

# FINANCIAL REVIEW

## 財務回顧

### Financial Highlights

#### 財務摘要

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

	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Total operating revenue 經營收益總額	<b>290,496</b>	243,367
Total operating expenses 經營費用總額	<b>189,995</b>	179,342
Profit attributable to equity shareholders 股東應佔盈利	<b>26,270</b>	20,114
Basic earnings per share (in Hong Kong cents) 每股基本盈利 (港幣仙)	<b>2.63</b>	2.02

The Group generates its operating revenue 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

	2005			2004		
	Group 集團	Share of associate 應佔聯營公司	Total 總計	Group 集團	Share of associate 應佔聯營公司 (restated) (重列)	Total 總計 (restated) (重列)
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>Segment revenue</b>	<b>地區營業額</b>					
Hong Kong	<b>134,613</b>	-	<b>134,613</b>	122,595	-	122,595
Mainland China	<b>56,492</b>	<b>77,808</b>	<b>134,300</b>	59,370	45,307	104,677
Total	<b>191,105</b>	<b>77,808</b>	<b>268,913</b>	181,965	45,307	227,272
<b>Segment results</b>	<b>地區業績</b>					
Hong Kong	<b>27,842</b>	-	<b>27,842</b>	22,970	-	22,970
Mainland China	<b>*(14,599)</b>	<b>12,129</b>	<b>(2,470)</b>	*(6,946)	9,454	2,508
Total	<b>13,243</b>	<b>12,129</b>	<b>25,372</b>	16,024	9,454	25,478
Unallocated operating income and expenses			<b>9,450</b>			2,694
Finance costs			<b>(2,385)</b>			(1,348)
Income tax			<b>(5,267)</b>			(3,053)
Profit for the year			<b>27,170</b>			23,771
<b>Attributable to:</b>	<b>應佔如下：</b>					
Equity shareholders of the Company			<b>26,270</b>			20,114
Minority interests			<b>900</b>			3,657
			<b>27,170</b>			23,771

\* This figure includes segment results of losses of HK\$7,049,000 (2004 : HK\$2,398,000) attributable to minority interests.

\* 此數字包括少數股東權益應佔地區業績虧損港幣7,049,000元 (二零零四年：港幣2,398,000元)。

## Results

### 業績

The Group achieved significant operational and financial improvement in 2005 as compared to 2004. For the year ended 31 December 2005, the Group reported total operating revenue of HK\$290.5 million, representing a 19.4% increase over the previous year; operating revenue included the Group's turnover, share of an associate's turnover and other revenue. The Group recorded a profit attributable to shareholders of HK\$26.3 million in 2005 as compared to HK\$20.1 million in 2004. This profit is composed of profits derived from its Hong Kong operations and Mainland China operations of HK\$19.8 million (2004 : HK\$12.6 million) and HK\$6.5 million (2004 : HK\$7.5 million) respectively. The Group continues to maintain a strong financial position with total cash and bank balances of HK\$452.3 million at 31 December 2005 (2004 : HK\$521.5 million).

與二零零四年比較，集團於二零零五年在經營及財政上取得顯著改善。於截至二零零五年十二月三十一日止年度，集團錄得經營收益總額港幣290,500,000元，較去年上升19.4%；經營收益包括集團營業額、應佔聯營公司營業額及其他收益。與二零零四年的股東應佔盈利港幣20,100,000元比較，集團於二零零五年錄得股東應佔盈利港幣26,300,000元。盈利來自其香港及中國大陸業務分別為港幣19,800,000元（二零零四年：港幣12,600,000元）及港幣6,500,000元（二零零四年：港幣7,500,000元）。集團繼續維持穩健的財政狀況，於二零零五年十二月三十一日的現金及銀行結餘總額為港幣452,300,000元（二零零四年：港幣521,500,000元）。

## Operating Revenue

### 經營收益

For the year ended 31 December 2005, the Group reported a total operating revenue of HK\$290.5 million. The total operating revenue was derived principally from our media sales business operated in both Hong Kong and Mainland China, with each accounting for approximately 46% of the total operating revenue for the year ended 31 December 2005. The operating revenue generated from our Hong Kong and Mainland media sales business increased from HK\$122.6 million and HK\$104.7 million to HK\$134.6 million and HK\$134.3 million, representing an increase of 10% and 28%, respectively. The increase in the operating revenue was mainly due to the sales efforts made by the staff of the Group and the associate, and the improved overall economic environment in Hong Kong and Mainland China.

