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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 TRANSACTIONS**

### **Supplemental Licence Agreement**

On 12 November 2008, KMB and Bus Focus entered into the Licence Agreement pursuant to which KMB agreed to grant an exclusive licence to Bus Focus to conduct the media sales agency and management business on the Selected Bus Shelters for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive). Upon fulfillment of the renewal conditions as stated in the Licence Agreement, on 3 July 2012, KMB and Bus Focus entered into the Supplemental Licence Agreement pursuant to which KMB and Bus Focus have conditionally agreed to, upon the expiry of the initial term of the Licence Agreement, extend the term of the Licence Agreement commencing for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive) and amend certain terms and conditions of the Licence Agreement.

KMB is an indirect wholly-owned subsidiary of Transport International, which is the ultimate controlling shareholder of the Company. Bus Focus is indirectly owned by the Company through RMHL as to 60% and directly owned by IPL as to 40%. Bus Focus is therefore an indirect non-wholly owned subsidiary of the Company and thus Transport International.

KMB is a connected person of the Company within the meaning of the Listing Rules, and accordingly, the transactions contemplated by the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement constitute continuing connected transactions of the Company which are subject to the reporting, announcement, annual review requirements and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Special General Meeting will be convened for, amongst others, approving the transactions contemplated by the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement and the relevant proposed annual caps.

\* *For identification purposes only*

## **Supplemental Service Agreement**

On 12 November 2008, Bus Focus and JCL (formerly known as JCDecaux Texon Limited) entered into the Service Agreement pursuant to which Bus Focus agreed to appoint JCL exclusively to provide the media sales agency services and maintenance and operational services in respect of Selected Bus Shelters for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive). Upon fulfillment of the renewal conditions as stated in the Service Agreement, on 3 July 2012, Bus Focus and JCL entered into the Supplemental Service Agreement pursuant to which Bus Focus and JCL have conditionally agreed to, upon the expiry of the initial term of the Service Agreement, extend the term of the Service Agreement for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive), and amend certain terms and conditions of the Service Agreement.

As IPL is a wholly-owned subsidiary of JCHK, which in turn is a holding company of JCL, JCL is therefore a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated by the Service Agreement as supplemented and amended by the Supplemental Service Agreement constitute continuing connected transactions for the Company under the Listing Rules, which are subject to the reporting, announcement, annual review requirements and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Special General Meeting will be convened for, amongst others, approving the transactions contemplated by the Service Agreement as supplemented and amended by the Supplemental Service Agreement and the relevant proposed annual caps.

A circular containing, among other things, details of the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, details of the Service Agreement as supplemented and amended by the Supplemental Service Agreement, the recommendation from the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders, and a notice of the Special General Meeting, will be despatched to the Shareholders on or before 24 July 2012.

### **(1) THE LICENCE AGREEMENT AS SUPPLEMENTED AND AMENDED BY THE SUPPLEMENTAL LICENCE AGREEMENT**

Reference is made to the joint announcement of the Company and Transport International dated 13 November 2008 and the circular of the Company dated 28 November 2008 in which details of the Licence Agreement were disclosed.

On 12 November 2008, KMB and Bus Focus entered into the Licence Agreement pursuant to which KMB agreed to grant an exclusive licence to Bus Focus to conduct the media sales agency and management business on the Selected Bus Shelters. The initial term of the Licence

Agreement is of 4 years commencing on 1 August 2008 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) the fulfillment of all financial obligations of Bus Focus under the Licence Agreement, including without limitation, the payment of royalty fee to KMB pursuant to the Licence Agreement; and
- (ii) the provision of the bank guarantee(s) by Bus Focus in favour of KMB pursuant to the Licence Agreement.

Upon fulfillment of the renewal conditions as stated in the Licence Agreement, on 3 July 2012, KMB and Bus Focus entered into the Supplemental Licence Agreement pursuant to which KMB and Bus Focus have conditionally agreed to, upon the expiry of the initial term of the Licence Agreement, extend the term of the Licence Agreement for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive) and amend certain terms and conditions of the Licence Agreement.

