

Financial Review

財務回顧

For the year ended 31 December
截至十二月三十一日止年度

	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Total operating revenue 經營收益總額	173,377	173,354
Total operating expenses 經營費用總額	210,965	103,093
(Loss)/profit attributable to shareholders 股東應佔(虧損)/盈利	(36,953)	55,027
Basic (loss)/earnings per share (in Hong Kong cents) 每股基本(虧損)/盈利(港仙)	(3.71)	5.56

The Group generates its turnover from the following geographical locations:

集團的營業額來自以下地區：

For the year ended 31 December
截至十二月三十一日止年度

	2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Hong Kong 香港	102,325	145,433
Mainland China 中國大陸	54,069	9,621
Turnover 營業額	156,394	155,054

Results

For the year ended 31 December 2003, the Group reported total operating revenue of HK\$173.4 million, representing a slight increase over the previous year. Compared to a profit attributable to shareholders of HK\$55.0 million in 2002, the Group recorded a loss attributable to shareholders in the amount of HK\$37.0 million, which included a provision against trade receivables of HK\$15.8 million and additional provisions/expenses made by the Group in 2003 for maintenance on the MMOB equipment, development of projects and licence and royalties (HK\$22.5 million (the "Expenses")). Additional expenses were incurred by the Group to devote more resources to upgrade its MMOB programme content to appeal to the transit vehicles passengers from different walks of life.

Revenues from the media sales and management business operated in both Hong Kong and Mainland China, continue to be the principal revenue source of the Group, with each accounting for approximately 59% and 31% respectively of the Group's total operating revenue for the year ended 31 December 2003.

Loss attributable to shareholders for the year ended 31 December 2003 was HK\$37.0 million as compared to a profit attributable to shareholders of HK\$55.0 million for the year ended 31 December 2002. Excluding the provision against trade receivables and Expenses, the Group would record a profit attributable to shareholders of about HK\$1.3 million for the year ended 31 December 2003.

業績

截至二零零三年十二月三十一日止年度，集團錄得經營收益總額港幣173,400,000元，較去年輕微上升。而相比二零零二年之股東應佔盈利港幣55,000,000元，集團錄得股東應佔虧損港幣37,000,000元，包括對應收帳款作出港幣15,800,000元撥備，以及本集團於二零零三年就流動多媒體設備之保養、項目發展、特許費及專利費所作出的額外撥備／開支（港幣22,500,000元（「該等開支」））。集團作出額外開支，是為了投入資源提升流動多媒體節目內容之質素，以吸引各界的公共客運車輛乘客。

集團的收益仍然主要來自其在香港及中國內地的媒體銷售及管理業務，各自分別佔集團截至二零零三年十二月三十一日止年度的經營收益總額約為59%及31%。

截至二零零三年十二月三十一日止年度之股東應佔虧損為港幣37,000,000元，而截至二零零二年十二月三十一日止年度則錄得股東應佔盈利港幣55,000,000元。若撇除對應收賬款之撥備以及該等開支，集團於截至二零零三年十二月三十一日止年度將錄得約港幣1,300,000元之股東應佔盈利。

Operating revenue

The year 2003 presented both challenges and opportunities. The first half of 2003 witnessed the continuation of the global economic downturn and a sluggish local economy. RoadShow, along with other commercial sectors, felt the impact of SARS in Hong Kong and a number of major cities in Mainland China and the poor economic environment. The Group recorded a drop in total operating revenue as compared to the first half of 2002 as most advertisers adopted a conservative approach in their marketing activities during the SARS crisis. However, both the global and local business environment experienced a turnaround in the second half of 2003. Around the end of the third quarter of 2003, the signing of CEPA and the lifting of travel restrictions on individuals residing in eight Guangdong cities, Shanghai and Beijing gave a boost to the local economy. The market sentiment improved leading to a growth in spending patterns. As a result, the Group saw a rebound in its total operating revenue in the second half of 2003, doubling the corresponding period of 2002.

