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ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 888)

CONTINUING CONNECTED TRANSACTION

On 31 October 2007, KMB and RoadShow Media entered into the MMOB Licence Agreement pursuant to which KMB had agreed to grant an exclusive licence to RoadShow Media to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system. The term of such licence is for the Initial Term of 5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive) and shall be extended for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) upon the fulfillment of certain renewal conditions.

Upon fulfillment of the specified renewal conditions as stated in the MMOB Licence Agreement, on 16 March 2012, KMB and RoadShow Media entered into the Supplemental Agreement, pursuant to which KMB and RoadShow Media have conditionally agreed to, upon the expiry of the Initial Term, extend the licence under the MMOB Licence Agreement for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) and amend certain terms and conditions of the MMOB Licence Agreement, subject to the terms and conditions of the Supplemental Agreement.

As at the date of this announcement, Transport International is the ultimate controlling shareholder of the Company, indirectly holding approximately 73.01% of the issued share capital of the Company. KMB, an indirect wholly-owned subsidiary of Transport International, is an associate of Transport International and therefore a connected person of the Company within the meaning of the Listing Rules. RoadShow Media is an indirect wholly-owned subsidiary of the Company. The transactions contemplated by the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement therefore constitute continuing connected transactions of the Company which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

* *For identification purposes only*

A circular containing, among other things, details of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, the recommendation from the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the independent Shareholders, and a notice of the SGM will be despatched to the Shareholders in accordance with the Listing Rules. Due to the intervening public holidays for Ching Ming festival and Easter, it is expected that the circular will be despatched to the Shareholders on or before 18 April 2012.

1. THE MMOB LICENCE AGREEMENT AS SUPPLEMENTED AND AMENDED BY THE SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 31 October 2007 and the circular of the Company dated 21 November 2007 in which details of the MMOB Licence Agreement were disclosed.

On 31 October 2007, KMB and RoadShow Media entered into the MMOB Licence Agreement pursuant to which KMB had agreed to grant an exclusive licence to RoadShow Media to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system. The term of such licence is for the Initial Term of 5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive), and shall be extended for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) upon the fulfillment of the following renewal conditions:

- (i) RoadShow Media has achieved the target aggregate amount of the net advertising revenue of not less than HK\$176.0 million for the period as effective from 1 August 2007 to 31 July 2012; and
- (ii) the satisfaction and determination between KMB and RoadShow Media of all the new terms and conditions, if any, of the MMOB Licence Agreement and the Bank Guarantee.

Upon fulfillment of the above renewal conditions as stated in the MMOB Licence Agreement, on 16 March 2012, KMB and RoadShow Media entered into the Supplemental Agreement, pursuant to which KMB and RoadShow Media have conditionally agreed to, upon the expiry of the Initial Term, extend the licence under the MMOB Licence Agreement for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) and to amend certain terms and conditions of the MMOB Licence Agreement, subject to the terms and conditions of the Supplemental Agreement.

The principal terms of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are set out below:

Parties

Licensor: KMB

Licensee: RoadShow Media

Subject matter

Subject to the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, KMB has granted to RoadShow Media an exclusive licence to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system.

Conditions precedent for the Supplemental Agreement and effective date for the extension and amendments pursuant to the Supplemental Agreement

The Supplemental Agreement is conditional upon the obtaining of the approval of the independent shareholders (as defined under the Listing Rules) of the Company.

If the above condition is not fulfilled within 3 months immediately after the date of the Supplemental Agreement (or such a later date as may be agreed by KMB and RoadShow Media), the Supplemental Agreement will lapse.

If the MMOB Licence Agreement is terminated before the expiry of the Initial Term, no amendments to the MMOB Licence Agreement made pursuant to the Supplemental Agreement shall be effective and thus the licence will not be extended for the Extended Term pursuant to the Supplemental Agreement.

If the independent shareholders' approval referred to above is obtained within the above prescribed period and the MMOB Licence Agreement is not terminated before the expiry of the Initial Term, the extension of the licence and the amendments to the MMOB Licence Agreement pursuant to the Supplemental Agreement shall become effective upon the expiry of the Initial Term.

Term of the licence

Subject to the fulfillment of the conditions precedent referred to above, the term of the licence shall, upon the expiry of the Initial Term, be extended for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive).

Based on the fact that (i) the MMOB Advertising, being the subject matter of the MMOB Licence Agreement, is the core business of the Group and (ii) the longer duration of the MMOB Licence Agreement would ensure a stable revenue source generated by the MMOB Advertising and reduce the Group's exposures to potential competition in the near future, the Directors (excluding members of the Independent Board Committee whose view will be given in the circular to be despatched to the Shareholders after taking into account of the advice of the independent financial adviser) consider that the term of the MMOB Licence Agreement as extended by the Supplemental Agreement (that is, the Extended Term), which is more than three years, is necessary for and is also in the interests of the Company and the Shareholders as a whole given the nature of the Group's business.