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

### **Parties**

- (1) KMB
- (2) Bus Focus

### **Subject Matter**

Subject to the terms and conditions of the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, KMB has granted to Bus Focus an exclusive licence to conduct the media sales agency and management business in respect of the Selected Bus Shelters. Bus Focus may sublicense its right to conduct such business.

Bus Focus has granted a sublicense to KMB of its right to use the intellectual property rights in the KMB Shelter Designs for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only, which right has been granted by JCL to Bus Focus under the Service Agreement as supplemented and amended by the Supplemental Service Agreement.

### **Condition precedent for the Supplemental Licence Agreement**

The Supplemental Licence Agreement and the transactions contemplated thereunder are conditional upon the obtaining of the approval of the Independent Shareholders.

If the above condition is not fulfilled within 3 months immediately after the date of the Supplemental Licence Agreement (or such a later date as may be agreed by KMB and Bus Focus), the Supplemental Licence Agreement will lapse and be of no further effect.

If the Licence Agreement is terminated before the expiry of the initial term under the Licence Agreement (i.e. on or before 31 July 2012) for any reasons, no amendments to the Licence Agreement made pursuant to the Supplemental Licence Agreement shall be effective and thus the licence will not be extended for a further period from 1 August 2012 to 30 June 2017 pursuant to the Supplemental Licence Agreement.

### **Term**

Subject to the fulfillment of the condition precedent referred to above, pursuant to the Supplemental Licence Agreement, the term of the Licence Agreement shall, upon the expiry of the initial term of the Licence Agreement, be extended for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive).

Since (i) the media sales agency and management business on the Selected Bus Shelters as contemplated under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement is one of the core businesses of the Group and (ii) the longer term of the Supplemental Licence Agreement would enhance the Group's market position in the near future and ensure a stable revenue source generated by media sales agency and management business on the Selected Bus Shelters, the Directors (excluding members of 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 extended term of Licence Agreement pursuant to the Supplemental Licence Agreement, which is more than 3 years, is necessary for the businesses of the Group and is also in the interests of the Company and its Shareholders as a whole given the nature of the Group's business.

### **Consideration**

The royalty fee payable by Bus Focus to KMB for the extended term from 1 August 2012 to 30 June 2017, to be determined on an annual basis, is equal to (a) the stipulated percentage of the net advertising rental, or (b) a guaranteed minimum royalty fee, whichever is the greater.

According to the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, the net advertising rental means the amount of rental accrued by Bus Focus derived from the Panels for the display of advertisements at the Selected Bus Shelters less (i) firstly, any trade discounts and agency commission; and (ii) secondly, a sum equal to 50% of such rental after deducting (i), being an agreed amount as deductible operating expenses of the business. For the period from 1 August 2012 until 31 July 2016 (both dates inclusive), the stipulated percentage of the net advertising rental is 65% of the net advertising rental of HK\$25,000,000 or below for each year, plus 55% of any excess of the net advertising rental

over HK\$25,000,000 for the same year. For the period from 1 August 2016 until 30 June 2017 (both dates inclusive), the stipulated percentage of the net advertising rental is 65% of the net advertising rental of HK\$22,916,667 or below for such period, plus 55% of any excess of the net advertising rental over HK\$22,916,667 for such period. The stipulated percentage has been determined with reference to the relevant rates of royalty fees charged for licences obtained by the Group in relation to the various advertising platforms on buses.

The guaranteed minimum royalty fees for each of the years ending 31 July 2013, 2014, 2015 and 2016 and the remaining period from 1 August 2016 to 30 June 2017 (both dates inclusive) are HK\$15,858,068, HK\$16,320,916, HK\$16,735,543, HK\$17,518,498 and HK\$16,746,971 respectively. The guaranteed minimum royalty fee is determined based on the aggregate amount of the monthly guaranteed rentals (as guaranteed by JCL) under the Supplemental Service Agreement for the relevant year of term less a sum equal to 50% of such aggregated monthly rentals being the presumed amount of deductible items.

