	6,336	(67)	60	2,326	6,396
Reportable segment revenue, other revenue and other net income/(loss)	165,782	197,629	(67)	60	165,715	197,689
Reportable segment (loss)/profit	(5,593)	4,427	(137)	(15)	(5,730)	4,412
Depreciation and amortisation for the period	(1,276)	(6,633)	—	—	(1,276)	(6,633)

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

3. Segment reporting (continued)

(b) Reconciliations of reportable segment revenues and profit or loss are as follows:

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Operating revenue		
Reportable segment revenue, other revenue and other net income/(loss)	165,715	197,689
Unallocated other revenue and other net income/(loss)	8,251	189
Consolidated total operating revenue	173,966	197,878

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Profit or loss		
Reportable segment (loss)/profit	(5,730)	4,412
Unallocated other revenue and other net income/(loss)	8,251	189
Unallocated head office and corporate expenses	(12,664)	(13,281)
Consolidated loss before taxation	(10,143)	(8,680)

4. Revenue

The Group is principally engaged in the provision of media sales and design services and production of advertisements for transit vehicle exteriors and interiors, Multi-media On-Board (“MMOB” or “BUS-TV”), online portal, mobile apps, shelters and outdoor signages advertising businesses. The Group is also engaged in the provision of integrated marketing services covering these advertising platforms.

Revenue represents income from media sales, design and management services and production of advertisements, net of commission and rebate.

5. Other revenue and other net income/(loss)

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Other revenue		
Interest income from financial assets not at fair value through profit or loss	2,970	2,238
Sales of merchandise	—	6,317
Sundry revenue	394	23
	3,364	8,578
Other net income/(loss)		
Exchange gain/(loss)	5,216	(1,942)
Gain/(loss) on disposal of property, plant and equipment	1,997	(51)
	10,577	6,585

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

6. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Depreciation and amortisation	2,321	7,767
Interest income	(2,970)	(2,238)
Operating lease charges		
– land and buildings	1,666	3,030
Reversal of provision for onerous contracts, net	(10,095)	—

7. Income tax

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Current tax		
Provision for Hong Kong Profits Tax for the period	—	1,013
Under-provision in respect of prior years	193	—
	193	1,013
Provision for the PRC income tax for the period	282	305
	475	1,318
Deferred tax		
Reversal and origination of temporary differences	1,359	38
Income tax expense	1,834	1,356

The provision for Hong Kong Profits Tax for the period is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries in the PRC is charged at the appropriate current rates of taxation ruling in the PRC.

8. Dividends

- (a) No interim dividend is payable for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$Nil). Final dividends, if any, will be proposed at the full financial year end.
- (b) No final dividend in respect of the financial year ended 31 December 2016 approved and paid during the interim period (2016: HK\$Nil).

9. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$10,972,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$11,848,000) and the weighted average of 997,365,332 ordinary shares (six months ended 30 June 2016: 997,365,332 ordinary shares) in issue during the period.

(b) Diluted loss per share

There were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2017 and 2016 and diluted loss per share is the same as basic loss per share.

10. Amounts due from/(to) group companies

- (a) The amount due to ultimate holding company is unsecured, interest-free and has no fixed terms of repayment.
- (b) The amounts due from/(to) fellow subsidiaries are unsecured, interest-free, repayable on demand and represent normal trade receivables and payables. The amounts due from fellow subsidiaries are neither past due nor impaired.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

11. Accounts receivable

As of the end of the reporting period, the ageing analysis of accounts receivable, based on the due date and net of allowance of doubtful debts, is as follows:

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Neither past due nor impaired	40,849	52,161
Within one month past due	13,068	21,662
Over one month but within two months past due	7,419	6,616
Over two months but within three months past due	2,785	3,449
Over three months but within one year past due	13,340	14,697
Over one year past due	368	2,569
	77,829	101,154

According to the Group's credit policy, credit period granted to customers is generally within 90 days. Therefore, all the balances which are not past due as disclosed above are within three months from the invoice date.

