
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **RoadShow Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders of the Company**



PLATINUM
Securities

Platinum Securities Company Limited

A letter from the board of directors of RoadShow Holdings Limited (the “**Company**”) is set out on pages 5 to 16 of this circular. A letter from the independent board committee of the Company is set out on pages 17 to 18 of this circular. A letter from Platinum Securities Company Limited, the independent financial adviser to the independent board committee and independent shareholders of the Company, is set out on pages 19 to 35 of this circular.

A special general meeting of the Company (the “**SGM**”) is to be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005. A copy of the notice convening such SGM, dated and issued on Monday, 5 December 2005, is also set out on pages 42 to 43 of this circular for ease of reference. Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 23 December 2005 will be entitled to attend the SGM upon completion of the necessary registration procedures. The register of members of the Company will be closed from Thursday, 22 December 2005 to Friday, 23 December 2005, both days inclusive, during which period no transfer of the Company’s shares will be effected. Where applicable, shareholders of the Company’s shares intending to attend the SGM are therefore required to lodge their respective instrument(s) of transfer and the relevant share certificate(s) to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong by 4:00 p.m. on Wednesday, 21 December 2005.

Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

5 December 2005

* for identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	5
2. Non-exempt Continuing Connected Transactions	7
3. Description of the connected relationships between the parties in the Non-exempt Continuing Connected Transactions	11
4. Reasons for and benefits of the Non-exempt Continuing Connected Transactions	12
5. Proposed Caps for the Non-exempt Continuing Connected Transactions	14
6. Disclosure and Independent Shareholders' approval requirements	15
7. SGM	15
8. General information	16
9. Recommendation	16
10. Additional information	16
 Letter from the Independent Board Committee	 17
 Letter from PSCL	 19
 Appendix — General information	 36
 Notice of Special General Meeting	 42

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	means the board of Directors
“Bus Focus”	means Bus Focus Limited, a company incorporated in British Virgin Islands and owned as to 60% by the Company with the remaining 40% ultimately controlled by TIL
“Company”	means RoadShow Holdings Limited (路訊通控股有限公司*), a company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	means the independent committee of the Board, comprising Ms. Carlye Wai-Ling TSUI and Mr. HUI Ki On, the independent non-executive directors of the Company, established for the purpose of reviewing and advising the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Proposed Caps
“Independent Shareholders”	means the shareholders of the Company other than KMB Resources and its associate(s), if any
“KMB”	means The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong in 1933 and a member of the KMB Holdings Group, which is engaged in the operation of franchised public bus services in Hong Kong and is indirectly wholly owned by KMB Holdings

* for identification purpose only

DEFINITIONS

“KMB Holdings”	means The Kowloon Motor Bus Holdings Limited, a company incorporated in Bermuda in August 1997 and whose securities are listed on the Main Board of the Stock Exchange, which is the ultimate holding company of KMB and KMBPBS
“KMB Holdings Group”	means KMB Holdings and its subsidiaries but excluding the Group
“KMB Resources”	means KMB Resources Limited, a company incorporated in the British Virgin Islands and an investment holding company with no other operations, which is a wholly owned subsidiary of KMB Holdings and the holding company of the Company
“KMB Transaction”	means the transactions contemplated under the Licence Agreement
“KMBPBS”	means KMB Public Bus Services Holdings Limited, an indirect wholly owned subsidiary of KMB Holdings and the holding company of KMB
“KMBPBS Transaction”	means the transactions contemplated under the Media Sales Management Services Agreement
“Latest Practicable Date”	means Wednesday, 30 November 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Licence Agreement”	means the agreement dated 1 March 2001 entered into between KMB and Bus Focus, the details of which are set out in the paragraph headed “KMB Transaction” of this circular
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Media Sales Management Services Agreement”	means the agreement dated 1 June 2001 entered into between RoadShow Media and KMBPBS, the details of which are set out in the paragraph headed “KMBPBS Transaction” of this circular

DEFINITIONS

“Non-exempt Continuing Connected Transactions”	means the KMBPBS Transaction, the KMB Transaction and the TML Transaction
“Proposed Caps”	the proposed maximum annual aggregate values of the Non-exempt Continuing Connected Transactions of the Company as set out in the paragraph headed “Proposed Caps for the Non-exempt Continuing Connected Transactions” of this circular
“PSCL”	means Platinum Securities Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders of the Company in respect of the Non-exempt Continuing Connected Transactions and the Proposed Caps
“RoadShow Media”	means RoadShow Media Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“Service Agreement”	means the agreement dated 1 March 2001 entered into between Bus Focus and TML, the details of which are set out in the paragraph headed “TML Transaction” of this circular
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	means a special general meeting of the Company to be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005, or any adjournment thereof
“Shareholder(s)”	means the holder(s) of shares of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules

DEFINITIONS

“TIL”	means Texon International Limited, a company incorporated in Hong Kong
“TML”	means Texon Media Limited, a wholly owned subsidiary of TIL
“TML Transaction”	means the transactions contemplated under the Service Agreement
“Waiver”	means the conditional waiver granted by the Stock Exchange on 18 June 2001 to the Company from strict compliance with the relevant requirements of the Listing Rules in relation to certain connected transactions including the Non-exempt Continuing Connected Transactions
“%”	means per cent

LETTER FROM THE BOARD



ROADSHOW HOLDINGS LIMITED
路訊通控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 888)

Board of Directors:

John CHAN Cho Chak GBS, JP, (Chairman)
DBA(Hon), BA, DipMS, MIMgt,
FCILT, FHKIoD

Michael WONG Yick-kam (Deputy Chairman)
BBA, MBA

Winnie J. NG BA, MBA (Chicago) (Group Managing Director)

Anthony NG BA, MBA (Ivey)

James Conrad LOUEY BSc

Carlye Wai-Ling TSUI# BBS, MBE, JP,
BA (Econ), FHKIoD, FBSCS, CITP, FHKIE,
HonFACE, PDipCD

HUI Ki On# GBS, CBE, QPM, CPM

MAK Chun Keung

LAU Mei Mui, May

Dr Eric LI Ka Cheung# GBS, OBE,
JP, LLD, DSocSc, BA, FCPA (Practising),
Hon HKAT, FCA, FCPA (Aust.), FCIS

Andrew SO Sing Tak

LAU Shung Oi, Susanna (Alternate Director
to Michael WONG Yick-kam)

Independent non-executive Director

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal place of business
in Hong Kong:*

No. 1, Po Lun Street
Lai Chi Kok
Kowloon
Hong Kong

5 December 2005

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

KMBPBS, KMB and TML are connected persons of the Company. RoadShow Media and Bus Focus are wholly owned and 60% non-wholly owned subsidiaries of the

* for identification purpose only

LETTER FROM THE BOARD

Company respectively. Accordingly, the transaction between RoadShow Media and KMBPBS and the transactions which Bus Focus entered into with KMB and TML constitute continuing connected transactions for the Company for the purpose of the Listing Rules.

The KMBPBS Transaction, the KMB Transaction and the TML Transaction constitute non-exempt continuing connected transactions. Under the Listing Rules, non-exempt continuing connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements. However, as the KMBPBS Transaction, the KMB Transaction and the TML Transaction have been, and will continue to be carried out in the ordinary and usual course of business and occur on a regular basis on normal commercial terms and on terms that are fair and reasonable so far as the Shareholders are concerned, the Directors considered that it would not be practical to make ongoing disclosure or obtain the Shareholders' approval for each transaction as it arises. Accordingly, the Company sought a waiver from strict compliance with the relevant requirements of the Listing Rules in respect of the Non-exempt Continuing Connected Transactions at the initial public offering of the Company's shares in 2001. The Stock Exchange, on 18 June 2001, granted the Waiver to the Company subject to, among other things, the conditions set out in a letter of even date. The Waiver has expired on 31 December 2004.

The Non-exempt Continuing Connected Transactions and the Proposed Caps will be subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules. KMB Resources will abstain from voting at the SGM on the ordinary resolutions approving the Non-exempt Continuing Connected Transactions and the Proposed Caps, which will be taken on a poll as required under the Listing Rules.

The Independent Board Committee, comprising Ms. Carlye Wai-Ling TSUI and Mr. HUI Ki On, has been established to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Proposed Caps. An independent financial adviser, PSCL, has been appointed to advise the Independent Board Committee and the Independent Shareholders on (i) whether or not the terms of the Non-exempt Continuing Connected Transactions are in the interest of the Company and its Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Proposed Caps are reasonably determined.

The purpose of this circular is to provide the Independent Shareholders with further information in relation to the Non-exempt Continuing Connected Transactions as required under the Listing Rules, so as to enable the Independent Shareholders to make an informed decision to vote on the relevant ordinary resolutions set out in the Company's notice of the SGM as set out at the end of this circular. A letter from the Independent

LETTER FROM THE BOARD

Board Committee and its recommendations to the Independent Shareholders is set out on pages 17 to 18 of this circular, and a letter of advice from PSCL as the independent financial adviser is set out on pages 19 to 35 of this circular.

2. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The connected transaction agreements listed below were entered into in 2001. Since the term of each of these agreements has not expired, the Board expects that the Group will continuously enter into the transactions with the connected persons as stated in the following agreements, which will constitute non-exempt continuing connected transactions:

- Media Sales Management Services Agreement entered into between RoadShow Media and KMBPBS;
- Licence Agreement entered into between KMB and Bus Focus; and
- Service Agreement entered into between Bus Focus and TML.