The guaranteed minimum royalty fee shall be paid by Bus Focus to KMB monthly in arrears on a pro-rata basis. Commencing from 31 August 2012, the royalty fee shall be calculated every three months and if the amount of the royalty fee payable is over the guaranteed minimum royalty fee already paid, Bus Focus shall pay the difference. Bus Focus shall submit to KMB annual statements during the extended term of the Licence Agreement from 1 August 2012 to 30 June 2017 as audited by a certified public accountant appointed by Bus Focus with the consent of KMB, showing the amount of net advertising rental and the amount of royalty fee payable by Bus Focus pursuant to the above stipulated percentage. If the amount of royalty fee payable by Bus Focus as shown in the annual statement is greater than the guaranteed minimum royalty fee for the relevant year, such excess of royalty fee not yet paid shall be paid by Bus Focus to KMB within 30 days after submission of the annual statement.

### **Historical figures**

The royalty fee paid and/or payable by Bus Focus to KMB for each of the 3 years ended 31 December 2009, 31 December 2010, 31 December 2011 and for the five months ended 31 May 2012 under the Licence Agreement are approximately HK\$13.8 million, HK\$14.1 million, HK\$14.3 million and HK\$7.3 million respectively.

## **Proposed annual caps**

The proposed annual caps in respect of the royalty fees payable by Bus Focus under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement are as follows:

<b>Period</b>	<b>Amount (HK\$)</b>
For the period from 1 August 2012 to 31 December 2012	: 10.0 million
For the year ending 31 December 2013	: 23.0 million
For the year ending 31 December 2014	: 24.0 million
For the year ending 31 December 2015	: 25.0 million
For the year ending 31 December 2016	: 26.0 million
For the period from 1 January 2017 to 30 June 2017	: 14.0 million

The above proposed annual caps have been determined based on the above stipulated percentage of the estimated maximum net advertising rental for the relevant period which is in turn derived from the estimated maximum aggregate monthly rentals. The estimated maximum aggregate monthly rentals are based on historical figures.

The above proposed annual caps are subject to the approval of the Independent Shareholders at the Special General Meeting.

## **Other major terms**

Within 14 business days after the Supplemental Licence Agreement becomes unconditional, Bus Focus shall provide KMB with the Bus Focus Bank Guarantee(s) as security for the due payment of the royalty fee and all other sums payable by Bus Focus to KMB under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement and the due performance and observances by Bus Focus of all terms and conditions in the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement. The guaranteed amounts under the Bus Focus Bank Guarantee(s), which shall be in the sum of HK\$7,929,034, HK\$8,160,458, HK\$8,367,772 and HK\$8,759,249 and HK\$9,134,711 for each of the years ending 31 July 2013, 2014, 2015 and 2016 and the remaining period from 1 August 2016 to 30 June 2017 (both dates inclusive), representing the amount of six months of the guaranteed minimum royalty fees for that year of term, have been determined by KMB and Bus Focus after arm's length negotiation and on normal commercial terms. The Bus Focus Bank Guarantee(s) shall also cover the period from 1 July 2017 to 30 September 2017 (i.e. the three months' period after the expiry of the extended term ending 30 June 2017) and the guaranteed amount during such period shall be in the sum of HK\$9,134,711.

Bus Focus has undertaken to KMB that it shall develop new advertising formats of the Panels, at its own costs, at 100 units of newly added Selected Bus Shelters, of which 50 units shall be completed on or before 31 July 2013 and the remaining 50 units shall be completed on or before 31 July 2014.