Consideration

The licence fee payable by RoadShow Media to KMB, to be determined on an annual basis, is equal to the stipulated percentage of the net advertising revenue or a guaranteed minimum royalty payment, whichever is the greater.

According to the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, the net advertising revenue means the total amount(s) set out in the invoices issued by RoadShow Media (excluding the agency commission rebate or trade discount and without any adjustment for bad or doubtful debts). The stipulated percentage of an annual net advertising revenue is 50% for the first HK\$40.0 million of an annual net advertising revenue, plus 40% for any excess of an annual net advertising revenue over HK\$40.0 million. The guaranteed minimum royalty payment for each of the years ending 31 July 2013, 2014, 2015 and 2016 and the remaining period of the Extended Term from 1 August 2016 to 30 June 2017 are HK\$19.1 million, HK\$19.2 million, HK\$19.3 million, HK\$19.4 million and HK\$19.5 million respectively.

Further, RoadShow Media will pay KMB the following charges under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement:

- (i) a service charge to KMB for maintenance of the MMOB equipment, to be paid on an annual basis, with the exact annual amount to be agreed by both parties in accordance with the circumstances on reasonable basis; and
- (ii) a service charge to KMB for the rental of the MMOB broadcasting system, using the depreciation of capital invested by KMB in the liquid crystal display monitors and the associated installation costs as a basis for calculations.

The above licence fee and service charges were reached following arm's length negotiations between RoadShow Media and KMB by reference to market practice. During the Extended Term, the above service charges will continue to be determined in accordance with the mechanism disclosed above.

Historical figures

Below sets out the historical amounts for the licence fees and service charges paid and/or payable by RoadShow Media to KMB under the MMOB Licence Agreement for the three years ended 31 December 2011:

Period	Amount <i>HK\$</i>
For the year ended 31 December 2009:	22.6 million
For the year ended 31 December 2010:	27.8 million
For the year ended 31 December 2011:	26.9 million

Proposed annual caps

The annual cap for the licence fees and service charges payable by RoadShow Media under the MMOB Licence Agreement for the financial year ending 31 December 2012 (which was determined by the Directors in 2009) was set at HK\$55.0 million and was approved by the independent Shareholders at the special general meeting of the Company held on 9 October 2009. The Directors expect that the aggregate amount of the total licence fees and service fees payable by RoadShow Media for the period from 1 January 2012 to 31 July 2012 under the MMOB Licence Agreement and for the period from 1 August 2012 to 31 December 2012 under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement will not exceed such cap amount of HK\$55.0 million.

The proposed annual caps of the licence fees and the service charges payable by RoadShow Media under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement for the five years ending 31 December 2017 are as follows:

Period	Amount <i>HK\$</i>
For the financial year ending 31 December 2013:	44.0 million
For the financial year ending 31 December 2014:	46.0 million
For the financial year ending 31 December 2015:	46.0 million
For the financial year ending 31 December 2016:	50.0 million
For the financial year ending 31 December 2017:	54.0 million

The above proposed annual caps have been determined by multiplying the stipulated percentage under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, by the estimated maximum net advertising revenue to be derived for the five years ending 31 December 2017 and after taking into account of the estimated service charges payable for the maintenance or rental for the relevant MMOB equipment or broadcasting system. The estimated maximum net advertising revenue during each of the said five years has been determined with reference to the actual net advertising revenue derived from the MMOB Advertising business for the four years ended 31 December 2011, and after taking into account the growth rate of the net advertising revenue in recent years.

The above proposed annual caps are subject to the approval of the independent Shareholders at the SGM.

Provision of Bank Guarantee

On the day on which the Supplemental Agreement becomes unconditional, RoadShow Media shall provide KMB with the Bank Guarantee as security for the due payment of the licence fees and all other sums payable by RoadShow Media to KMB under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the due performance and observance by RoadShow Media of all terms and conditions in the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement. The Bank Guarantee shall be in the following sums during the Extended Term:

Period	Amount <i>HK\$</i>
1 August 2012 to 31 July 2013:	9,550,000
1 August 2013 to 31 July 2014:	9,600,000
1 August 2014 to 31 July 2015:	9,650,000
1 August 2015 to 31 July 2016:	9,700,000
1 August 2016 to 30 June 2017 (and including 3 months' period thereafter):	9,750,000

2. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

MMOB Advertising is the core business of the Group. With the signing of the Supplemental Agreement for the extension of the MMOB Licence Agreement for the Extended Term, the Group is able to sustain its leading position in the out-of-home media market.