截至二零零五年十二月三十一日止年度，集團錄得經營收益總額港幣290,500,000元。經營收益總額主要來自我們在香港及中國大陸經營的媒體銷售業務，各自分別佔截至二零零五年十二月三十一日止年度的經營收益總額約46%。集團在香港及中國大陸的媒體銷售業務所產生的經營收益分別由港幣122,600,000元及港幣104,700,000元上升10%及28%至港幣134,600,000元及港幣134,300,000元。經營收益的增加主要由於集團及聯營公司員工在銷售方面的努力，以及香港及中國大陸的整體經濟環境改善所致。

## Operating Expenses

### 經營費用

The Group's operating expenses increased by HK\$10.7 million from HK\$179.3 million to HK\$190.0 million as depreciation and amortisation expenses increased by HK\$3.7 million from HK\$35.9 million to HK\$39.6 million. The increase in depreciation and amortisation expenses reflected the full operation of the bus shelters in Beijing. In 2004, the construction of the bus shelters was completed in October.

由於折舊及攤銷費用由港幣 35,900,000 元增加港幣 3,700,000 元至港幣 39,600,000 元，故集團的經營費用由港幣 179,300,000 元增加港幣 10,700,000 元至港幣 190,000,000 元。折舊及攤銷費用增加乃反映北京公共汽車候車亭的全面運作。北京公共汽車候車亭的建設於二零零四年十月竣工。

## Dividend

### 股息

The Directors recommend the payment of a final dividend of HK1.7 cents per share for the year ended 31 December 2005 (2004 : HK1.4 cents per share). This represents a pay-out ratio of about 65% of the current year's profit.

董事建議就截至二零零五年十二月三十一日止年度派發末期股息每股港幣1.7仙（二零零四年：每股港幣1.4仙），派息率約為本年度盈利的 65%。

## Cash Flow

### 現金流量

In 2005, the cash generated from operations of the Group was HK\$72.7 million (2004: HK\$40.3 million). Payment for capital expenditure in 2005 amounted to HK\$3.4 million (2004: HK\$47.8 million). The consolidated cash flow statement of the Group for the year ended 31 December 2005 is set out on pages 70 to 71 of this Annual Report.

二零零五年內，集團來自經營活動的現金為港幣 72,700,000 元（二零零四年：港幣 40,300,000 元）。二零零五年度的資本開支為港幣 3,400,000 元（二零零四年：港幣 47,800,000 元）。集團截至二零零五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70頁至第71頁。

## Liquidity and Financial Resources

### 流動資金及財務資源

At 31 December 2005, the Group had net current assets of HK\$484.3 million (2004 : HK\$425.7 million) and total assets of HK\$984.0 million (2004 : HK\$1,092.4 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.

於二零零五年十二月三十一日，集團的流動資產淨值為港幣 484,300,000 元（二零零四年：港幣 425,700,000 元），而資產總值為港幣 984,000,000 元（二零零四年：港幣 1,092,400,000 元）。

集團的現金需要主要是用作支持其媒體銷售業務的營運資金，而集團現時持有的充裕現金足以應付業務擴充及發展的潛在需要。

## Bank Loans

### 銀行貸款

At 31 December 2005, the Group had a bank loan amounting to HK\$38.0 million (2004 : HK\$138.0 million). The gearing ratio, representing the ratio of bank borrowings to the total share capital and reserves of the Group was 4.5% at 31 December 2005 (2004 : 16.7%). The maturity profile of the bank loan of the Group is set out in note 24 to the financial statements on page 108 of this Annual Report.

於二零零五年十二月三十一日，集團的銀行貸款為港幣 38,000,000 元（二零零四年：港幣 138,000,000 元）。於二零零五年十二月三十一日的資本負債比率（為集團銀行貸款與股本及儲備總額的比率）為 4.5%（二零零四年：16.7%）。集團銀行貸款的到期情況載於本年報第108頁的財務報表附註 24。

## Banking Facilities

### 銀行信貸額

At 31 December 2005, the Group had banking facilities totalling HK\$50.0 million (2004 : HK\$150.0 million).