KMB shall ensure that the media sales agency and management business to be conducted in relation to the Selected Bus Shelters be achieved in the best interest of Bus Focus. Without the prior written approval of Bus Focus, KMB shall not withdraw any Panels from any of the Selected Bus Shelters.

Upon the expiration or early termination of the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, KMB shall at its sole and absolute discretion request Bus Focus to remove the Panels at all or part of the Selected Bus Shelters at the costs of Bus Focus. In the event that KMB does not make any request as aforesaid, Bus Focus shall hand over such Panels in good and substantial repair and condition to KMB free of charge.

**(2) THE SERVICE AGREEMENT AS SUPPLEMENTED AND AMENDED BY THE SUPPLEMENTAL SERVICE AGREEMENT**

Reference is made to the joint announcement of the Company and Transport International dated 13 November 2008 and the circular of the Company dated 28 November 2008 in which details of the Service Agreement were disclosed.

On 12 November 2008, Bus Focus and JCL entered into the Service Agreement pursuant to which Bus Focus agreed to appoint JCL exclusively to provide the media sales agency services and maintenance and operational services in respect of Selected Bus Shelters. The initial term of the Service Agreement is of 4 years commencing on 1 August 2008 and ending on 31 July 2012 (both dates inclusive), and shall be extended for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive) upon the fulfillment of the following renewal conditions:

- (i) the fulfillment of all financial obligations of JCL under the Service Agreement, including without limitation, the payment of monthly shortfall to Bus Focus pursuant to the Service Agreement; and
- (ii) the provision of bank guarantee(s) by JCL in favour of Bus Focus pursuant to the Service Agreement.

Upon fulfillment of the above renewal conditions as stated in the Service Agreement, on 3 July 2012, Bus Focus and JCL entered into the Supplemental Service Agreement pursuant to which Bus Focus and JCL have conditionally agreed to, upon the expiry of the initial term of the Service Agreement, extend the term of the Service Agreement for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive) and amend certain terms and conditions of the Service Agreement.

The principal terms of the Service Agreement as supplemented and amended by the Supplemental Service Agreement are summarized below:

### **Parties**

- (1) Bus Focus
- (2) JCL

### **Subject Matter**

Bus Focus has appointed JCL exclusively to provide the media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters.

JCL has granted to Bus Focus an exclusive royalty-free right to use the intellectual property rights in the KMB Shelter Designs for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only and JCL has agreed that Bus Focus shall have the right to sublicense such right to KMB only.

### **Conditions precedent for the Supplemental Service Agreement**

The Supplemental Service Agreement and the transactions contemplated thereunder are conditional upon the obtaining of the approval of the independent Shareholders (as defined under the Listing Rules) of the Supplemental Licence Agreement and the Supplemental Service Agreement.

If the above conditions are not fulfilled within 3 months immediately after the date of the Supplemental Service Agreement (or such a later date as may be agreed by Bus Focus and JCL in writing), the Supplemental Service Agreement will lapse and be of no further effect.

If the Service Agreement is terminated before the expiry of the initial term under the Service Agreement (i.e. on or before 31 July 2012) for any reasons, no amendments to the Service Agreement made pursuant to the Supplemental Service Agreement shall be effective and that the term of the Service Agreement will not be extended.

### **Term**

Subject to the fulfillment of the conditions precedent referred to above, pursuant to the Supplemental Service Agreement, the term of the Service Agreement shall, upon the expiry of the initial term of the Service Agreement, be extended for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive).

Since the extended term of the Licence Agreement pursuant to the Supplemental Licence Agreement is longer than 3 years, the Directors (excluding members of 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 extended term of Service Agreement pursuant to the Supplemental Service Agreement, which is more than 3 years, is necessary for the purpose of matching and being aligned with the extended period for the Licence Agreement pursuant to the Supplemental Licence Agreement, in order to ensure the provision of stable media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters during the entire extended term of the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement.

