ROADSHOW HOLDINGS LIMITED
路訊通控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 888)

2017 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Total revenue amounted to approximately HK$348.4 million (2016: HK$407.5 million), representing a decrease of approximately 14.5%.
- Loss attributable to equity shareholders of the Company was HK$6.6 million for the year ended 31 December 2017, compared with HK$45.3 million for 2016. The loss for the year was mainly attributable to the reduction in revenue mainly due to the gradual scaling down of the BUS-TV business which approached the expiry of the related licence agreement with The Kowloon Motor Bus Company (1933) Limited on 30 June 2017 and net off by exchange gain of approximately HK$12.3 million due to the appreciation of the Renminbi against Hong Kong dollars and net reversal of provision for onerous contracts of approximately HK$13.9 million.
- Basic loss per share based on the loss attributable to ordinary equity shareholders of the Company was HK0.66 cents, which was solely arising from the Group's operation (2016: HK4.54 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: HK$Nil).

ANNUAL RESULTS

The directors of RoadShow Holdings Limited (the "Company" or "RoadShow") (the "Directors") submit herewith the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017 and the consolidated statement of financial position of the Group at 31 December 2017, together with the relevant comparative figures.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

(Expressed in Hong Kong dollars)

	Note	**2017**	2016
		$'000	$'000
Revenue	3 & 4	**348,449**	407,511
Other revenue	5	**10,759**	17,125
Other net income/(loss)	5	**14,274**	(9,940)
Total operating revenue		**373,482**	414,696
Operating expenses			
Royalty, licence and management fees		**(194,574)**	(206,153)
Cost of production		**(69,548)**	(74,611)
Staff expenditure		**(66,598)**	(66,010)
Depreciation and amortisation		**(4,764)**	(15,241)
Cost of inventories sold		**—**	(9,844)
Repairs and maintenance		**(2,211)**	(5,926)
Impairment loss on accounts receivable		**(2,858)**	(2,422)
Impairment loss on intangible assets		**—**	(217)
Write-down of inventories		**—**	(4,101)
Impairment loss on property, plant and equipment		**(37)**	(22,910)
Reversal of provision/(provision for) onerous contracts, net	15	**13,910**	(14,455)
Other operating expenses		**(48,139)**	(34,905)
Total operating expenses		**(374,819)**	(456,795)
Loss before taxation	6	**(1,337)**	(42,099)
Income tax	7	**(6,190)**	(25)
Loss for the year		**(7,527)**	(42,124)
Attributable to:			
Equity shareholders of the Company		**(6,577)**	(45,260)
Non-controlling interests		**(950)**	3,136
Loss for the year		**(7,527)**	(42,124)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 31 December 2017

(Expressed in Hong Kong dollars)

	Note	**2017**	2016
		$'000	$'000
Loss per share (in Hong Kong cents)	9		
Basic and diluted		**(0.66)**	(4.54)

Details of dividends payable to equity shareholders of the Company attributable to the year are set out in note 8.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

(Expressed in Hong Kong dollars)

	2017	2016
	$'000	$'000
Loss for the year	**(7,527)**	(42,124)
Other comprehensive income for the year (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	**1,394**	(1,015)
Total comprehensive income for the year	**(6,133)**	(43,139)
Attributable to:		
Equity shareholders of the Company	**(5,183)**	(46,275)
Non-controlling interests	**(950)**	3,136
Total comprehensive income for the year	**(6,133)**	(43,139)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

(Expressed in Hong Kong dollars)

	Note	2017	2016
		$'000	$'000
Non-current assets			
Property, plant and equipment		**15,491**	13,629
Intangible assets		—	—
Goodwill	10	**40,770**	—
Non-current prepayments and deposits		**3,218**	1,523
Deferred tax assets		**7,042**	10,393
		66,521	25,545
Current assets			
Inventories		—	—
Amounts due from fellow subsidiaries		—	5,203
Accounts receivable	11	**91,737**	101,154
Loan receivable	12	**26,400**	—
Other receivables and deposits		**57,305**	10,098
Current tax recoverable		**1,756**	400
Pledged bank deposits	13	**98,248**	78,343
Bank deposits and cash		**250,305**	397,954
		525,751	593,152
Current liabilities			
Accounts payable	14	**29**	1,977
Amount due to ultimate holding company		—	3
Amounts due to fellow subsidiaries		—	1,065
Other payables and accruals		**95,227**	99,165
Finance lease liabilities		**151**	—
Provision for onerous contracts	15	**545**	14,455
Current tax payable		**835**	1,060
		96,787	117,725
Net current assets		**428,964**	475,427
Total assets less current liabilities		**495,485**	500,972
Non-current liabilities			
Finance lease liabilities		**590**	—
Deferred tax liabilities		**194**	138
		784	138
NET ASSETS		**494,701**	500,834

