

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

	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Total operating revenue 經營收入總額	<u>353,416</u>	<u>290,496</u>
Total operating expenses 經營費用總額	<u>214,072</u>	<u>189,995</u>
Profit attributable to equity shareholders 股東應佔盈利	<u>30,781</u>	<u>26,270</u>
Basic earnings per share (in Hong Kong cents) 每股基本盈利 (港幣仙)	<u>3.09</u>	<u>2.63</u>

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

	2006			2005		
	Group 集團 HK\$'000 港幣千元	Share of an associate 應佔一間 聯營公司 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元	Share of an associate 應佔一間 聯營公司 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue 地區營業額						
Hong Kong 香港	138,143	-	138,143	134,613	-	134,613
Mainland China 中國大陸	38,342	95,035	133,377	56,492	77,808	134,300
Total 總計	<u>176,485</u>	<u>95,035</u>	<u>271,520</u>	<u>191,105</u>	<u>77,808</u>	<u>268,913</u>
Segment results 地區業績						
Hong Kong 香港	7,753	-	7,753	27,842	-	27,842
Mainland China 中國大陸	*36,806	6,387	43,193	*(14,599)	12,129	(2,470)
Total 總計	<u>44,559</u>	<u>6,387</u>	<u>50,946</u>	<u>13,243</u>	<u>12,129</u>	<u>25,372</u>
Unallocated operating income and expenses 未予分配經營 收入及費用			(250)			9,450
Finance costs 財務費用			(1,631)			(2,385)
Gain on disposal of subsidiaries 出售附屬公司收益			12,677			-
Income tax 所得稅			(7,353)			(5,267)
Profit for the year 本年度盈利			<u>54,389</u>			<u>27,170</u>
Attributable to: 應佔如下：						
Equity shareholders of the Company 本公司股東			30,781			26,270
Minority interests 少數股東權益			<u>23,608</u>			<u>900</u>
			<u>54,389</u>			<u>27,170</u>

*This figure includes segment results of gains of \$18,076,000 (2005: losses of \$7,049,000) attributable to minority interests.

*此數字包括少數股東權益應佔地區業績收益港幣18,076,000元(二零零五年：虧損港幣7,049,000元)。

Results

For the year ended 31 December 2006, the Group reported total operating revenue of HK\$353.4 million, representing a 21.7% increase over the previous year; operating revenue included the Group's turnover, share of an associate's turnover, gain on disposal of media assets, other revenue and other net income. The Group recorded a profit attributable to shareholders of HK\$30.8 million in 2006 as compared to HK\$26.3 million in 2005. This profit derived from its Hong Kong operations and Mainland China operations was HK\$7.3 million (2005: HK\$19.8 million) and HK\$23.5 million (2005: HK\$6.5 million) respectively. The Group continues to maintain a strong financial position with bank deposits and cash balances (including pledged bank deposits) amounting to HK\$622.1 million as at 31 December 2006.

Operating Revenue

For the year ended 31 December 2006, the Group reported a total operating revenue of HK\$353.4 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 39% and 38% respectively of the total operating revenue for the year ended 31 December 2006. The operating revenue generated from our Hong Kong media sales business increased from HK\$134.6 million to HK\$138.1 million while that from the Mainland China media sales business decreased from HK\$134.3 million to HK\$133.4 million, representing an increase of 3% and a decrease of 1%, 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.

業績

截至二零零六年十二月三十一日止年度，集團錄得經營收入總額港幣353,400,000元，較去年上升21.7%；經營收入包括集團營業額、應佔一間聯營公司營業額、出售媒體資產收益、其他收入及其他收益淨額。與二零零五年的股東應佔盈利港幣26,300,000元比較，集團錄得股東應佔盈利港幣30,800,000元，來自香港及中國大陸業務的盈利分別為港幣7,300,000元（二零零五年：港幣19,800,000元）及港幣23,500,000元（二零零五年：港幣6,500,000元）。集團繼續維持穩健的財政狀況，於二零零六年十二月三十一日的銀行存款及現金結餘（包括已抵押銀行存款）為港幣622,100,000元。

經營收入

截至二零零六年十二月三十一日止年度，集團錄得經營收入總額港幣353,400,000元。經營收入總額主要來自香港及中國大陸經營的媒體銷售業務，各自分別佔截至二零零六年十二月三十一日止年度的經營收入總額約39%及38%。集團於香港的媒體銷售業務所產生的經營收入由港幣134,600,000元增至港幣138,100,000元，而集團於中國大陸的媒體銷售業務產生的經營收入則由港幣134,300,000元減至港幣133,400,000元，分別增加3%及減少1%。經營收入增加主要由於集團及聯營公司員工著力於銷售活動，以及香港及中國大陸的整體經營環境好轉所致。