In 2003, RoadShow generated operating revenue of approximately HK\$54.1 million (2002: HK\$9.6 million) from its outdoor media sales business in Mainland China due in large part to the Group becoming a multi-dimensional service provider. Media sales and management services were provided utilising a wide range of media assets, from panel light boxes, billboards, bus bodies and bus shelters to telephone booths, and expanding beyond buses to the Guangzhou Metro mass transit system.

Operating expenses

Total operating expenses increased from HK\$103.1 million in 2002 to HK\$211.0 million in 2003. Entering 2003, the Group had established footholds in Beijing, Shanghai, Guangzhou and Shenzhen, and this led to the increase in operating expenses. The Group also incurred additional expenses and devoted more resources to enhance the quality of its MMOB

經營收益

二零零三年充滿挑戰與機遇，全球經濟於上半年未能擺脫衰退，本港經濟亦未見起色。路訊通與其他公司亦受到香港以至中國大陸多個主要城市爆發非典型肺炎以及經濟環境疲弱的影響。由於大部份廣告商在非典型肺炎肆虐之時展開市場推廣活動格外審慎，所以集團的經營收益總額較二零零二年上半年下跌。幸全球以至本地營商環境於二零零三年下半年步出谷底，二零零三年第三季末簽訂更緊密經貿關係安排以及放寬廣東省之八個城市以及上海、北京居民的個人旅遊的限制等措施成功推動本地經濟復甦。隨著市場氣氛改善，消費模式亦再現增長，令集團的經營收益總額於二零零三年下半年反彈，較二零零二年同期增長一倍。

二零零三年，集團成功擠身全方位服務供應商之列，故路訊通在中國大陸的戶外媒體銷售業務錄得約港幣54,100,000元（二零零二年度為港幣9,600,000元）的經營收益。集團利用多種媒體資產，計有廣告燈箱、廣告牌、公共汽車車身、公共汽車候車亭及公用電話亭等提供優質媒體銷售及管理服務，並將媒體資產的範疇由公共汽車拓展至廣州地鐵集體運輸系統。

經營開支

經營開支總額由二零零二年的港幣103,100,000元上升至二零零三年的港幣211,000,000元。集團於二零零三年打入北京、上海、廣州及深圳四地市場，故經營開支亦隨之上升。為提升流動多媒體節目內容之質素，將流動多媒體之設備升級，以吸引各界的公共客運車輛

programme contents and to upgrade the MMOB equipment to appeal to transit vehicle passengers from different walks of life. The Group's 2003 operating expenses included a provision against trade receivables of HK\$15.8 million and Expenses (HK\$22.5 million). Save for the provision against trade receivables and Expenses incurred by the Group, the Group's total operating expenses amounted to HK\$172.7 million.

Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2003 (2002: a final dividend of HK2 cents per share).

Cash flow

In 2003, the net cash generated from operating activities of the Group was HK\$19.8 million (2002 : HK\$32.7 million). Payment for capital expenditure in 2003 amounted to HK\$54.6 million (2002 : HK\$0.5 million). The consolidated cash flow statement of the Group for the year ended 31 December 2003 is set out on page 58 of this annual report.

Liquidity and financial resources

At 31 December 2003, the Group had net current assets of HK\$432.4 million (2002 : HK\$590.7 million) and total assets of HK\$1,083.1 million (2002 : HK\$1,042.6 million).

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.

乘客。集團於二零零三年之經營開支包括對應收帳款作出港幣15,800,000元撥備，以及集團於二零零三年就該等開支(港幣22,500,000元)作出額外撥備／開支。除就應收帳款撥備以及錄得該等開支外，本集團之經營開支總額為港幣172,700,000元。

股息

董事並不建議派發截至二零零三年十二月三十一日止年度之末期股息(二零零二年度末期股息為每股2港仙)。

現金流量

二零零三年內，集團來自經營活動的現金淨額為港幣19,800,000元(二零零二年度為港幣32,700,000元)。二零零三年度的資本開支為港幣54,600,000元(二零零二年度為港幣500,000元)。集團截至二零零三年十二月三十一日止年度的綜合現金流量報表載於本年報第58頁。