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2017

(Expressed in Hong Kong dollars)

	2017	2016
	$'000	$'000
CAPITAL AND RESERVES		
Share capital	**99,737**	99,737
Reserves	**386,694**	391,877
Total equity attributable to equity shareholders of the Company	**486,431**	491,614
Non-controlling interests	**8,270**	9,220
TOTAL EQUITY	**494,701**	500,834

NOTES

(Expressed in Hong Kong dollars unless otherwise indicated)

1. BASIS OF PREPARATION

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 December 2017 but are extracted from those financial statements.

The financial statements have been prepared in accordance with 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. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure in financial statements has been included to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

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:

Revenue 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 and amortisation of assets attributable to those segments.

Segment assets and liabilities include all current and non-current assets and liabilities, respectively, which are directly managed by the segments.

Information regarding the Group's reportable segments for the years ended 31 December 2017 and 2016 is set out below.

(a) Reportable segment revenues, profit or loss, assets and liabilities:

	Hong Kong		Mainland China		Total	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from external customers	**348,449**	407,511	**—**	—	**348,449**	407,511
Other revenue and other net income/(loss)	**6,810**	12,093	**(161)**	193	**6,649**	12,286
Reportable segment revenue	**355,259**	419,604	**(161)**	193	**355,098**	419,797
Reportable segment profit/(loss)	**15,097**	(13,651)	**(820)**	53	**14,277**	(13,598)
Depreciation and amortisation for the year	**(2,707)**	(13,018)	**—**	—	**(2,707)**	(13,018)
Impairment loss on accounts receivable	**(2,858)**	(2,422)	**—**	—	**(2,858)**	(2,422)
Impairment loss on intangible assets	**—**	(217)	**—**	—	**—**	(217)
Write-down of inventories	**—**	(4,101)	**—**	—	**—**	(4,101)
Impairment loss on property, plant and equipment	**—**	(22,910)	**(37)**	—	**(37)**	(22,910)
Reversal of provision/(provision for) onerous contracts, net	**13,910**	(14,455)	**—**	—	**13,910**	(14,455)
Reportable segment assets	**418,093**	460,803	**117,342**	153,233	**535,435**	614,036
Additions to non-current segment assets during the year	**7,176**	11,578	**—**	—	**7,176**	11,578
Reportable segment liabilities	**89,270**	117,334	**363**	529	**89,633**	117,863

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

	2017	2016
	$'000	$'000
Revenue		
Reportable segment revenue	**355,098**	419,797
Unallocated other revenue and other net income/(loss)	**18,384**	(5,101)
Consolidated total operating revenue	**373,482**	414,696

	2017	2016
	$'000	$'000
Profit or loss		
Reportable segment profit/(loss)	**14,277**	(13,598)
Unallocated other revenue and other net income/(loss)	**18,384**	(5,101)
Unallocated head office and corporate expenses and others	**(33,998)**	(23,400)
Consolidated loss before taxation	**(1,337)**	(42,099)

	2017	2016
	$'000	$'000
Assets		
Reportable segment assets	**535,435**	614,036
Unallocated head office and corporate assets and others	**56,837**	4,661
Consolidated total assets	**592,272**	618,697

	2017	2016
	$'000	$'000
Liabilities		
Reportable segment liabilities	**89,633**	117,863
Unallocated head office and corporate liabilities and others	**7,938**	—
Consolidated total liabilities	**97,571**	117,863

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, shelters, Multi-media On-board ("MMOB" or "BUS-TV"), online portal, mobile apps 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)

(a) Other revenue

	2017	2016
	$'000	$'000
Interest income from financial assets not at fair value through profit or loss	**5,260**	4,918
Sales of merchandise	**—**	12,117
Insurance brokering service income	**684**	—
Sundry revenue	**4,815**	90
	10,759	17,125

(b) Other net income/(loss)

	2017	2016
	$'000	$'000
Exchange gain/(loss)	**12,287**	(9,508)
Gain/(loss) on disposal of property, plant and equipment	**1,987**	(432)
	14,274	(9,940)

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2017	2016
	$'000	$'000
Auditor's remuneration	**3,149**	2,948
Contributions to defined contribution retirement schemes	**1,498**	1,701
Depreciation and amortisation	**4,764**	15,241
Operating lease charges		
– land and buildings	**3,355**	4,671