Operating Expenses

The Group's operating expenses increased by HK\$24.1 million from HK\$190.0 million to HK\$214.1 million. Increase in operating expenses was mainly attributable to increase in royalty, licence and management fee of HK\$12.4 million and also impairment loss on goodwill and fixed assets of HK\$12.5 million and HK\$8.0 million respectively. The increase was partially set off by reduction in site rentals and depreciation and amortisation expenses by HK\$11.4 million and HK\$3.4 million respectively.

Dividend

The Directors recommend the payment of a final dividend of HK3.09 cents per share for the year ended 31 December 2006 (2005: HK1.70 cents per share). This represents a pay-out ratio of about 100% of the current year's profit.

Cash Flow

In 2006, the cash generated from the operations of the Group was HK\$97.2 million (2005: HK\$72.7 million). Payment for capital expenditure in 2006 amounted to HK\$2.9 million (2005: HK\$3.4 million). The consolidated cash flow statement of the Group for the year ended 31 December 2006 is set out on pages 68 to 69 of this Annual Report.

經營費用

集團經營費用由港幣190,000,000元增加港幣24,100,000元至港幣214,100,000元。經營費用增加主要由於專利費、特許費及管理費增加港幣12,400,000元，及商譽及固定資產減值虧損分別為港幣12,500,000元及港幣8,000,000元。而有關增加的部份影響則由場地租金及折舊與攤銷費用分別減少港幣11,400,000元及港幣3,400,000元所抵銷。

股息

董事建議就截至二零零六年十二月三十一日止年度派發末期股息每股港幣3.09仙（二零零五年：每股港幣1.70仙），派息率約為本年度盈利的100%。

現金流量

二零零六年內，集團來自經營活動的現金為港幣97,200,000元（二零零五年：港幣72,700,000元）。二零零六年度的資本開支為港幣2,900,000元（二零零五年：港幣3,400,000元）。集團截至二零零六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68頁至第69頁。

Liquidity and Financial Resources

Bank deposits and cash balance as at 31 December 2006 amounted to HK\$582.6 million (2005: HK\$452.3 million).

At 31 December 2006, the Group had a secured bank loan amounting to HK\$38.0 million (2005: unsecured bank loan of HK\$38.0 million) which is repayable within one year. The gearing ratio, representing the ratio of bank borrowings to the total share capital and reserves of the Group was 4.4% at 31 December 2006 (2005: 4.5%).

At 31 December 2006, the Group had net current assets of HK\$585.8 million (2005: HK\$484.3 million) and total assets of HK\$963.5 million (2005: HK\$984.0 million).

The Group's cash needs are primarily for working capital and to support its media sales business. At 31 December 2006, the Group had banking facilities totalling HK\$50.0 million (2005: HK\$50.0 million). The Group is confident that sufficient funds are maintained to meet the funding requirement for potential business expansion and development in near future.

Charge on Assets

Bank deposits of HK\$39.5 million (2005: HK\$Nil) were pledged to secure the Group's bank loan.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong Dollars, US Dollars and Renminbi. During the year, there was no material fluctuation in the exchange rates of Hong Kong Dollars and US Dollars. The appreciation in the current value of the Renminbi contributed positively to the Group's bottom line. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its balance sheet exposure in 2006. At 31 December 2006, 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.

流動資金及財務資源

於二零零六年十二月三十一日，銀行存款及現金結餘為港幣582,600,000元(二零零五年：港幣452,300,000元)。

於二零零六年十二月三十一日，集團須於一年內償還的有抵押銀行貸款為港幣38,000,000元(二零零五年：無抵押銀行貸款港幣38,000,000元)。於二零零六年十二月三十一日，資本負債比率(為銀行貸款佔集團股本及儲備金總額的比率)為4.4%(二零零五年：4.5%)。

於二零零六年十二月三十一日，集團的流動資產淨值為港幣585,800,000元(二零零五年：港幣484,300,000元)，而資產總值為港幣963,500,000元(二零零五年：港幣984,000,000元)。

集團的現金需要主要是用作營運資金及支持其媒體銷售業務。於二零零六年十二月三十一日，集團的銀行信貸額合共港幣50,000,000元(二零零五年：港幣50,000,000元)。集團深信已備有充裕資金以應付不久將來潛在業務擴充及發展的資金需要。