流動資金及財務資源

於二零零三年十二月三十一日，集團的流動資產淨值為港幣432,400,000元(二零零二年度為港幣590,700,000元)，而總資產值為港幣1,083,100,000元(二零零二年度為港幣1,042,600,000元)。

集團的現金需要主要是用作支持其媒體銷售及管理業務的營運資金，集團持有充裕現金以應付業務擴充及發展的潛在需要。

Bank loans

At 31 December 2003, the Group had bank loans amounting to HK\$138.0 million (2002 : HK\$128.0 million), of which loans totalling HK\$100.0 million (2002 : HK\$100.0 million) were secured by fixed deposits placed with the bank. The gearing ratio, representing the ratio of bank borrowings less pledged bank deposits to the total share capital and reserves of the Group was 5% at 31 December 2003 (2002 : 3%). The maturity profile of the bank loans of the Group is set out in note 23 on the financial statements on page 85 of this annual report.

Banking facilities

At 31 December 2003, the Group had banking facilities totalling HK\$200.0 million (2002 : HK\$200.0 million).

Cash and deposits at banks

At 31 December 2003, the Group's cash and deposits at banks amounted to HK\$534.7 million, comprising cash and cash equivalents of HK\$434.7 million (2002 : HK\$509.0 million) and pledged bank deposit of HK\$100.0 million (2002 : HK\$100.0 million), and they were mainly denominated in Hong Kong Dollars and US Dollars. Cash generated from operations, when not needed for working capital, is principally placed in bank deposits. At 31 December 2003, the proceeds from the initial public offering in 2001 which had not been utilised had been placed into bank deposits.

Capital expenditure and capital commitment

Capital expenditure incurred by the Group during 2003 amounted to HK\$108.2 million (2002 : HK\$0.5 million). The breakdown of the capital expenditure incurred is shown in note 12 on the financial statements on page 77 of this annual report.

銀行貸款

於二零零三年十二月三十一日，集團的銀行貸款為港幣138,000,000元（二零零二年度為港幣128,000,000元）。貸款合共港幣100,000,000元（二零零二年度為港幣100,000,000元）乃以銀行定期存款作抵押。於二零零三年十二月三十一日的資本負債比率（為集團銀行貸款減已抵押銀行存款與股本及儲備總額的比率）為5%（二零零二年度為3%）。集團銀行貸款的到期情況載於本年報第85頁的財務報表附註23。

銀行信貸額

於二零零三年十二月三十一日，集團的銀行信貸額合共港幣200,000,000元（二零零二年度為港幣200,000,000元）。

現金及銀行存款

於二零零三年十二月三十一日，集團的現金及銀行存款合共港幣534,700,000元，包括現金及現金等價物港幣434,700,000元（二零零二年度為港幣509,000,000元）及已抵押銀行存款港幣100,000,000元（二零零二年度為港幣100,000,000元）。全部均以港幣或美元結算。當從業務所賺取的現金毋須撥作營運資金時，則主要會存作銀行存款。於二零零三年十二月三十一日未獲動用的二零零一年首次公開招股所得款項已存作銀行存款。

資本開支及資本承擔

集團於二零零三年內的資本開支為港幣108,200,000元（二零零二年度為港幣500,000元）。資本開支的資料載於本年報第77頁之附註12。

Capital commitments outstanding and not provided for in the financial statements of the Group as at 31 December 2003 amounted to HK\$292.9 million (2002 : HK\$339.1 million) which is mainly for the upgrade of the existing MMOB system for the MMOB business and for potential investment and business development in Greater China. The commitments are to be financed by bank borrowings and/or internal resources of the Group.

Accounting standards and policies

The financial statements set out in pages 53 to 97 have been prepared in accordance with the requirements of the Listing Rules of the Stock Exchange, all applicable Hong Kong Financial Reporting Standard (which include all applicable Statements of Standard Accounting Practice and Interpretations) issued by the HKSA and the accounting principles generally accepted in Hong Kong.