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

12. Pledged bank deposits

Pursuant to certain licence agreements between subsidiaries of the Company and fellow subsidiaries and between subsidiaries of the Company and independent third parties, bank guarantees have been provided to the fellow subsidiaries and the third parties in respect of the subsidiaries' due performance and payment under the respective licence agreements. The Company has pledged bank deposits of HK\$78,343,000 (31 December 2016: HK\$78,343,000) to banks for the bank guarantees issued.

The remaining deposit amounting to HK\$1,000,000 (31 December 2016: HK\$Nil) has been pledged to secure banking facilities granted to the Group.

13. Bank deposits and cash

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Cash at bank and in hand	81,966	105,558
Bank deposits with original maturities within three months	24,634	99,063
Cash and cash equivalents for the purpose of the condensed consolidated cash flow statement	106,600	204,621
Bank deposits with original maturities over three months	273,948	193,333
	380,548	397,954

14. Accounts payable

Details of the ageing analysis of accounts payable at the end of the reporting period are as follows:

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Due within one month	911	1,977

Credit period granted to the Group by suppliers is generally within 90 days. All balances are all within three months from the invoice date.

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

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

15. Provision for onerous contracts

Having reviewed the Group's operations and considered the terms included in the tender invitation issued by KMB for a new licence relating to the BUS-TV business, the Group decided during the year ended 31 December 2016 not to submit a tender for this new licence, which would have succeeded the then existing licence due to expire on 30 June 2017. Consequently, a provision for onerous contracts of HK\$14,455,000 was recognised for the year ended 31 December 2016.

The Group remeasured the provision for onerous contracts and considered that following the expiry of the licence on 30 June 2017, it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation as at 30 June 2017. A reversal of provision for onerous contracts of HK\$14,455,000 was recognised for the six months ended 30 June 2017.

Given the increasingly keen price and market competition, a provision was made for onerous contracts relating to the Group's outdoor signages advertising business. The Group assessed that the unavoidable costs of meeting the obligations under related licences, which are all non-cancellable, may exceed the economic benefits expected to be received therefrom and, therefore, considered these licences to be onerous contracts. Consequently, a provision for onerous contracts of HK\$4,360,000 was recognised for the six months ended 30 June 2017.

16. Fair value measurement of financial instruments

Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2017 and 31 December 2016 except that amounts due from/(to) ultimate holding company and fellow subsidiaries are unsecured, interest-free and have no fixed repayment terms. Given these terms it is not meaningful to disclose their fair values.

17. Commitments

(a) Capital commitments

At 30 June 2017, the Group had the following capital commitments in relation to the purchase of property, plant and equipment not provided for in the interim financial report:

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Contracted for	456	—

(b) Operating lease commitments

At 30 June 2017, the Group's total future minimum lease payments under non-cancellable operating leases in respect of property and equipment are payable as follows:

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Within 1 year	3,293	3,350
After 1 year but within 5 years	1,350	2,970
	4,643	6,320

The Group leases property and equipment under operating leases. The leases run for an initial period of 1 to 5 years, with an option to renew the leases when all terms are renegotiated. The leases do not include any contingent rentals.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

17. Commitments (continued)

(c) Other commitments

Under certain exclusive licences to (i) conduct media sales agency and management business on selected bus shelters, (ii) solicit advertising business in respect of the interior and exterior panels of buses operated by KMB and Long Win Bus Company Limited (“Long Win”), and (iii) solicit advertising business on billboards and other advertising spaces owned by independent third parties, the Group has committed to pay licence fees or royalty fees at a pre-determined percentage of the net advertising rental received, subject to a guaranteed minimum amount, as at 30 June 2017 and 31 December 2016. Such licences will expire in periods ranging from 2017 to 2022. As at 31 December 2016, the Group has committed to pay licence fees at a pre-determined percentage of the net advertising rental received, subject to a guaranteed minimum amount for exclusive licences to conduct media sales management services for BUS-TV business on buses operated by KMB and Long Win. The future minimum guaranteed licence fees and royalty fees are payable as follows:

	At 30 June 2017 HK\$'000	At 31 December 2016 HK\$'000
Within 1 year	179,684	173,024
After 1 year but within 5 years	493,302	365,279
	672,986	538,303

The above licences typically run for an initial period of 32 to 72 months, and certain of the licences contain an option to renew the licence when all terms are renegotiated.