7. INCOME TAX

	2017	2016
	$'000	$'000
Current tax		
Provision for Hong Kong Profits Tax for the current year	**2,211**	5,097
Under/(over)-provision in respect of prior years	**153**	(22)
	2,364	5,075
Provision for The People's Republic of China ("PRC") income tax	**419**	621
Under-provision in respect of prior years	**—**	26
	2,783	5,722
Deferred tax		
Reversal and origination of temporary differences	**3,407**	(5,697)
Income tax expense	**6,190**	25

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

8. DIVIDENDS

(a) Dividend payable to equity shareholders of the Company attributable to the year:

	2017	2016
	$'000	$'000
Final dividend proposed after the end of the reporting period of nil cent per share (2016: nil cent per share)	**—**	—

(b) No final dividend in respect of the financial year ended 31 December 2016 approved and paid during the year (2016: $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 $6,577,000 (2016: $45,260,000) and the weighted average of 997,365,332 ordinary shares (2016: 997,365,332 ordinary shares) in issue during the year.

(b) Diluted loss per share

There were no dilutive potential ordinary shares outstanding during the years ended 31 December 2017 and 2016 and diluted loss per share is the same as basic loss per share.

10. GOODWILL

On 14 December 2017, the Group acquired 100% controlling stake in Ankai (Tianjin) Economic Information Consulting Co., Ltd. ("Ankai Tianjin"), which held 100% equity interest of China Sports Insurance Broker Co., Ltd. ("CSIB"), for a total cash consideration of RMB40,000,000 (equivalent to HK$48,000,000), through certain structured contracts. The principal activity of Ankai Tianjin is investment holding while that of CSIB is insurance brokerage.

Details of the fair value of the identifiable net assets of Ankai Tianjin and CSIB and goodwill in respect of the acquisition at the acquisition date were as follows:

	2017
	$'000
Consideration transferred	**48,000**
Fair value of identifiable net assets	**(7,230)**
Goodwill on acquisition	**40,770**

11. ACCOUNTS RECEIVABLE

(a) Ageing analysis

Details of the ageing analysis of accounts receivable that are neither individually nor collectively considered to be impaired at the end of the reporting period are as follows:

	2017	2016
	$'000	$'000
Neither past due nor impaired	**60,561**	52,161
Within one month past due	**12,858**	21,662
Over one month but within two months past due	**7,513**	6,616
Over two months but within three months past due	**4,547**	3,449
Over three months but within one year past due	**6,033**	14,697
Over one year past due	**225**	2,569
	91,737	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.

(b) Impairment of accounts receivable

Impairment losses in respect of accounts receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against accounts receivable directly.

The movement in the allowance for doubtful debts during the year is as follows:

	2017	2016
	$'000	$'000
At 1 January	**6,334**	13,501
Impairment loss recognised	**2,858**	2,422
Uncollectible amounts written off	**—**	(9,589)
	9,192	6,334

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At 31 December 2017, the Group's accounts receivable of $9,192,000 were individually determined to be impaired (2016: $6,334,000). The individually impaired receivables related to customers with long overdue balances and management assessed that the receivables are not expected to be recovered. Consequently, an impairment loss is provided for. The Group does not hold any collateral over such balances.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12. LOAN RECEIVABLE

The loan was made to a third party. The balance is unsecured, interest bearing and repayable within one year.

13. PLEDGED BANK DEPOSITS

Pursuant to certain licence agreements between subsidiaries of the Company and independent third parties, bank guarantees have been provided to the independent third parties in respect of the subsidiaries' due performance and payment under the respective licence agreements. The Company has pledged bank deposits of $97,248,000 (2016: $78,343,000) to banks for the bank guarantees issued.

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

14. ACCOUNTS PAYABLE

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

	2017	2016
	$'000	$'000
Due within one month	**29**	1,977

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

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

15. PROVISION FOR ONEROUS CONTRACTS

Having reviewed the Group's operations and considered the terms included in the tender invitation issued by The Kowloon Motor Bus Company (1933) Limited ("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 $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 31 December 2017. A reversal of provision for onerous contracts of $14,455,000 was recognised for the year ended 31 December 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 $545,000 was recognised for the year ended 31 December 2017.

16. COMMITMENTS

(a) Capital commitments

At 31 December 2017, the Group had the following capital commitments in relation to the purchase of property, plant and equipment and investment in subsidiaries not provided for in the financial statements:

	2017	2016
	$'000	$'000
Contracted for		
Property, plant and equipment	**1,960**	—
Investment in subsidiaries	**11,524**	—
	13,484	—

(b) Operating lease commitments

At 31 December 2017, the Group's total future minimum lease payments under non-cancellable operating leases in respect of property and equipment are payable as follows:

	2017	2016
	$'000	$'000
Within 1 year	**5,028**	3,350
After 1 year but within 5 years	**1,829**	2,970
	6,857	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.