資產抵押

銀行存款港幣39,500,000元(二零零五年：港幣零元)已抵押以取得集團的銀行貸款。

匯率波動風險及相關對沖

集團的貨幣資產、貸款及交易主要以港幣、美元及人民幣為單位。年內，港幣及美元的匯率並無重大波動。人民幣幣值上升為集團的收支帶來正面貢獻。於二零零六年，集團並無進行任何衍生工具活動，亦無指定任何金融工具對沖其資產負債表風險。於二零零一年七月十八日通過全球發售及包銷商行使超額配股權後尚未動用的所得款項於二零零六年十二月三十一日已存作銀行存款。

Capital Expenditures and Capital Commitments

Capital expenditures incurred by the Group during 2006 amounted to HK\$2.9 million (2005: HK\$3.4 million). The breakdown of the capital expenditures incurred is shown in notes 13 and 14 on the financial statements on pages 91 to 93 of this Annual Report.

Capital commitments outstanding and not provided for in the financial statements of the Group as at 31 December 2006 amounted to HK\$195.9 million (2005: HK\$264.8 million) which is mainly for the upgrade of the existing MMOB system for the MMOB business. The commitments are to be financed by bank borrowings and/or internal resources of the Group.

Contingent Liabilities

As at 31 December 2006, the Group had no material contingent liabilities.

Accounting Standards and Policies

The financial statements set out on pages 63 to 115 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.

Employees and Remuneration Policies

At 31 December 2006, the Group had 55 full-time employees in Hong Kong and 14 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" as described on pages 58 to 59 of this Annual Report.

資本開支及資本承擔

集團於二零零六年內的資本開支為港幣2,900,000元(二零零五年：港幣3,400,000元)。資本開支的明細資料載於本年報第91頁至第93頁的財務報表附註13及14。

於二零零六年十二月三十一日，經批准但並未於集團財務報表作出撥備的資本承擔為港幣195,900,000元(二零零五年：港幣264,800,000元)，主要是為流動多媒體業務提升現有流動多媒體系統。資本承擔的資金來源將來自銀行貸款及／或集團的內部資源。

或然負債

於二零零六年十二月三十一日，集團並無重大或然負債。

會計準則及政策

載於第63頁至第115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。

僱員及薪酬政策

於二零零六年十二月三十一日，集團於香港有55名全職僱員，於中國大陸則有14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58頁至第59頁「購股權計劃」一段。

Connected Transactions

For the year ended 31 December 2006, the Group entered into the following continuing connected transactions, details of which are set out below:

關連交易

集團在截至二零零六年十二月三十一日止年度所進行的持續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 ("Bus Focus") (Note 2) to KMB in connection with the provision of media sales services for transit vehicle shelters owned by KMB 由Bus Focus Limited(「Bus Focus」)(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	7,705	9,400
(2) JCDecaux Texon Limited (Note 3) (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	11,817	15,000
(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	15,088	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JCDecauxTexon 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)

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 transaction on 18 June 2001. The waiver expired on 31 December 2004. Following amendment 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 for the 3 years ending 31 December 2007. The transactions were approved at the SGM.

關連交易(續)

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。於上市規則獲修訂後，根據上市規則第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於截至二零零七年十二月三十一日止三個年度進行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 party 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 已於公告內披露的 金額上限 HK\$'000 港幣千元
(1) 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	8,628	9,500

The Group entered into the above transaction 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 transaction on 18 June 2001. The waiver expired on 31 December 2004. Following amendment of the Listing Rules, the transaction constitutes 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 to disclose the annual cap in respect of the above transaction for the 3 years ending 31 December 2007.

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。於上市規則獲修訂後，根據上市規則第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，以披露上述交易截至二零零七年十二月三十一日止三個年度之每年金額上限。

Connected Transactions (Continued)

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 Company's Board of Directors;
- the continuing connected transactions were entered 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

Use of Proceeds

Since the listing of RoadShow on the Stock Exchange, the Group has utilised approximately HK\$350.4 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.

Corporate Governance

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 2006 is set out on pages 42 to 53 of this Annual Report.

關連交易(續)

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並無超過就持續關連交易設定的相關上限。

運用集團所得款項

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業務及收購中國大陸的配套業務而付出約港幣350,400,000元，餘下集資所得款項尚未動用，並已存入香港持牌銀行作為存款。

企業管治

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。集團截至二零零六年十二月三十一日止年度的企業管治報告載於本年報第42頁至第53頁。