18. Material related party transactions

The Group had the following related party transactions during the six months ended 30 June 2017:

	Note	Expenses/(income)	
		Six months ended 30 June	
		2017	2016
		HK\$'000	HK\$'000
Licence fee and service fees for conducting BUS-TV business	(a)	10,942	10,269
Licence and royalty fees paid for the right to sell advertising space on bus shelters	(b)	8,982	10,715
Licence fee for the right to solicit advertising business at advertising space on bus interiors	(c)	11,250	11,100
Licence fee for the right to solicit advertising business at advertising space on bus exteriors	(d)	51,000	49,060
Rental expenses	(e)	—	715
Management fee and sales rebate	(f)	9,717	13,126
Service fee paid for logistic function	(g)	245	245
Key management personnel remuneration	(h)	4,256	3,838
Mobile data subscription fees	(i)	682	742
Consideration received from disposal of audio and visual equipment	(j)	(2,000)	—

Notes:

- (a) Licence fee and service fees were paid to a subsidiary of Transport International Holdings Limited (“TIH”), the ultimate holding company of the Company for conducting BUS-TV advertising business on buses operated by KMB and fitted with the BUS-TV broadcasting system. The amount payable by the Group at the end of the reporting period amounted to HK\$308,000 (31 December 2016: HK\$706,000).
- (b) Licence and royalty fees were paid for selling advertising spaces on certain bus shelters owned by a subsidiary of TIH. The amount receivable by the Group at the end of the reporting period amounted to HK\$366,000 (31 December 2016: HK\$600,000).
- (c) Licence fee was paid to a subsidiary of TIH for soliciting advertising business in respect of the interior panels and other interior spaces inside the compartments of buses operated by KMB. The amount receivable by the Group arising from advance payments at the end of the reporting period amounted to HK\$23,000 (31 December 2016: HK\$23,000).
- (d) Licence fee was paid to a subsidiary of TIH for marketing, displaying and maintaining advertisements at the exterior panels of the bodies of buses operated by KMB. The amount payable by the Group at the end of the reporting period amounted to HK\$27,000 (31 December 2016: amount receivable of HK\$167,000).
- (e) Rental expenses were paid to a subsidiary of TIH for leasing of properties amounted to HK\$Nil (2016: HK\$715,000). The amount payable by the Group at the end of the reporting period amounted to HK\$Nil (31 December 2016: HK\$Nil).

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

18. Material related party transactions (continued)

Notes: (continued)

- (f) Management fee amounting to HK\$10,207,000 (2016: HK\$12,234,000) and write back of over-provision of sales rebate amounting to HK\$490,000 (2016: sales rebate of HK\$892,000) were paid to JCDecaux Cityscape Limited ("JCDecaux Cityscape"), a fellow subsidiary of a non-controlling shareholder of a subsidiary of the Company, for the provision of management and agency services in relation to bus shelters. The amount payable to JCDecaux Cityscape at the end of the reporting period amounted to HK\$899,000 (31 December 2016: HK\$212,000).
- (g) The Group paid a service fee to JCDecaux Cityscape for the logistic function provided to the Group in relation to the bus shelters under the media sales business. The amount due to JCDecaux Cityscape at the end of the reporting period amounted to HK\$41,000 (31 December 2016: HK\$41,000).
- (h) Remuneration for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Short-term employee benefits	4,212	3,793
Post-employment benefits	44	45
	4,256	3,838