KMBPBS Transaction

RoadShow Media and KMBPBS entered into the Media Sales Management Services Agreement on 1 June 2001. Details of the major terms of the agreement are as follows:

(a) Services to be provided by RoadShow Media to KMBPBS

Under the agreement, KMBPBS appoints RoadShow Media to exclusively provide media sales management and administrative services in relation to transit vehicle exterior advertising, which include the services in connection with an agreement between a KMBPBS's subsidiary and an operator (the "**Operator Agreement**").

(b) Consideration

The service fee calculated on an annual basis and payable monthly by KMBPBS to RoadShow Media shall be equal to the greater of the two sums calculated as follows:

(i) 18% of the net rental derived from certain advertising spaces; or

(ii) $\frac{\text{guaranteed minimum royalty}}{68\%} \times 18\%$

The guaranteed minimum royalty is calculated with reference to the terms of the Operator Agreement.

LETTER FROM THE BOARD

(c) *Term*

The term is from 1 January 2001 to 31 July 2007.

The following table sets forth the historical revenues in relation to the provision of the services which are the subject matter of the Media Sales Management Services Agreement between RoadShow Media and KMBPBS for the financial years ended 31 December 2002, 31 December 2003 and 31 December 2004:

	Financial year ended 31 December		
	2002	2003	2004
	HK\$'000	HK\$'000	HK\$'000
Service fee	17,426	18,529	15,441

There was a decrease in the Company's operating revenue generated from the Hong Kong operations for the six months ended 30 June 2005 as compared to the corresponding period of the previous year due to the expiry of the bus body media sales, administration and management business in October 2004. The services provided by RoadShow Media to KMBPBS under this transaction include the services in connection with the Operator Agreement which expired in October 2004. Since the expiry of the Operator Agreement, KMBPBS and RoadShow Media had been undergoing discussions on possible amendments to the terms under the Media Sales Management Services Agreement. During the period of discussions, RoadShow Media continued to provide services to KMBPBS. Pending for the parties to reach a final agreement on the terms, KMBPBS agreed to pay an initial sum to RoadShow Media for the services provided by RoadShow Media during the period of discussions with the remaining balance, the amount of which to be agreed, to be paid upon such agreement being reached. The total service fees that have been paid by KMBPBS to RoadShow Media up to 31 October 2005 are less than 2.5% of the applicable percentage ratios and are therefore subject to the reporting and announcement requirements but exempt from Independent Shareholders' approval requirement pursuant to Rule 14A.34(1) of the Listing Rules. In October 2005, the parties agreed that the remaining service fees for the financial year ending 31 December 2005 will be settled in full by KMBPBS on or before 31 December 2005. The Board expects that the annual service fees that will be received for the financial year ending 31 December 2005 to be more than HK\$10,000,000 and represent more than 2.5% of the applicable percentage ratios, which is in line with years 2002 and 2003 levels, and will therefore be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

LETTER FROM THE BOARD

KMB Transaction

KMB and Bus Focus entered into the Licence Agreement on 1 March 2001. Details of the major terms of the agreement are as follows:

(a) Licence granted to Bus Focus by KMB

KMB grants to Bus Focus a licence to conduct media sales business on selected transit vehicle shelters (the “**Selected Bus Shelters**”).

(b) Licence granted to KMB by Bus Focus

Bus Focus grants a sublicense of its right to use the intellectual property rights relating to the design, layout and setting (the “**KMB Shelter Designs**”) of the Selected Bus Shelters and transit vehicle shelters owned by KMB other than the Selected Bus Shelters (the “**Non-Selected Bus Shelters**”).

(c) Consideration

Bus Focus shall pay to KMB the costs of constructing 22 of the Selected Bus Shelters and the quarterly payment of royalty fee which equals to 36% of the net advertising rental derived from the panels at the Selected Bus Shelters.

(d) Renewal

Bus Focus shall have the first right of refusal to renew the term of the Licence Agreement for further periods upon the same terms and conditions contained in the Licence Agreement which is exercisable each time by Bus Focus serving a written notice on KMB to extend the term of the Licence Agreement for the relevant further period.

(e) Term

The term is from 1 March 2001 until 28 February 2005. Subject to Bus Focus’ compliance of all its obligations in accordance with the terms and conditions of the Licence Agreement, the term shall be automatically extended for a further period from 1 March 2005 to 31 July 2007 upon the same terms and conditions.

The Board confirms that Bus Focus has complied with all its obligations in accordance with the terms and conditions of the Licence Agreement. Accordingly, the Licence Agreement has been extended for a further period from 1 March 2005 to 31 July 2007.

LETTER FROM THE BOARD

The following table sets forth the historical royalty fee paid by Bus Focus to KMB for the financial years ended 31 December 2002, 31 December 2003 and 31 December 2004:

	Financial year ended 31 December		
	2002	2003	2004
	HK\$'000	HK\$'000	HK\$'000
Royalty fee	5,527	5,896	6,659

The total costs of constructing 22 of the Selected Bus Shelters are HK\$4,964,950 of which HK\$4,721,200 was paid by Bus Focus to KMB in 2002 and the remaining HK\$243,750 is still outstanding as at the Latest Practicable Date. The Board expects that Bus Focus will pay the outstanding balance in respect of the construction costs to KMB by the end of 2005.