Employees and emoluments policies

At 31 December 2003, the Group had 180 full-time employees in Hong Kong and Mainland China. The Group had adopted the Schemes, details of which are contained in the paragraph headed "Share options schemes" as described on page 48 of this annual report.

The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, it offers a performance bonus scheme to its senior staff based on achievement of business objectives and a sales commission scheme to its sales team based on achievement of advertising revenue targets. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance and participated in employee pension schemes organised and governed by the local governments for its employees in Mainland China.

於二零零三年十二月三十一日，經批准但並未在集團財務報表作出撥備之資本承擔為港幣292,900,000元(二零零二年度為港幣339,100,000元)，主要是為流動多媒體業務提升現有流動多媒體系統以及用於日後在大中華區進行投資及拓展業務。資本承擔的資金來源是銀行貸款及／或集團的內部資源。

會計準則及政策

載於第53頁至第97頁的財務報表乃根據聯交所上市規則、香港會計師公會頒佈的所有適用的香港財務報告準則(包括所有通用的《會計實務準則》及詮釋)及香港公認的會計原則的規定而編製。

僱員及酬金政策

於二零零三年十二月三十一日，集團在香港及中國內地有180名全職僱員。集團已採納該等計劃，詳情載於本年報第48頁「購股權計劃」一段。

集團向其全體僱員提供完善及具吸引力的酬金及福利。此外，集團亦為旗下高級職員提供一個以達成業務目標為基礎的表現花紅計劃，以及向旗下銷售隊伍推行一個以達成廣告收益目標為基礎的銷售佣金計劃。集團已根據強制性公積金計劃條例的規定為其香港僱員採納一項公積金計劃，並為中國內地僱員參與由地方政府組織及監管的僱員退休金計劃。

Connected transactions

For the year ended 31 December 2003, the Group had the following connected transactions, details of which are set out below:

(a) For the year ended 31 December 2003, the Group had the transactions with the following connected parties:-

Name of connected parties 關連人士名稱	Nature of transaction 交易性質	HK\$'000 港幣千元
(1) LW-Vision Limited (Note 1) (附註1)	Licence fee payable by RoadShow Media Limited ("RoadShow Media") in connection with the provision of media sales services on the MMOB systems 由 RoadShow Media Limited (「RoadShow Media」) 就於流動多媒體系統提供媒體銷售服務而支付特許費。	46
(2) Long Win Bus Company Limited (Note 2) 龍運巴士有限公司 (附註2)	Licence fee payable by RoadShow Media in connection with the provision of media sales services 由 RoadShow Media 就提供媒體銷售服務支付特許費。	1,325
(3) The Kowloon Motor Bus Company (1933) Limited (Note 3) 九龍巴士(一九三三)有限公司 (附註3)	Royalty fee payable by Bus Focus Limited (Note 4) in connection with the provision of media sales services for on-street furniture 由 Bus Focus Limited (附註4) 就街道設備提供媒體銷售服務支付專利費。	5,896
(4) Texon Media Limited (Note 5) (附註5)	Management fee payable by Bus Focus in connection with the provision of media sales services for on-street furniture 由 Bus Focus 就街道設備提供媒體銷售服務支付管理費。	8,952

Notes:

- LW-Vision Limited ("LW-Vision") is an indirect 95%-owned subsidiary of the Company and an indirect 5%-owned investments of KMB.
- Long Win Bus Company Limited ("LWB") is an indirect wholly-owned subsidiary of KMB.
- The Kowloon Motor Bus Company (1933) Limited ("KMB (1933)") is an indirect wholly-owned subsidiary of KMB.
- Bus Focus Limited ("Bus Focus") is an indirect 60%-owned subsidiary of the Company and a direct 40%-owned associate of Immense Prestige Limited ("IPL"). IPL is a wholly-owned subsidiary of Texon International Limited ("TIL").
- Texon Media Limited ("Texon") is a wholly-owned subsidiary of TIL.