### **Consideration**

If the actual advertising rental accrued by Bus Focus derived from the Panels in relation to the Advertising Contracts is less than the guaranteed rental in any calendar month, JCL shall pay to Bus Focus the shortfall (the “**Shortfall**”). The monthly guaranteed rentals for each year ending 31 July during the extended term from 1 August 2012 until 31 July 2016 (both dates inclusive) and the remaining period of the extended term from 1 August 2016 to 30 June 2017 (both dates inclusive) are HK\$4,066,171, HK\$4,188,156, HK\$4,313,801, HK\$4,551,060 and HK\$4,778,613 respectively. The monthly guaranteed rental is calculated with reference to the target number of Panels at the Selected Bus Shelters to be rented by the outside advertisers by the guaranteed monthly advertising rental for each Panel.

The management fee payable by Bus Focus to JCL in each calendar month shall be an amount which equals to 35.6% of the sum of the actual monthly advertising rental derived from the Panels in relation to the Advertising Contracts plus the Shortfall (if any) in the relevant calendar month during the period from 1 August 2012 to 30 June 2017, which shall be paid monthly in arrears. The above calculation of management fee has been determined by Bus Focus and JCL with reference to the rates of management fee of the Service Agreement.

Subject to the terms of the Service Agreement as supplemented and amended by the Supplemental Service Agreement, if the actual advertising rental of each contract period from 1 August 2012 to 31 December 2012, 1 January 2013 to 31 December 2013, 1 January 2014 to 31 December 2014, 1 January 2015 to 31 December 2015, 1 January 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017 respectively (both dates inclusive) (each a “contract period”) accrued by Bus Focus derived from the Selected Bus Shelters is greater than the total minimum guaranteed rental of that contract period, then Bus Focus shall bear the cost of sales rebate (“**Sales Rebate**”) in respect of that contract period.

The Sales Rebate shall mean such amount of sales rebate incurred by JCL and payable to the external sales agents appointed by JCL in relation to JCL's provision of the media sales agency services to Bus Focus. If any Sales Rebate shall be borne by Bus Focus, JCL should submit to Bus Focus (i) within three months after the end of a contract period, the provisional entitlement of Sales Rebate in respect of that contract period and a preliminary calculation of Sales Rebate in respect of that contract period; and (ii) within four months after the end of a contract period, a final calculation of the Sales Rebate in respect of that contract period as certified and audited by a certified public accountant appointed by JCL and the fees for such certification and auditing shall be borne solely by JCL.

Notwithstanding abovementioned, the costs of any Sales Rebate to be borne by Bus Focus for each contract period shall not exceed an amount which is equivalent to such part of the actual advertising rental in respect of that contract period which exceeds the total minimum guaranteed rental for the same contract period.

Bus Focus shall submit to JCL annual statements as audited by a certified public accountant jointly appointed by Bus Focus and JCL, showing, among others, the amount of advertising rental and Shortfall. If there is any difference between the figures or calculations as shown in the monthly unaudited statements agreed between Bus Focus and JCL and those as shown in the annual audited statements, the annual audited statements shall be conclusive and the relevant party shall make the necessary adjustment by paying or returning the relevant amount to the other party.

In the event that the Service Agreement as supplemented and amended by the Supplemental Service Agreement is terminated within the extended term for any reason or is not renewed for a further term beyond 30 June 2017, Bus Focus shall compensate JCL for the capital investment of JCL (i.e. a maximum of 100 units of new premier Panels at the Selected Bus Shelters of HK\$75,000 each). For the avoidance of doubt, if the Service Agreement as supplemented and amended by the Supplemental Service Agreement is terminated due to the fact that JCL has failed to fulfill its obligations thereunder, Bus Focus shall not be liable to JCL for any capital investment of JCL within the term of the Service Agreement as supplemented and amended by the Supplemental Service Agreement.