TML Transaction

Bus Focus and TML entered into the Service Agreement on 1 March 2001. Details of the major terms of the agreement are as follows:

(a) *Services to be provided by TML to Bus Focus*

Under the agreement, Bus Focus appoints TML exclusively to provide media sales agency services.

(b) *Obligations of TML*

TML shall make a security deposit in favour of Bus Focus to secure TML's performance of its obligations under the agreement. However, Bus Focus shall have the right to draw money out of the deposit as an unsecured interest-free loan from TML to Bus Focus.

TML shall also grant to Bus Focus a royalty-free right to use the intellectual property rights on KMB Shelter Designs exclusively for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only and agrees that Bus Focus shall have the right to sublicense its right by TML to KMB.

(c) *Consideration*

Bus Focus shall be entitled to a guaranteed rental in relation to the media sales. TML shall pay any shortfall if the actual rental received by Bus Focus is less than the guaranteed rental in any calendar month (the "**Shortfall**").

LETTER FROM THE BOARD

Bus Focus shall pay to TML in each calendar month a management fee which equals to the sum of 28²/₃% of the net advertising rental derived from the panels in relation to certain advertising contracts plus the Shortfall (if any).

(d) Term

The term is from 1 March 2001 until 28 February 2005. Subject to Bus Focus' compliance of all its obligations in accordance with the terms and conditions of the Licence Agreement, the term shall be extended for a further period from 1 March 2005 to 31 July 2007.

As the Licence Agreement has been extended for a further period from 1 March 2005 to 31 July 2007, the Board confirms that the Service Agreement has also been extended for a further period from 1 March 2005 to 31 July 2007.

The following table sets forth the historical management fee paid by Bus Focus to TML for the financial years ended 31 December 2002, 31 December 2003 and 31 December 2004:

	Financial year ended 31 December		
	2002	2003	2004
	HK\$'000	HK\$'000	HK\$'000
Management fee	7,784	8,952	10,087

3. DESCRIPTION OF THE CONNECTED RELATIONSHIPS BETWEEN THE PARTIES IN THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

KMBPBS

KMBPBS is principally engaged in investment holding and is a wholly owned subsidiary of KMB Holdings which, through KMB Resources, owns 73.01% of the issued share capital of the Company.

KMB

KMB is engaged in the operation of franchised public bus services in Hong Kong and is an indirect wholly owned subsidiary of KMB Holdings which, through KMB Resources, owns 73.01% of the issued share capital of the Company.

LETTER FROM THE BOARD

TML

TML is engaged in marketing and sales of street furniture advertising and is a wholly owned subsidiary of TIL. TIL is a substantial shareholder of Bus Focus which is a 60% non- wholly owned subsidiary of the Company.

The transactions between the Group and each of KMBPBS, KMB and TML constitute non-exempt continuing connected transactions of the Group and are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

4. REASONS FOR AND BENEFITS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Non-exempt Continuing Connected Transactions are entered into for the necessity and benefits of the Company.

The Non-exempt Continuing Connected Transactions are and will be conducted in the ordinary and usual course of business of the Group. These transactions will continue to be agreed on an arm's length basis with terms that are fair and reasonable to the Group. Due to the reasons for and benefits of each of the Non-exempt Continuing Connected Transactions set out below, the Board considers it to be beneficial to the Company and in the interests of the Shareholders as a whole to continue the Non-exempt Continuing Connected Transactions as these transactions have facilitated and will continue to facilitate the operation of the Group's business.

Reasons for and benefits of the KMBPBS Transaction

The long term objective of the Group is to develop a large diversified out-of-home media sales business. The KMBPBS Transaction represents a good opportunity for the Group to enhance its media sales business in relation to transit vehicle exterior advertising in Hong Kong, and is able to generate additional revenue for the Group.

The continuing connected transactions between RoadShow Media and KMBPBS are conducted in the ordinary and normal course of business of the Company, and are at arm's length.

Reasons for and benefits of the KMB Transaction

The bus shelters media sales business has been generating revenue and profit for the Group. It is therefore favourable to the Group that KMB continues to grant Bus Focus a licence to conduct media sales business on the Selected Bus Shelters and Bus Focus continues to sublicense its right to use the intellectual rights on the KMB Shelter

LETTER FROM THE BOARD

Designs to KMB. KMB, on the other hand, continues to enjoy professional high-quality advertising sales management services in relation to the Selected Bus Shelters with income guaranteed. 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 both the Group and KMB.

The continuing connected transactions between Bus Focus and KMB are conducted in the ordinary and normal course of business of the Company, and are at arm's length.