關連交易

集團在截至二零零三年十二月三十一日止年度所進行的關連交易之詳情如下：

(a) 截至二零零三年十二月三十一日止年度，集團與下列關連人士進行以下交易：

附註：

- LW-Vision Limited (「LW-Vision」) 是本公司間接持有95%權益之附屬公司，並且是九巴間接持有5%權益的投資項目。
- 龍運巴士有限公司 (「龍運」) 是九巴間接全資擁有之附屬公司。
- 九龍巴士(一九三三)有限公司 (「九巴(一九三三)」) 是九巴間接全資擁有之附屬公司。
- Bus Focus Limited (「Bus Focus」) 是本公司間接擁有60%權益之附屬公司，並且是 Immense Prestige Limited (「IPL」) 直接擁有40%權益之聯營公司。IPL是Texon International Limited (「TIL」) 全資擁有之附屬公司。
- Texon Media Limited (「Texon」) 是TIL全資擁有之附屬公司。

(b) For the year ended 31 December 2003, the service fee paid or payable by KMB Public Bus Services Holdings Limited, an indirect wholly-owned subsidiary of KMB, to RoadShow Media arising from or in connection with the provision of media sales management and administrative services by RoadShow Media was HK\$18,529,000.

(c) For the year ended 31 December 2003, the fee paid or payable by RoadShow Media to KMB(1933) arising from or in connection with an office rental agreement between RoadShow Media and KMB(1933) was HK\$1,266,000.

(d) For the year ended 31 December 2003, the Group had the transactions with the following connected parties:-

Name of connected parties 關連人士名稱	Nature of transaction 交易性質	HK\$'000 港幣千元
(1) KM-Vision Limited (Note 1) (附註1)	Shareholder's loan by RoadVision Holdings Limited ("RoadVision") to KM-Vision on the capital expenditure in connection with the purchase of MMOB equipment by RoadVision Holdings Limited ("RoadVision") 以股東貸款形式撥資 KM-Vision 的資本開支總額，用以採購流動多媒體設備。	202,350
(2) LW-Vision	Shareholder's loan by RoadVision to LW-Vision on the capital expenditure in connection with the purchase of MMOB equipment by RoadVision 以股東貸款形式撥資 LW-Vision 的資本開支總額，用以採購流動多媒體設備。	516

Note:

1. KM-Vision Limited ("KM-Vision") is an indirect 95%-owned subsidiary of the Company and an indirect 5%-owned investments of KMB.

(b) 截至二零零三年十二月三十一日止年度，九巴間接全資擁有之附屬公司KMB Public Bus Services Holdings Limited就其與RoadShow Media提供媒體銷售服務已支付或應支付的款項為港幣18,529,000元。

(c) 截至二零零三年十二月三十一日止年度，RoadShow Media就RoadShow Media與九巴(一九三三)之間一項辦公室租賃事宜向九巴(一九三三)已支付或應支付之款項為港幣1,266,000元。

(d) 截至二零零三年十二月三十一日止年度，集團與下列關連人士進行以下交易：

附註：

1. KM-Vision Limited ("KM-Vision")是本公司間接持有95%權益的附屬公司，並且是九巴間接持有5%權益的投資項目。

Independent Non-Executive Directors have reviewed and confirmed that the connected transactions as set out above which had been entered into by the Group are:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable than terms available to/ from (as appropriate) independent third parties;
- (iii) fair and reasonable so far as the shareholders of the Company are concerned; and
- (iv) in accordance with the waiver conditions granted by the Stock Exchange, that during the year
 - (1) the annual amount in respect of (a)(1) above did not exceed 3% of the Group's total turnover;
 - (2) the annual amount in respect of each of the connected transactions (a)(2) to (a)(4) and (b) above individually did not exceed 3% of the Group's total net tangible asset value;
 - (3) the annual amount in respect of (c) above did not exceed HK\$1,272,000;
 - (4) the annual amount in respect of (d)(1) above did not exceed HK\$220,000,000; and
 - (5) the annual amount in respect of (d)(2) above did not exceed HK\$16,500,000.