As (i) the upgrading of the Panels is expected to achieve a higher revenue of Bus Focus from the media sales agency and management business in respect of the Selected Bus Shelters; and (ii) the costs of the installation of the premier Panels are to be borne by JCL solely, the Directors (excluding members of Independent Board Committee whose view will be given in the circular to be despatched to the Shareholders after taking into account the advice of the independent financial adviser) consider that the above compensation arrangement and amount is fair and reasonable.

## Historical figures

The Shortfall paid and/or payable by JCL to Bus Focus for each of the 3 years ended 31 December 2011 and for the five months ended 31 May 2012 under the Service Agreement are approximately HK\$19.8 million, HK\$7.5 million, HK\$0.6 million and HK\$Nil million respectively.

The management fee paid and/or payable by Bus Focus to JCL for each of the 3 years ended 31 December 2011 and for the five months ended 31 May 2012 under the Service Agreement are approximately HK\$16.5 million, HK\$16.7 million, HK\$17.0 million and HK\$8.6 million respectively.

The arrangement of the Sales Rebate between Bus Focus and JCL is newly added to the Service Agreement pursuant to the Supplemental Service Agreement. For each of the 3 years ended 31 December 2011, the actual advertising rental was lower than the guaranteed minimum rental. For the five months ended 31 May 2012, the actual advertising rental was higher than the guaranteed minimum rental.

## Proposed annual caps

The proposed annual caps of the Shortfall and the management fee and other payments (including the Sales Rebate) under the Service Agreement as supplemented and amended by the Supplemental Service Agreement are as follows:

Period	Amount (HK\$)	
	Shortfall	Management fee and other payments (including the Sales Rebate)
For the period from 1 August 2012 to 31 December 2012	: 9.0 million	14.0 million
For the year ending 31 December 2013	: 20.0 million	34.0 million
For the year ending 31 December 2014	: 21.0 million	35.0 million
For the year ending 31 December 2015	: 22.0 million	37.0 million
For the year ending 31 December 2016	: 23.0 million	39.0 million
For the period from 1 January 2017 to 30 June 2017	: 12.0 million	20.0 million

The above proposed annual caps for the Shortfall for the period from 1 August 2012 to 31 December 2012, the four years ending 31 December 2016 and the period from 1 January 2017 to 30 June 2017 have been determined based on the percentage of the historical shortfall for each of the three years ended 31 December 2011 compared with the annual guaranteed minimum rental stipulated under the Service Agreement for the same relevant period.

The above proposed annual caps for the management fee and other payments (including the Sales Rebate) for the period from 1 August 2012 to 31 December 2012, the four years ending 31 December 2016 and the period from 1 January 2017 to 30 June 2017 have been determined based on the terms of the Service Agreement as supplemented and amended by the Supplemental Service Agreement with reference to the advertising rentals as guaranteed by JCL referred to in the paragraph headed “Consideration” in this section (2) above and estimated maximum advertising rentals payable by JCL based on historical figures and the estimated Sales Rebate which may be borne by Bus Focus.

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

### **Other major terms**

On signing of the Supplemental Service Agreement, JCL shall provide Bus Focus with the JCL Bank Guarantee(s) as security for the due payment of the monthly Shortfall and all other sums payable by JCL to Bus Focus under the Supplemental Service Agreement and the due performance and observances by JCL of all terms and conditions in the Service Agreement as supplemented and amended by the Supplemental Service Agreement. The guaranteed amounts under the JCL Bank Guarantee(s), which shall be in the sum of HK\$7,929,034, HK\$8,160,458, HK\$8,367,772, HK\$8,759,249 and HK\$9,134,711 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 (both dates inclusive), representing the amount of six months of the guaranteed minimum royalty fees for that year of term under the Supplemental Licence Agreement, have been determined by Bus Focus and JCL after arm’s length negotiation and on normal commercial terms. The JCL Bank Guarantee(s) shall also cover the period from 1 July 2017 to 30 September 2017 (i.e. the three months’ period after the expiry of the term ending 30 June 2017) and the guaranteed amount during such period shall be in the sum of HK\$9,134,711.