於二零零五年十二月三十一日，集團的銀行信貸額合共港幣 50,000,000 元（二零零四年：港幣 150,000,000 元）。

## Bank Deposits and Cash

### 現金及銀行存款

At 31 December 2005, the Group's bank deposits and cash amounted to HK\$452.3 million (2004 : HK\$521.5 million) and they were mainly denominated in Hong Kong Dollars, US Dollars and Renminbi. Cash generated from operations, when not needed for working capital, is principally placed in bank deposits. At 31 December 2005, the proceeds from the Global Offering and the exercise of an over-allotment option by the underwriters on 18 July 2001 which had not been utilised were placed into bank deposits.

於二零零五年十二月三十一日，集團的銀行存款及現金合共港幣 452,300,000 元（二零零四年：港幣 521,500,000 元），主要以港幣、美元及人民幣為單位。當來自經營活動的現金毋須撥作營運資金時，則主要會存作銀行存款。於二零零五年十二月三十一日，在二零零一年七月十八日全球發售及包銷商行使超額購股權後尚未動用的所得款項仍然存作銀行存款。

## Capital Expenditures and Capital Commitments

### 資本開支及資本承擔

Capital expenditures incurred by the Group during 2005 amounted to HK\$3.4 million (2004 : HK\$47.8 million). The breakdown of the capital expenditures incurred is shown in notes 13 and 14 to the financial statements on pages 96 to 98 of this Annual Report.

Capital commitments outstanding and not provided for in the financial statements of the Group as at 31 December 2005 amounted to HK\$264.8 million (2004 : HK\$283.2 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.

集團於二零零五年內的資本開支為港幣 3,400,000 元（二零零四年：港幣 47,800,000 元）。資本開支的明細資料載於本年報第96頁至第98頁的財務報表附註 13 及 14。

於二零零五年十二月三十一日，經批准但並未於集團財務報表作出撥備之資本承擔為港幣 264,800,000 元（二零零四年：港幣 283,200,000 元），主要是為流動多媒體業務提升現有流動多媒體系統及大中華的潛在投資及業務發展。資本承擔的資金來源是銀行貸款及/或集團的內部資源。

## Accounting Standards and Policies

### 會計準則及政策

The financial statements set out on pages 65 to 121 have been prepared in accordance with the applicable disclosure requirements of the Listing Rules, all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

載於第65頁至第121頁的財務報表乃根據上市規則的所有適用披露規定、香港會計師公會頒佈的所有適用的香港財務報告準則，包括所有適用的個別香港財務報告準則、香港會計準則及詮釋、香港公認會計原則及香港公司條例的披露規定而編製。

## Employees and Remuneration Policies

### 僱員及薪酬政策

At 31 December 2005, the Group had 55 full-time employees in Hong Kong and 129 full-time employees in Mainland China. The Group had adopted a share option scheme, details of which are contained in the paragraph headed "Share option scheme" on pages 60 to 61 of this Annual Report.

於二零零五年十二月三十一日，集團於香港有 55 名全職僱員，於中國大陸則有 129 名全職僱員。集團已採納一項購股權計劃，詳情載於本年報第60頁至第61頁「購股權計劃」一段。

**Connected Transactions****關連交易**

[a] For the year ended 31 December 2005, the Group entered into the following continuing connected transactions, details of which are set out below:

集團在截至二零零五年十二月三十一日止年度所進行的關連交易的詳情如下：

(i) Name of connected parties 關連人士名稱	Nature of transaction 交易性質	HK\$'000 港幣千元	Cap amount approved by the independent shareholders 經獨立股東批准的金額上限 HK\$'000 港幣千元
[1] The Kowloon Motor Bus Company (1933) Limited [Note 1] 九龍巴士(一九三三)有限公司(附註1)	Royalty fee payable by Bus Focus Limited [Note2] to KMB in connection with the provision of media sales services for transit vehicle shelters owned by KMB 由Bus Focus Limited(附註2)就為九巴擁有的客運車輛候車亭提供媒體銷售服務向九巴支付專利費	6,996	8,200
[2] JCDecaux Texon Limited (formerly known as Texon Media Limited) [Note3] (前稱Texon Media Limited)(附註3)	Management fee payable by Bus Focus to JCDecaux Texon in connection with the provision of media sales services for transit vehicle shelters owned by KMB 由Bus Focus就為九巴擁有的客運車輛候車亭提供媒體銷售服務向JCDecaux Texon支付管理費	10,670	13,000
[3] KMB Public Bus Services Holdings Limited [Note 4] (附註4)	Service fee payable by KMBPBS to RoadShow Media in connection with the provision of media sales management and administrative services by RoadShow Media in relation to advertising spaces located at the exterior panels of the bus bodies of KMB's transit vehicles 由KMBPBS就RoadShow Media為九巴客運車輛巴士車身外圍板位的廣告位提供媒體銷售管理及行政服務而應支付予RoadShow Media的服務費	17,603	20,000