The continuing connected transactions contemplated by the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are conducted on arm's length basis in the ordinary and normal course of business of the Group. The Directors (excluding members of the Independent Board Committee whose view will be given in the circular to be despatched to the Shareholders after taking into account of the advice of the independent financial adviser) consider that the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group and the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the above proposed annual caps for the five years ending 31 December 2017 are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

3. DESCRIPTION OF THE CONNECTED RELATIONSHIPS

KMB

As at the date of this announcement, Transport International is the ultimate controlling shareholder of the Company, indirectly holding approximately 73.01% of the issued share capital of the Company. KMB, an indirect wholly-owned subsidiary of Transport International, is an associate of Transport International and therefore a connected person of the Company within the meaning of the Listing Rules.

RoadShow Media

RoadShow Media is a wholly-owned subsidiary of the Company.

4. LISTING RULES IMPLICATIONS

Due to the connected relationships mentioned above and based on the applicable percentage ratios, the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement constitute continuing connected transactions of the Company which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Winnie Ng, a director of the Company, is regarded as having a material interest in the transactions under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement as she is interested in about 5.2% of the total issued share capital of Transport International, and she has abstained from voting on the relevant board resolution of the Company for the approval of the Supplemental Agreement and the proposed annual caps in respect of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement. Save as disclosed above, no other Directors had a material interest in the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement.

5. SPECIAL GENERAL MEETING

The SGM will be convened at which resolution(s) will be proposed to seek the independent Shareholders' approval of, among other things, the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 as mentioned above.

6. GENERAL INFORMATION

The Group is principally engaged in the provision of media sales and management services for the MMOB business, transit vehicles exteriors and interiors advertising businesses and the operation of media advertising management services through marketing advertising spaces on transit vehicles exteriors, interiors, shelters and outdoor signages and the provision of advertising agency services.

Transport International and its subsidiaries are principally engaged in the operation of both franchised and non-franchised public transportation, property holdings and development and the provision of media sales services in Hong Kong and the People's Republic of China.

KMB is principally engaged in the operation of franchised public bus services in Hong Kong.

A circular containing, among other things, details of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, the recommendation from the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the independent Shareholders, and a notice of the SGM will be despatched to the Shareholders in accordance with the Listing Rules. Due to the intervening public holidays for Ching Ming festival and Easter, it is expected that the circular will be despatched to the Shareholders on or before 18 April 2012.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“associate”	has the meaning ascribed to it in the Listing Rules
“Bank Guarantee”	an irrevocable bank guarantee of a licensed bank in Hong Kong in favour of KMB to be provided by RoadShow Media as security for the payment of the licence fees and all other sums payable by RoadShow Media to KMB under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement
“Board”	the board of Directors

“Company”	RoadShow Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 888)
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Term”	from 1 August 2012 to 30 June 2017 (both dates inclusive)
“Franchise”	the franchise granted by the Government of Hong Kong to KMB to operate a public bus service in Hong Kong
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the committee of the board of the Directors, consisting of independent non-executive Directors, to advise the independent Shareholders in respect of the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017
“Initial Term”	5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive)
“KMB”	The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Transport International
“KMB Buses”	the buses operated by KMB pursuant to the Franchise
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MMOB”	Multi-Media On-Board
“MMOB Advertising”	the advertising broadcast within the KMB Buses fitted with the MMOB broadcasting system
“MMOB Licence Agreement”	the agreement dated 31 October 2007 entered into between KMB and RoadShow Media whereby KMB has granted to RoadShow Media an exclusive licence to conduct MMOB Advertising

“RoadShow Media”	RoadShow Media Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 as referred to in this announcement
“Shareholder(s)”	the holder(s) of Shares of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Supplemental Agreement”	the supplemental agreement dated 16 March 2012 entered into between KMB and RoadShow Media pursuant to which KMB and RoadShow Media have conditionally agreed to, upon the expiry of the Initial Term, extend the term of the licence under the MMOB Licence Agreement for the Extended Term, and amend certain terms and conditions of the MMOB Licence Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transport International”	Transport International Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 62), which is the ultimate holding company of the Company
“%”	percent

By Order of the Board
RoadShow Holdings Limited
MAN Miu Sheung
Company Secretary

Hong Kong, 16 March 2012

As at the date of this announcement, the Directors of the Company are Dr. John CHAN Cho Chak, GBS, JP as Chairman and Non-executive Director; Mr. YUNG Wing Chung and Ms. Winnie NG as Deputy Chairmen and Non-executive Directors; Dr. Carlye Wai-Ling TSUI, BBS, MBE, JP, Dr. Eric LI Ka Cheung, GBS, OBE, JP and Professor Stephen CHEUNG Yan Leung, BBS, JP as Independent Non-executive Directors; Mr. MO Tik Sang as Managing Director; Mr. MAK Chun Keung, Mr. John Anthony MILLER, SBS, OBE and Mr. Edmond HO Tat Man as Non-executive Directors.