JCL undertakes to Bus Focus that 50 units of the Non-Selected Bus Shelters shall become Selected Bus Shelters by the end of each of the years ending 31 July 2013 and 31 July 2014 respectively.

### **(3) DESCRIPTION OF THE CONNECTED RELATIONSHIP**

KMB is an indirect wholly-owned subsidiary of Transport International, the ultimate controlling shareholder of the Company, and is therefore a connected person of the Company within the meaning of the Listing Rules.

Bus Focus is indirectly owned by the Company through RMHL as to 60% and directly owned by IPL as to 40%. Bus Focus is therefore an indirectly non-wholly owned subsidiary of the Company and thus Transport International. As IPL is a wholly-owned subsidiary of JCHK, which in turn is the holding company of JCL, JCL is therefore a connected person of the Company within the meaning of the Listing Rules.

#### **(4) LISTING RULES REQUIREMENTS AND COMPLIANCE**

Due to the connected relationship mentioned above and based on the applicable percentage ratios, the transactions contemplated by the Supplemental Licence Agreement and the Supplemental Service Agreement constitute continuing connected transactions of the Company which are subject to the reporting, announcement, annual review requirements and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Special General Meeting will be convened to approve the transactions contemplated by the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement and the Service Agreement as supplemented and amended by the Supplemental Service Agreement and the respective relevant proposed annual caps.

A circular containing, among other things, details of the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, details of the Service Agreement as supplemented and amended by the Supplemental Service Agreement, the recommendation from the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders, and a notice of the Special General Meeting, will be despatched to the Shareholders on or before 24 July 2012.

#### **(5) REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The bus shelter media sales business has been generating revenue and profits for the Group. It is favourable to both the Group and KMB that KMB continues to grant Bus Focus a licence to conduct media sales agency and management business in respect of the Selected Bus Shelters and Bus Focus continues to sublicense its rights to use the intellectual rights in the KMB Shelter Designs to KMB. The cooperation between Bus Focus and KMB brings a strong favourable support to the Group's business activities. The combined strengths of Bus Focus and KMB in terms of resources and market share also enhance the competitiveness of the Group.

JCL is engaged in outdoor media sales business and has a dominant position in handling bus shelter media sales in Hong Kong. In view of JCL's extensive expertise in media sales, it is beneficial to the Group that JCL continues to provide media sales agency services to Bus Focus. Moreover, as mentioned above, the bus shelter media sales business has been generating revenue and profits for the Group. It is therefore beneficial to the Group for JCL to continue to grant Bus Focus a right to use the intellectual property rights on the KMB Shelter Designs pursuant to the Service Agreement as supplemented and amended by the Supplemental Service

Agreement, which Bus Focus, in turn, sublicenses to KMB. The combined strengths of Bus Focus and JCL in terms of resources and market share also enhance the competitiveness of the Group.

The Directors (excluding members of Independent Board Committee whose view will be given in the circular to be despatched to the Shareholders after taking into account the advice of the independent financial adviser) consider that the Continuing Connected Transactions are conducted in the ordinary and normal course of business of the Company, are at arm's length and on normal commercial terms, and both the Continuing Connected Transactions and the relevant proposed annual caps as set out above are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **(6) GENERAL INFORMATION**

The Group is principally engaged in the provision of media sales and management services for the multi-media on-board 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.

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

JCL is engaged in marketing and sales of on-street furniture advertising.