**Notes:**

- The Kowloon Motor Bus Company (1933) Limited ("KMB") is an indirect wholly-owned subsidiary of TIH.
- 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 JCDecaux Texon International Limited ("JCDecaux TIL").
- JCDecaux Texon Limited ("JCDecaux Texon") is a wholly-owned subsidiary of JCDecaux TIL.
- KMB Public Bus Services Holdings Limited ("KMBPBS") is an indirect wholly-owned subsidiary of TIH.

**附註：**

- 九龍巴士(一九三三)有限公司(「九巴」)是載通間接全資擁有的附屬公司。
- Bus Focus Limited(「Bus Focus」)是本公司間接擁有60%權益的附屬公司，並且是Immense Prestige Limited(「IPL」)直接擁有40%權益的聯營公司。IPL是JCDecaux Texon International Limited(「JCDecaux TIL」)全資擁有的附屬公司。
- JCDecaux Texon Limited(「JCDecaux Texon」)是JCDecaux TIL全資擁有的附屬公司。
- KMB Public Bus Services Holdings Limited(「KMBPBS」)是載通間接全資擁有的附屬公司。

## Connected Transactions

(Continued)

### 關連交易 (續)

The Group entered into the above transactions with the connected parties in 2001. The Stock Exchange had granted a waiver to the Group from strict compliance with the relevant requirements of the Listing Rules in respect of the transactions on 18 June 2001. The waiver expired on 31 December 2004. Following the amendments of the Listing Rules, the transactions constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules which are subject to reporting, announcement and independent shareholders' approval requirements. The details of the above transactions had been disclosed in the announcement of the Company dated 24 November 2005. As the agreements regarding the above transactions have not expired, a special general meeting ("SGM") was held on 23 December 2005 for the purpose of considering and approving the non-exempt continuing transactions. The transactions were approved at the SGM.

集團於二零零一年與關連人士訂立上述交易。聯交所已於二零零一年六月十八日向集團授出豁免這些交易嚴格遵守上市規則的有關規定。該豁免已於二零零四年十二月三十一日屆滿。根據已修定的上市規則第 14A.35 條，上述交易構成非豁免持續關連交易，並須遵守申報、發出公告及獨立股東批准的規定。上述交易的詳情已於本公司二零零五年十一月二十四日的公告內披露。由於有關上述交易的協議尚未屆滿，故本公司已於二零零五年十二月二十三日就考慮及批准上述非豁免持續交易舉行了股東特別大會。這些交易已於股東特別大會上獲批准。

(ii) Name of connected parties 關連人士名稱	Nature of transaction 交易性質	HK\$'000 港幣千元	Cap amount disclosed in the announcement 已於公告披露的 金額上限 HK\$'000 港幣千元
[1] KMB 九巴	Rent payable by Roadshow Media for sublease of office premises from KMB RoadShow Media就向九巴分租辦事處物業應支付的租金	1,266	1,500
[2] JCDecaux Texon	Shortfall of guarantee rental receivable by Bus Focus in connection with the provision of media sales services for transit vehicle shelters owned by KMB Bus Focus就為九巴擁有的客運車輛候車亭提供媒體銷售服務應收取的保證金差額	577	9,500

## Connected Transactions

(Continued)

### 關連交易（續）

The Group entered into the above transactions with the connected parties in 2001. The Stock Exchange had granted a waiver to the Group from strict compliance with the relevant requirements of the Listing Rules in respect of the transactions on 18 June 2001. The waiver expired on 31 December 2004. Following the amendments of the Listing Rules, the transactions constitute non-exempt continuing connected transactions under Rule 14A.34 of the Listing Rules which are subject to reporting and announcement requirements. An announcement was made by the Company on 24 November 2005 in this respect.