Reasons for and benefits of the TML Transaction

TML is engaged in outdoor media sales business and has a dominant position in handling bus shelters media sales in Hong Kong. In view of TML's extensive expertise in media sales, it is beneficial to the Group that TML continues to provide media sales agency services to Bus Focus. As mentioned above, the bus shelters media sales business has been generating revenue and profit for the Group. It is therefore beneficial to the Group for TML to continue to grant Bus Focus a right to use the intellectual property rights on the KMB Shelter Designs, which Bus Focus, in turn, sublicenses to KMB. The cooperation between Bus Focus and TML brings a strong favourable support to the Group's business activities. The combined strengths of Bus Focus and TML in terms of resources and market share also enhance the competitiveness of both the Group and TML.

The continuing connected transactions between Bus Focus and TML are conducted in the ordinary and normal course of business of the Company, and are at arm's length.

Based on the above, the Directors (including the independent non-executive directors) believe that the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and the entering into the Non-exempt Continuing Connected Transactions is in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

5. PROPOSED CAPS FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Board has considered and proposed the following annual caps in respect of the service fee received under the KMBPBS Transaction, the royalty fee paid under the KMB Transaction and the management fee paid under the TML Transaction for the period from 1 January 2005 to 31 December 2007:

Transactions	For the year ending 31 December		
	2005	2006	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Revenue</i>			
KMBPBS Transaction — service fee (Note 1)	20,000	20,000	20,000
<i>Expenditure</i>			
KMB Transaction — royalty fee (Note 2)	8,200	9,400	10,800
TML Transaction — management fee (Note 3)	13,000	15,000	17,300

Notes:

Bases for the Proposed Caps:

1. The annual proposed cap has been determined based on the terms of the relevant agreement and with reference to the previous annual revenue in respect of the KMBPBS Transaction.
2. It is expected that the net advertising rental will enjoy a growth due to the increase in the number of panels at the Selected Bus Shelters. The annual proposed cap has been determined based on that expectation.
3. It is expected that the net advertising rental will enjoy a growth due to the increase in the number of panels relating to the advertising contracts concerned. The annual proposed cap has been determined based on that expectation.

The Directors (including the independent non-executive directors) believe that the amount of the Proposed Caps are fair and reasonable and the Proposed Caps are reasonably determined.

LETTER FROM THE BOARD

6. DISCLOSURE AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Pursuant to Rule 14A.35 of the Listing Rules, the Non-exempt Continuing Connected Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements. The Company will seek the Independent Shareholders' approval at the SGM of the Non-exempt Continuing Connected Transactions and the Proposed Caps that:

1. The annual amount of each individual type of the Non-exempt Continuing Connected Transactions shall not exceed the applicable Proposed Caps;
2. (i) The Non-exempt Continuing Connected Transactions will be entered into in the usual and ordinary course of businesses of the Group and either (A) on normal commercial terms or (B) if there is no available comparison, on terms no less favourable to the Group than terms available from independent third parties; and
(ii) The Non-exempt Continuing Connected Transactions will be entered into in accordance with the relevant agreements and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company will comply with other applicable rules set out in Chapter 14A of the Listing Rules in relation to the Non-exempt Continuing Connected Transactions.

In view of the interests of KMBPBS and KMB, KMB Resources will abstain from voting in relation to the shareholders resolution necessary to approve the Non-exempt Continuing Connected Transactions. An Independent Board Committee of the Company (comprising Ms. Carlye Wai-Ling TSUI and Mr. HUI Ki On) has been appointed to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Proposed Caps. An independent financial adviser, PSCL, has been appointed to advise the Independent Board Committee and the Independent Shareholders on whether or not the terms of the Non-exempt Continuing Connected Transactions are in the interest of the Company and its Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned and whether the Proposed Caps are reasonably determined.

7. SGM

The Notice convening the SGM to be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005 was dated and issued on 5 December 2005 to the Shareholders pursuant to the Bye-laws of the Company. The SGM will be held for the purpose of considering and, if deemed appropriate, approving, among others, the Non-exempt Continuing Connected Transactions and the Proposed Caps. The ordinary resolutions to approve the Non-exempt Continuing Connected Transactions and the Proposed Caps will be voted by way of poll.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no less than 48 hours before the time appointed for the holding of SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you wish.

Pursuant to the Listing Rules, KMB Resources holding approximately 73.01% of the issued share capital of the Company as at the Latest Practicable Date will abstain from voting in respect of the ordinary resolutions to approve the Non-exempt Continuing Connected Transactions and the Proposed Caps at the SGM because of its interest in these transactions.

The procedure by which Shareholders may demand a poll at any general meeting of the Company is set out under the paragraph headed “Procedure for demanding a poll” in the Appendix to this circular.

8. GENERAL INFORMATION

The Group is engaged in outdoor advertising in Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong and in multi-media on-board advertising aimed at passengers riding public transit vehicles in Hong Kong. It also manages a nationwide multi-dimensional advertising network on China Mainland covering more than 200 cities.

9. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders of the Company, which is set out on pages 17 to 18 of this circular, and which contains their recommendation in respect of the terms of the Non-exempt Continuing Connected Transactions and the determination of the Proposed Caps.

The advice of PSCL to the Independent Board Committee and the Independent Shareholders of the Company on the fairness and reasonableness of the terms of the Non-exempt Continuing Connected Transactions and the determination of the Proposed Caps are set out on pages 19 to 35 of this circular.

10. ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
RoadShow Holdings Limited
John CHAN Cho Chak
Chairman



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 888)

5 December 2005

To the Independent Shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 5 December 2005 of the Company of which this letter forms part. Terms defined in this circular shall have the same meanings when used herein unless the context requires otherwise.

Since the Non-exempt Continuing Connected Transactions constitute continuing connected transactions for the Company under the Listing Rules for the reasons set out in this circular, the Non-exempt Continuing Connected Transactions are subject to the requirements of reporting, announcement and approval from the Independent Shareholders.

We have been appointed by the Board to constitute the Independent Board Committee to consider and advise the Independent Shareholders as to the fairness and reasonableness in relation to the terms of the Non-exempt Continuing Connected Transactions and the determination of the Proposed Caps, details of which are set out in the Letter from the Board in this circular to the Shareholders. Platinum Securities Company Limited has been retained as the independent financial adviser to advise the Independent Board Committee in this respect. We wish to draw your attention to the letter from PSCL as set out on pages 19 to 35 of this circular.

Having taken into account the information set out in the letter from the Board, and the principal factors, reasons and recommendations set out in the letter from PSCL, we consider the terms of the Non-exempt Continuing Connected Transactions to be fair and reasonable so far as the Independent Shareholders are concerned and believe that (i) the Non-exempt Continuing Connected Transactions are in the interest of the Company and its Shareholders as a whole; and (ii) the amount of the Proposed Caps are fair and

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

reasonable and the Proposed Caps are reasonably determined. Accordingly, we recommend that the Independent Shareholders should vote in favour of the resolutions to be proposed at the SGM to approve the Non-exempt Continuing Connected Transactions and the Proposed Caps.

Yours faithfully,

Ms. Carlye Wai-Ling TSUI
Independent non-executive
Director

Mr. HUI Ki On
Independent non-executive
Director

LETTER FROM PSCL

The following is the text of the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this Circular.



PLATINUM Securities Company Limited

22/F Standard Chartered Bank Building
4 Des Voeux Road Central
Hong Kong

Telephone (852) 2841 7000

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5 December 2005

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Non-exempt Continuing Connected Transactions and the Proposed Caps for each of the three years ending 31 December 2007. Details of which are contained in the letter from the Board as set out in the circular of the Company dated 5 December 2005 to the Shareholders (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In our capacity as the independent financial adviser, our role is to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether: (i) the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Shareholders and the Group as a whole; and (ii) the Proposed Caps are fair and reasonable.

In formulating our opinion, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things: (i) the Media Sales Management Services Agreement; (ii) the Licence Agreement; (iii) the Service Agreement; (iv) the annual reports and accounts of the Company for the two financial years ended 31 December 2004; and (v) the unaudited interim report of the Company for the six months ended 30 June 2005. We have also discussed with management of the Company about their plans and the business prospects of the Company.

LETTER FROM PSCL

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Company. Furthermore, we have no reasons to suspect that the reasonableness of the opinions and representations expressed by the Company and/or the Directors which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Group. We consider that we have been supplied and reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Non-exempt Continuing Connected Transactions and the Proposed Caps.

We are independent from, and are not associated with, the Company nor another party to the transactions, or their respective substantial shareholders or connected person(s), as defined under the Listing Rules and, accordingly, are considered eligible to give independent advice on the Non-exempt Continuing Connected Transactions and the Proposed Caps. We will receive a fee from the Company for our role as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the Proposed Caps. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company and another party to the transactions or their respective substantial shareholders or connected person(s), as defined under the Listing Rules.

An Independent Board Committee, comprising Ms Carlye Wai-Ling TSUI and Mr. HUI Ki On, has been established to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the Proposed Caps. In view of the interests of KMBPBS and KMB, KMB Resources will abstain from voting in relation to the shareholders resolutions necessary to approve the Non-exempt Continuing Connected Transactions and the Proposed Caps.