- (i) Mobile data subscription fees were paid to a subsidiary of a substantial shareholder of the ultimate holding company of the Group for mobile data transmission services. The amount payable by the Group at the end of the reporting period amounted to HK\$114,000 (31 December 2016: HK\$125,000).
- (j) Consideration was received from disposal of audio and visual equipment from a subsidiary of TIH amounted to HK\$2,000,000 (2016: HK\$Nil). The amount receivable by the Group at the end of the reporting period amounted to HK\$Nil (31 December 2016: HK\$Nil).



Review Report to The Board of Directors of RoadShow Holdings Limited

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 4 to 22 which comprises the consolidated statement of financial position of RoadShow Holdings Limited as of 30 June 2017 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a 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.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 August 2017

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

The Directors who held office at 30 June 2017 had the following interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO:

Interests in issued shares

The Company: Ordinary shares of HK\$0.1 each						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Total number of shares held	% of total issued shares
Ms Winnie NG (Note 1)	1,000,000	—	—	123,743	1,123,743	0.1%

Transport International Holdings Limited ("TIH") (Note 2): Ordinary shares of HK\$1.0 each						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Total number of shares held	% of total issued shares
Dr John CHAN Cho Chak	2,000	—	—	—	2,000	0.0%
Ms Winnie NG (Note 3)	181,416	—	—	22,681,536	22,862,952	5.4%
Mr LEE Luen Fai (Note 4)	—	30,000	—	—	30,000	0.0%

Notes:

- Ms Winnie NG has interest in 123,743 shares of the Company as a beneficiary of certain private trusts which beneficially held the shares.
- TIH is the ultimate holding company of the Company.
- Ms Winnie NG has interest in 22,681,536 shares of TIH as a beneficiary of certain private trusts which beneficially held the shares.
- Mr LEE Luen Fai has interest in 30,000 shares of TIH which represented the interests held by his spouse.

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

Directors' Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance to which the Company, or any of 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 Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

At 30 June 2017, the interests or short positions of the persons (not being Directors and chief executives 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 of Hong Kong Limited 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	Ordinary shares of HK\$0.1 each			% of total issued shares
	Registered shareholders	Corporate interests	Total number of shares held	
Sun Hung Kai Properties Limited ("SHKP") (Note 2)	—	741,080,210	741,080,210	74.30%
TIH (Note 1)	—	728,127,410	728,127,410	73.01%
KMB Resources Limited	728,127,410	—	728,127,410	73.01%

Notes:

1. KMB Resources Limited owned 728,127,410 shares of the Company. KMB Resources Limited was a wholly-owned subsidiary of TIH, which was accordingly deemed to be interested in the same number of shares held by KMB Resources Limited in the Company under the SFO.
2. As SHKP was interested in more than one-third of the issued share capital of TIH, it was deemed to be interested in 728,127,410 shares of the Company held through TIH for the purpose of Part XV of the SFO. In addition, SHKP was deemed to be interested in a total of 12,952,800 shares of the Company held by certain of its wholly-owned subsidiaries for the purpose of Part XV of the SFO.

Apart from the foregoing, no other interests or short positions required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Changes in Information of Directors