(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 31 December 2017 and 2016. Such licences will expire in periods ranging from 2018 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:

	2017	2016
	$'000	$'000
Within 1 year	**180,432**	173,024
After 1 year but within 5 years	**400,767**	365,279
	581,199	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.

17. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 23 January 2018, Bison Financial (Hong Kong) Limited ("Bison Financial"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") to purchase the entire issued share capital in Target Capital Management Limited ("TCM") for a consideration of $270,000,000 (the "Acquisition"). Pursuant to the Agreement, among others, the vendors of TCM shall procure the respective shareholders of BTS Investment Limited, BTY Investment Limited, NanTai Investment Limited and Shangtai Asset Management Limited (collectively, the "Subject Companies"), to which TCM is the investment adviser of the Subject Company's offshore private equity funds, to sell the entire issued share capital of the Subject Companies to Bison Financial or any subsidiaries of the Company at a nominal consideration of $1 each on or before the completion of the Agreement. A special general meeting of the Company will be held on 16 March 2018, details of the transaction have been disclosed in the Company's announcement dated 23 January 2018 and circular dated 28 February 2018. Up to the date of this announcement, the transactions have not yet been completed.

18. SCOPE OF WORK OF AUDITORS

The financial figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been compared by the Group's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditors.

BUSINESS RESULTS

For the year ended 31 December 2017, the Group reported total operating revenue of HK$373.5 million, representing a decrease of approximately 9.9% from that of the previous year. Loss attributable to equity shareholders of the Company was HK$6.6 million for the year ended 31 December 2017, compared with HK$45.3 million for 2016. The loss for the year was mainly attributable to the reduction in revenue mainly due to the gradual scaling down of the BUS-TV business which approached the expiry of the related licence agreement with KMB on 30 June 2017 and net off by exchange gain of approximately HK$12.3 million due to the appreciation of the Renminbi against Hong Kong dollars and net reversal of provision for onerous contracts of approximately HK$13.9 million. As at 31 December 2017, the Group had bank deposits and cash of HK$250.3 million (2016: HK$398.0 million).

Operating Revenue

For the year ended 31 December 2017, the Group reported total operating revenue of HK$373.5 million, of which HK$348.4 million was from media sales services and HK$25.1 million was from other revenue and other net income. Revenue generated from the media sales services was HK$348.4 million in 2017 compared with HK$407.5 million in 2016, representing a 14.5% decrease 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$82.0 million, from HK$456.8 million in 2016 to HK$374.8 million in 2017 as a result of the decrease in impairment loss on property, plant and equipment by approximately HK$22.9 million, the decrease in royalty, licence and management fees by approximately HK$11.6 million, the decrease in cost of inventories sold by approximately HK$9.8 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$13.9 million.

BUSINESS OVERVIEW

The overall Hong Kong advertising spending (adspend) in the first quarter of 2017 was only on par as the previous year, the 6% year on year (YOY) growth in adspend in second and third quarters, and the 5% YOY increase in the last quarter brought an overall 4% increment in adspend in 2017. Although adspend started to pick up from the second quarter of 2017, the outlook for the media industry, out-of-home (OOH) media 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 OOH media vendors, the ceasing 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 year of 2017 was significantly improved as compared with 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 entered into a licence agreement with KMB for the exclusive licence to place, install, remove, maintain and/or repair advertisements at the advertising space in the bus shelters of 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. After the commencement date of the licence agreement on 1 July 2017, the Group has endeavored to elevate the perceived value of BUS-SHELTER through continuously upgrading of the display panels, enhancing the tidiness and cleanliness of the shelters in operation and constantly providing effective and creative shelter domination ideas to the advertisers and agencies.

PROSPECTS

2017 was a remarkable year for the Group, the completion of the unconditional mandatory cash offer ("General Offer") represented a milestone of the Group that it has not only strengthened the development of the existing media and advertising businesses ("Media Business"), but also facilitated the Group to explore opportunities in financial services business (the "Financial Services Business").

The Group will continue to carry on the Media Business and will provide necessary resources and working capital to support its sustainable development. Subject to the availability of suitable investment or business opportunities, it is contemplating to diversify the business of the Group by way of acquisition, joint venture or investment, particularly into the financial service sector in which Mr. XU Peixin (an executive director of the Company) and Dr. MA Weihua (a non-executive director of the Company) have substantial experience, with the view of broadening the source of income of the Group and maximising the value of the Company in the long run and the return of the shareholders of the Company.