LETTER FROM PSCL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in relation to the Non-exempt Continuing Connected Transactions and the Proposed Caps, and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors:

A. Reasons for and benefits of the Non-exempt Continuing Connected Transactions:

1. *Background of the Non-exempt Continuing Connected Transactions*

(i) *KMBPBS Transaction*

RoadShow Media and KMBPBS entered into the Media Sales Management Services Agreement which covers the term from 1 January 2001 to 31 July 2007. Under the Media Sales Management Services Agreement, KMBPBS appoints RoadShow Media to exclusively provide media sales management and administrative services in relation to transit vehicle exterior advertising, which include the services in connection with an agreement between a KMBPBS's subsidiary and an operator (the "Operator Agreement"). The service fee under the Media Sales Management Services Agreement calculated on an annual basis and payable monthly by KMBPBS to RoadShow Media shall be equal to the greater of the two sums calculated as follows:

(i) 18% of the net rental derived from certain advertising spaces; or

(ii)
$$\frac{\text{guaranteed minimum royalty}}{68\%} \times 18\%$$

The guaranteed minimum royalty is calculated with reference to the terms of the Operator Agreement.

(ii) *KMB Transaction*

KMB and Bus Focus entered into the Licence Agreement which covers the term from 1 March 2001 to 28 February 2005. The Licence Agreement has subsequently been extended for a further period from 1 March 2005 to 31 July 2007. Under the Licence Agreement: (i) KMB grants to Bus Focus licence to conduct media sales business on the Selected Bus Shelters; and (ii) Bus Focus grants a sublicense of its right to use the intellectual property rights relating to the design, layout and setting (the "KMB Shelter Designs") of the Selected Bus Shelters and transit vehicle shelters owned by KMB

LETTER FROM PSCL

other than the Selected Bus Shelters to KMB. Pursuant to the Licence Agreement, Bus Focus shall pay to KMB the costs of constructing 22 of the Selected Bus Shelters and the quarterly payment of royalty fee which equals to 36% of the net advertising rental derived from the panels at the Selected Bus Shelters.

(iii) *TML Transaction*

Bus Focus and TML entered into the Service Agreement which covers the term from 1 March 2001 to 28 February 2005. The Service Agreement has subsequently been extended for a further period from 1 March 2005 to 31 July 2007. Under the Service Agreement, Bus Focus appoints TML exclusively to provide media sales agency services. Bus Focus shall pay to TML in each calendar month a management fee which equals the sum of $28\frac{2}{3}\%$ of the net advertising rental derived from the panels in relation to certain advertising contracts plus the Shortfall (if any).

KMBPBS, KMB and TML are connected persons of the Company, RoadShow Media is the wholly owned subsidiary of the Company and Bus Focus is a 60% non-wholly owned subsidiary of the Company. Accordingly, the KMBPBS Transaction, KMB Transaction and TML Transaction all constitute Non-exempt Continuing Connected Transactions for the Company under the Listing Rules.

2. *Business of the parties to the Non-exempt Continuing Connected Transactions*

RoadShow Media is a wholly owned subsidiary of the Company which is principally engaged in the provision of media sales and management services for advertising on transit vehicle exteriors and shelters and for the multi-media on board (“MMOB”) business.

Bus Focus is a 60% non-wholly owned subsidiary of the Company and focus in the provision of media sales services for advertising on transit vehicle shelters.

KMBPBS is principally engaged in investment holding and is a wholly owned subsidiary of KMB Holdings.

KMB is engaged in the operation of franchised public bus services in Hong Kong and is an indirect wholly owned subsidiary of KMB Holdings.

TML is engaged in marketing and sales of street furniture advertising and is a wholly owned subsidiary of TIL. TIL owns 40% of the issued share capital of Bus Focus.

LETTER FROM PSCL

3. *Business of the Group*

The Group is principally engaged in the provision of out-of-home media sales services in Hong Kong and China. The businesses of the Group include: (i) markets advertising spaces on the interior of transit vehicles through a proprietary MMOB system; (ii) manages and markets advertising spaces on the exterior of transit vehicles and advertising displays at transit vehicle shelters; and (iii) engages in merchandising business.

The contribution of media sales and management business segment to the Group's total operating revenue is set out in Table 1 below:

Table 1: Contribution of media sales and management business segment

	For the year ended 31 December			For the six months ended 30 June	
	2002	2003	2004	2004	2005
	<i>HK\$000</i>	<i>HK\$000</i>	<i>HK\$000</i>	<i>HK\$000</i>	<i>HK\$000</i>
Group total operating revenue	178,619	196,457	243,367	119,395	127,834
Turnover from media sales and management business ¹	160,318	179,474	227,272	111,731	118,078
% of contribution to the Group total turnover	90%	91%	93%	94%	92%

Note 1: The turnover is net of agency commission and rebate.

Source: 2003 and 2004 annual reports and accounts, unaudited 2005 interim report of the Company.

As illustrated in Table 1 above, the percentage contribution of the media sales and management business segment to the Group's total operating revenue recorded a moderate increase for the three years ended 31 December 2004 from approximately 90% in 2002 to approximately 93% in 2004.

Moreover, the turnover from media sales and management business segment increased at annual rate of approximately 26.6% from approximately HK\$179.5 million in 2003 to approximately HK\$227.3 million in 2004. Therefore, we consider that the media sales and management business segment is the key portion of the total operating revenue of the Group for the three years ended 31 December 2004 and for the two six-month periods ended 30 June 2004 and 30 June 2005.