## **DEFINITIONS**

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

“Advertising Contracts”	the contracts between Bus Focus and the outside advertisers for the purpose of advertising, sponsorship or commercial promotion at the Selected Bus Shelters
“Bus Focus”	Bus Focus Limited, a company incorporated in the British Virgin Islands and indirectly owned as to 60% by the Company and 40% by JCHK
“Bus Focus Bank Guarantee(s)”	the bank guarantee(s) by a licensed bank in Hong Kong in favour of KMB as security for the due payment of the royalty fee and all other sums payable by Bus Focus to KMB under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement and the due performance and observances by Bus Focus of all terms and conditions in the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement

“Board”	the board of Directors
“Company”	RoadShow Holdings Limited, a company incorporated in Bermuda, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 888)
“Continuing Connected Transactions”	the continuing connected transactions under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement and the Service Agreement as supplemented and amended by the Supplemental Service Agreement
“Director(s)”	the director(s) of the Company
“Franchise”	the franchise granted by the Government of Hong Kong to KMB to operate a public bus service in Hong Kong
“Government”	the Government of 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”	an independent committee of the Board comprising the independent non-executive Directors, namely, Dr. Carlye Wai-Ling TSUI and Professor Stephen CHEUNG Yan Leung, to advise the Independent Shareholders in respect of the Continuing Connected Transactions and their respective annual caps
“Independent Shareholders”	in respect of the transactions contemplated under the Licence Agreement as supplemented and amended by the Supplemental Licence Agreement, the Shareholders other than KMB Resources Limited and its associates and Ms. Winnie Ng and her associates; and in respect of the transactions contemplated under the Service Agreement as supplemented and amended by the Supplemental Service Agreement, all the Shareholders
“IPL”	Immense Prestige Limited, a company incorporated in Hong Kong and holds 40% shareholding interest in Bus Focus
“JCHK”	JCDecaux Cityscape Hong Kong Limited (formerly known as JCDecaux Texon International Limited), a company incorporated in Hong Kong

“JCL”	JCDexaux Cityscape Limited (formerly known as JCDecaux Texon Limited or JTL), a company incorporated in Hong Kong and a wholly-owned subsidiary of JCHK
“JCL Bank Guarantee(s)”	the bank guarantee(s) by a licensed bank in Hong Kong in favour of Bus Focus as security for the due payment of the monthly Shortfall and all other sums payable by JCL to Bus Focus under the Service Agreement as supplemented and amended by Supplemental Service Agreement and the due performance and observances by JCL of all terms and conditions in the Service Agreement as supplemented and amended by Supplemental Service Agreement
“KMB”	The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Transport International
“KMB Shelter Designs”	the design, layout and setting of the bus shelters owned by KMB
“Licence Agreement”	the licence agreement dated 12 November 2008 entered into between KMB and Bus Focus in relation to, among others, the grant of an exclusive licence to conduct media sales agency and management business on the Selected Bus Shelters by KMB to Bus Focus
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Selected Bus Shelters”	the bus shelters owned by KMB other than the Selected Bus Shelters
“Panels”	the exposed faces of lightboxes for display of advertisements or other materials in relation to the media sales agency and management business at the Selected Bus Shelters of “4-Sheet size” or of such other sizes or formats as from time to time agreed by KMB and Bus Focus
“RMHL”	RoadShow Media Holdings Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Selected Bus Shelters”	the selected bus shelters owned by KMB
“Service Agreement”	the service agreement dated 12 November 2008 entered into between Bus Focus and JCL in relation to, among others, the provision of media sales agency services and maintenance and operational services in respect of Selected Bus Shelters by JCL to Bus Focus

“Shareholders”	holder(s) of the share(s) of the Company
“Special General Meeting”	the special general meeting of the Company to be held to approve, among others, the continuing connected transactions contemplated by the Licence Agreement as supplemented and amended by Supplemental Licence Agreement and the Service Agreement as supplemented and amended by the Supplemental Service Agreement and the respective relevant proposed annual caps as mentioned in this announcement
“Supplemental Licence Agreement”	the supplemental licence agreement dated 3 July 2012 entered into between KMB and Bus Focus to supplement and amend the Licence Agreement
“Supplemental Service Agreement”	the supplemental service agreement dated 3 July 2012 entered into between Bus Focus and JCL to supplement and amend the Service 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
“%”	per cent

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

Hong Kong, 3 July 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.*