In the coming year, in relation to the Media Business, on one hand, the Group shall continue to make new investments in digital panels as 4-dimension interactive advertising platform at bus shelters in Hong Kong which are expected to be launched by stages in 2018 with target advertisers including, but not limited to, commercial, government and NGOs to drive the growth of the Media Business and to explore the possibility of business expansion and collaboration with other entities should opportunities arise; on the other hand, the Group will continue to closely scrutinise the costs and expenses and to increase the cost efficiency of the media operation.

In addition to the existing business, the Group has entered into the sale and purchase agreement in relation to the acquisition of the entire issued share capital of TCM and the Subject Companies in January 2018. A special general meeting of the Company will be held on 16 March 2018, details of the transaction have been disclosed in the Company's announcement dated 23 January 2018 and circular dated 28 February 2018. TCM is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities and is principally engaged in (i) external asset management and (ii) investment advisory services to fund management businesses. The Subject Companies are the fund managers/general partners of eight offshore private equity funds. Upon completion of the transactions, the Group shall engage in the financial services business carried out by TCM and the Subject Companies and it is expected to form a new business segment of the Group. According to the Fund Management Activities Survey 2016 released by Securities and Futures Commission of Hong Kong in July 2017, Hong Kong's combined fund management business reached HK$18,293 billion as of the end of 2016; and HK$12,824 billion of which were contributed from the asset management business of licensed corporations, registered institutions and insurance companies. As the PRC has a growing demand for fund management expertise to manage its massive savings pool and rapidly expanding retirement funds and is in close proximity with the Hong Kong. Considering the expected benefit from the strong demand of asset management and fund management business in the PRC, the Group is optimistic about the future prospects of the Financial Services Business.

Looking forward, the Company will strive to strengthen the Group's competence in managing the existing Media Business, formulate plans to develop Financial Services Business, and identify and consider other investment opportunities when they arise with an attempt to maximise the Company's value and Shareholders' returns.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Liquidity and financial resources

At 31 December 2017, the Group's bank deposits and cash amounted to HK$250.3 million (2016: HK$398.0 million), denominated in Hong Kong dollars, US dollars and Renminbi. Apart from providing working capital to support its media sales, the Group maintains a strong cash position to meet the potential needs for business expansion and development.

At 31 December 2017 and 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 31 December 2017 and 2016.

At 31 December 2017, the Group had stand-by banking facilities totalling HK$30.0 million (2016: HK$30.0 million).

At 31 December 2017, the Group had net current assets of HK$429.0 million (2016: HK$475.4 million) and total assets of HK$592.3 million (2016: HK$618.7 million).

Charge on assets

At 31 December 2017, bank deposits of HK$98.2 million (2016: HK$78.3 million) were pledged mainly to secure certain bank guarantees provided by the subsidiaries of the Company to the independent third parties regarding their due performance and payment under certain licence agreements between the subsidiaries of the Company and the independent third parties.

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 year, the Company recognised an exchange gain of approximately HK$12.3 million (2016: exchange loss of HK$9.5 million) due to the appreciation of the Renminbi against Hong Kong dollars. During the year, there was no material fluctuation in the exchange rates of Hong Kong dollars and US dollars. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its financial position exposure in 2017. At 31 December 2017 and 2016, the unutilised amount of proceeds from the Global Offering and the exercise of an over-allotment option by the underwriters on 18 July 2001 were placed into bank deposits.

Capital expenditures and capital commitments

Capital expenditures incurred by the Group during 2017 amounted to HK$7.2 million (2016: HK$11.6 million).

Capital commitments contracted for but not provided for in the financial statements of the Group at 31 December 2017 amounted to HK$13.5 million (2016: HK$Nil).

Contingent liabilities

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

EMPLOYEES AND EMOLUMENT POLICIES

At 31 December 2017, the Group had 122 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.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: HK$Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s Bye-laws and the Law in Bermuda.

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 year ended 31 December 2017 except that the then Chairman of the Company did not hold meeting with the Non-executive Directors (including Independent Non-executive Directors) without the Executive Director present as stipulated in code provision A.2.7 due to the cancellation of the said meeting.

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. In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the Securities Code throughout the year 2017.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2017.

PUBLICATION OF ANNUAL REPORT

The 2017 Annual Report will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.roadshow.com.hk) in due course.

By Order of the Board
RoadShow Holdings Limited
XU Peixin
Executive Director

Hong Kong, 15 March 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. XU Peixin, Mr. BIAN Fang and Mr. ZHU Dong as Executive Directors; Dr. MA Weihua as Non-executive Director; and Dr. QI Daqing, Mr. CHEN Yigong and Mr. FENG Zhonghua as Independent Non-executive Directors.