The changes in information of the Directors since the date of the 2016 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Name of Director	Details of the changes
Dr John CHAN Cho Chak	<ul style="list-style-type: none">• He has ceased to be a Director of the Community Chest of Hong Kong and a Member of its Executive Committee with effect from 20 June 2017.
Ms Winnie NG	<ul style="list-style-type: none">• She has been appointed a Justice of the Peace with effect from 30 June 2017.• She completed the 6-year term as a Member of Employees Retraining Board until 31 March 2017 and the 4-year term as the Convenor of its Course Vetting Committee until 31 March 2017.• She completed the 18-year term as a Public Relations Committee Member of the Community Chest of Hong Kong until 19 June 2017 and completed the 6-year term as a Director of Vocational Training Council until 30 June 2017.
Mr LOH Chan Stephen	<ul style="list-style-type: none">• He has ceased to be an Independent Non-Executive Director of Hong Kong Economic Journal with effect from 1 July 2017.
Mr John Anthony MILLER	<ul style="list-style-type: none">• He has retired as a Non-Executive Director of Transport International Holdings Limited and The Kowloon Motor Bus Company (1933) Limited with effect from 18 May 2017.
Mr Allen FUNG Yuk Lun	<ul style="list-style-type: none">• He has become a member of the Advisory Committee on Gifted Education of Education Bureau, the Government of the Hong Kong Special Administrative Region with effect from 1 April 2017.
Dr Carlye Wai-Ling TSUI	<ul style="list-style-type: none">• She has ceased to be a Member of the Communications Authority with effect from 31 March 2017.
Professor Stephen CHEUNG Yan Leung	<ul style="list-style-type: none">• He was bestowed the Distinction of Officier dans l'Ordre des Palmes Académiques on 6 June 2017 by the French Government.• He has ceased to be a board member of the Hong Kong Sports Institute Limited with effect from 31 March 2017.• He has ceased to be the Chairman of Nursing and Midwifery Sub-group of the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development and a member of the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development with effect from 30 June 2017.

Name of Director	Details of the changes
Mr LEE Luen Fai	<ul style="list-style-type: none"> He has ceased to be an Associate Member of Central Policy Unit of the Government of the Hong Kong Special Administrative Region and a Member of Hong Kong Advisory Council on AIDS with effect from 1 July 2017 and 1 August 2017 respectively.

Save as disclosed above, there is no other information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Compliance with the Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2017.

Compliance with the Code for Securities Transactions by Directors

The Company has adopted its own Code for Securities Transactions by Directors (the “Securities Code”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the Securities Code throughout the six months ended 30 June 2017.

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 the unaudited interim financial report for the six months ended 30 June 2017. The review of the unaudited interim financial report was conducted with the Group’s external auditors, KPMG. The review report of the external auditors is set out on page 23 of this interim report.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board
John CHAN Cho Chak
Chairman

Hong Kong, 15 August 2017

Corporate Directory

Board of Directors

Dr John CHAN Cho Chak[#] — Chairman
GBS, JP, DBA (Hon), DSocSc (Hon), BA, DipMS, CCMI, FCILT, FHKIoD

Ms Winnie NG[#] — Deputy Chairman
JP, BA, MBA (Chicago), MPA (Harvard), FCIM, CMILT, MHKIoD

Mr YUNG Wing Chung[#] — Deputy Chairman

Mr LOH Chan Stephen⁺ — Managing Director
BSocSc, EMBA

Dr Carlye Wai-Ling TSUI*
BBS, MBE, JP, DProf, BA(Econ), FHKIoD, FHKMA, FBCS, CITP, FHKIE, HonFACE, PDipCD

Dr Eric LI Ka Cheung*
GBS, OBE, JP, LLD, DSocSc, HonDSocSc (EdUHK), BA, FCPA (Practising), Hon HKAT, FCA, FCPA (Aust.), FCIS, FHKIoD

Professor Stephen CHEUNG Yan Leung*
BBS, JP, FHKIoD

Dr John YEUNG Hin Chung*
SBS, OBE, JP, FHKIoD

Mr MAK Chun Keung[#]

Mr John Anthony MILLER[#]
SBS, OBE, MPA (Harvard), BA (London), FHKIoD

Mr Allen FUNG Yuk Lun[#]
BA, Ph.D.

Mr LEE Luen Fai[#]
BA

⁺ *Executive Director*

[#] *Non-Executive Director*

^{*} *Independent Non-Executive Director*

Company Secretary

Ms Christine MAK Lai Hung
ACS, ACIS

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本中期報告亦可在本公司之網站下載：

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