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

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or on terms no less favourable than terms available to or from (as appropriate) independent third parties; and
- fair and reasonable and in the interests of the shareholders of the Company as a whole.

In addition, the Auditors of the Company confirmed that:

- the continuing connected transactions were approved by the Board;
- the continuing connected transactions were entered into in accordance with the relevant agreements; and
- the considerations for the continuing connected transactions did not exceed the respective caps set for the continuing connected transactions.

集團於二零零一年與關連人士訂立上述交易。聯交所已於二零零一年六月十八日向集團授出豁免這些交易嚴格遵守上市規則的有關規定。該豁免已於二零零四年十二月三十一日屆滿。根據已修訂的上市規則第14A.34條，上述交易構成非豁免持續關連交易，並須遵守申報及發出公告的規定。本集團已就此於二零零五年十一月二十四日發出公告。

獨立非執行董事已審閱集團上述(i)及(ii)項的持續關連交易，並確認此等交易是：

- 於集團日常及一般業務過程中訂立；
- 按一般商業條款或按不優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；及
- 公平合理及符合本公司股東的整體利益。

此外，本公司核數師已確認：

- 董事會已批准該等持續關連交易；
- 該等持續關連交易是根據有關協議訂立；及
- 該等持續關連交易的代價是不超過就持續關連交易設定的相關上限。

**Connected Transactions**

(Continued)

**關連交易 (續)**

[b] For the year ended 31 December 2005, the Group has the following balances with connected parties under the previous Listing Rules :

截至二零零五年十二月三十一日止年度，集團根據以前的上市規則與關連人士有以下結餘：

Name of connected parties 關連人士名稱	Nature of transaction 交易性質	HK\$'000 港幣千元	Cap amount granted by Stock Exchange 聯交所批准的 金額上限 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 for the capital expenditure in connection with the purchase of MMOB equipment 由 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	157,336	220,000
[2] LW - Vision Limited [Note 2] (附註2)	Shareholder's loan by RoadVision to LW-Vision for the capital expenditure in connection with the purchase of MMOB equipment 由 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	16,500

## Notes :

1. KM-Vision Limited ("KM-Vision") is an indirect 92%-owned subsidiary of the Company and an indirect 8%-owned investment of TIH.
2. LW-Vision Limited ("LW-Vision") is an indirect 95%-owned subsidiary of the Company and an indirect 5%-owned investment of TIH.

## 附註：

1. KM-Vision Limited (「KM-Vision」) 是本公司間接持有 92% 權益的附屬公司，並且是載通間接持有 8% 權益的投資項目。
2. LW-Vision Limited (「LW-Vision」) 是本公司間接持有 95% 權益的附屬公司，並且是載通間接持有 5% 權益的投資項目。

## Use of Proceeds

### 運用集資所得款項

Since the listing of RoadShow on the Stock Exchange, the Group has utilised approximately HK\$347.5 million for the development of, and the purchase of equipment for use in, the MMOB business and for the acquisition of complementary businesses in Mainland China. The balance of the proceeds, which has not been utilised, has been deposited with licensed banks in Hong Kong.

自路訊通於聯交所上市以來，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約港幣 347,500,000 元，餘下集資所得款項已存入香港持牌銀行作為存款。

## Corporate Governance

### 企業管治

Over the years, the Group has placed strong emphasis on maintaining high standards of corporate governance and believes good corporate governance provides a solid and sound framework to assist the Directors in fulfilling their duties and responsibilities to the Group. The Group's standards of corporate governance 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. The Corporate Governance Report of the Group for the year ended 31 December 2005 is set out on pages 44 to 55 of this Annual Report.

集團多年來一直致力保持最高水平的企業管治，並深信良好的企業管治產生穩固而健全的框架，從而有助董事為集團履行職責及責任。集團的企業管治水平，確保集團的企業決策程序、內部監控、資料披露以及與股東的溝通均符合優質管理要求，並充分遵守監管標準。集團截至二零零五年十二月三十一日止年度的企業管治報告載於本年報第44頁至第55頁。