Use of proceeds

Since the listing of RoadShow on the Stock Exchange on the Listing Date, the Group has utilised approximately HK\$317.3 million for the development of, and the purchase of equipment for use in the MMOB business and for the acquisition of complementary businesses in China. The balance of the proceeds, which has not been utilised, has been deposited with licenced banks in Hong Kong.

獨立非執行董事已檢討上述集團進行之關連交易，並確認此等交易是：

- (i) 於集團日常及一般業務過程中訂立；
- (ii) 按一般商業條款或按不遜於提供予獨立第三者或由獨立第三者提供(視適用情況而定)的條款訂立；
- (iii) 對公司股東而言公平合理；及
- (iv) 符合聯交所訂立之豁免條件，即於本年度內：
 - (1) 上文(a)(1)項所指的年度金額不超過集團營業總額的3%；
 - (2) 上文(a)(2)項至(a)(4)項及(b)項各項所指的年度金額不超過集團有形資產淨值的3%；
 - (3) 上文(c)項所指的年度金額不超過港幣1,272,000元；
 - (4) 上文(d)(1)項所指的年度金額不超過港幣220,000,000元；及
 - (5) 上文(d)(2)項所指的年度金額不超過港幣16,500,000元。

運用所得收益

自路訊通於上市日期在聯交所上市以來，集團為採購流動多媒體業務所使用的設備及購置發展流動多媒體系統節目內容及收購中國大陸的配套業務而付出港幣約317,300,000元，餘下所得收益已存入香港持牌銀行作為存款。

Corporate Governance

Over the years, the Group has placed strong emphasis on maintaining high standards of corporate governance. This policy and culture ensure that the Group's corporate decision-making process, internal control, disclosure of information and communication with shareholders is conducted in accordance with sound management practices and in full compliance with the regulatory standards.

Board of Directors

The Company's Board of Directors is composed of 11 Directors, two of whom are Independent Non-executive Directors. Board meetings are normally held semi-annually to discuss and decide major corporate and strategic issues.

Audit Committee

The Group's 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. Three Audit Committee meetings were held during 2003. After each meeting, the Chairman of the Audit Committee reported to the Board of Directors on significant issues.

Remuneration Committee

The Group established the Remuneration Committee in March 2004 and comprises three Non-executive Directors, two of whom are Independent Non-executive Directors. The Remuneration Committee is responsible for making recommendation to the Board regarding the Company's framework of directors' remunerations.

Enhanced Shareholder Value

The Group conducts its businesses based on high standards of corporate governance. The corporate decision-making process is carried out in an honest, open and systematic manner. Through maintaining and inspiring investors' confidence in the Group's management and internal controls, we work to further enhance the value of the Group for our shareholders.

企業管治

集團多年來一直致力保持最高水平的企業管治。此政策及企業文化確保集團之企業決策程序、內部監控、資料披露以及與股東之溝通均符合優質管理要求，並充分遵守監管標準。

董事會

本公司董事會由十一名董事組成，其中二人為獨立非執行董事。董事會通常每半年召開一次會議，商討及議決重大企業及策略事宜。

審核委員會

集團之審核委員會由三名非執行董事所組成，其中兩位為獨立非執行董事。審核委員會每半年召開會議，與高級管理層一同檢討集團所採用的會計原則及常規，財務報告之準確性及公平性，及內部與外部審核工作的範疇。審核委員會並須確保集團採用有效的內部監控程序及常規。審核委員會於二零零三年召開三次會議，其主席於每次會後均就重大議題向董事會匯報。

薪酬委員會

集團於二零零四年三月成立薪酬委員會。薪酬委員會由三名非執行董事組成，其中兩名為獨立非執行董事。薪酬委員會負責就本公司董事酬金的框架向董事會提出建議。

提升股東價值

本集團要求自身的營運符合最高企業管治水平，以坦誠、公開及有系統的方式落實企業決策程序。我們透過維持和加強投資者對本集團的管理層及內部監控之信心，從而提升集團對股東的價值。