LETTER FROM PSCL

In light of the above, namely the significance of the media sales and management business segment to the Group and the steady contribution to the total operating revenue to the Group, we are of the view that this business segment is a core business segment of the Group and plays an important part in the long term strategy and future growth and development of the Group.

4. *Overview of the advertising industry in Hong Kong*

According to Nielsen Media Research, an independent media information research institution, the total advertising expenditure in Hong Kong grew at an annual rate of approximately 13.4% and reached approximately HK\$40.8 billion in 2004 from approximately HK\$36.0 billion in 2003. The single-digit increment in outdoor advertising expenditure of approximately 8.9% in 2003 was due to the outbreak of Severe Acute Respiratory Syndrome which had an adverse impact to the overall economy in Hong Kong.

The market statistics for the Hong Kong advertising industry are illustrated in Table 2 below.

Table 2: Advertising expenditure in Hong Kong from 2002 to 2004

	2002	2003	2004	Annual growth rate	
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	2003	2004
	<i>million</i>	<i>million</i>	<i>million</i>	<i>%</i>	<i>%</i>
Total advertising expenditure	33,042	35,981	40,791	8.9	13.4

Source: Nielsen Media Research

Furthermore, based on the findings of the Census and Statistics Department, the gross domestic product of Hong Kong experienced year-on-year growth of approximately 1.8%, 3.1% and 8.2% respectively for 2002, 2003 and 2004. In view of the economic upturn, Hong Kong's overall advertising expenditure rose by approximately 11% to HK\$ 21.1 billion in the first half of 2005 and Nielsen Media Research forecasted that this growth momentum will continue in near future.

With respect to the aforesaid, we consider that Hong Kong advertising industry has shown considerable growth in recent years. As the economy continues to improve, it is expected that this stable growth will continue in the coming years.

LETTER FROM PSCL

In light of the above, we are of the view that the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of businesses of the Group.

5. ***Reasons for entering into the Non-exempt Continuing Connected Transactions***

(i) *KMBPBS Transaction*

As stated in the letter from the Board, the long term objective of the Group is to develop a large diversified out-of-home media sales business. The KMBPBS Transaction represents a good opportunity for the Group to enhance its media sales business in relation to transit vehicle exterior advertising in Hong Kong, and is able to generate additional revenue for the Group.

(ii) *KMB Transaction*

The bus shelters media sales business has been generating revenue and profit for the Group. It is therefore favourable to the Group that KMB continues to grant Bus Focus licence to conduct media sales business on the Selected Bus Shelters and Bus Focus continues to sublicense its right to use the intellectual rights on 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 both the Group and KMB.

(iii) *TML Transaction*

TML is engaged in outdoor media sales business and has a dominant position in handling bus shelters media sales in Hong Kong. In view of TML's extensive expertise in media sales, it is beneficial to the Group that TML continues to provide media sales agency services to Bus Focus. As mentioned above, the bus shelters media sales business has been generating revenue and profit for the Group. It is therefore beneficial to the Group for TML to continue to grant Bus Focus a right to use the intellectual property rights on the KMB Shelter Designs, which Bus Focus, in turn, sublicenses to KMB. The cooperation between Bus Focus and TML brings a strong favourable support to the Group's business activities. The combined strengths of Bus Focus and TML in terms of resources and market share also enhance the competitiveness of both the Group and TML.

LETTER FROM PSCL

According to the Hong Kong Transport Department, we note that KMB and its wholly owned subsidiary Long Win Bus Company Limited, Citybus Limited (“Citybus”), New World First Bus Services Limited (“NWFB”), and New Lantao Bus Co. (1973) Limited (“NLB”), are the only bus operator licensees authorized by the Hong Kong SAR Government. Moreover, we also note from the website of TML that KMB, Citybus, NWFB and NLB are all its trading partners. Therefore, we concur with the view of the Board that TML has a dominant position in handling bus shelters media sales in Hong Kong.

As stated in the letter from the Board, and in line with our understanding obtained from the management of the Company, the Non-exempt Continuing Connected Transactions will continue to be agreed on an arm’s length basis with terms that are fair and reasonable to the Group.

In light of the above, we consider that the Non-exempt Continuing Connected Transactions are entered into on normal commercial terms and in line with the long term business strategy of the Group.

In light of the above, in particular:

- (i) the importance of the media sales management services business segment to the Group;
- (ii) the Group’s strategy to develop a large diversified out-of-home media sales business;
- (iii) the Non-exempt Continuing Connected Transactions is important to the media sales management services business segment of the Group;
- (iv) the growth potential in the advertising industry in Hong Kong; and
- (v) the Non-exempt Continuing Connected Transactions will facilitate the Company to generate additional income as well as enhance the competitiveness of the Group;

we are of the view that the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group, in line with the long term business strategy of the Group, on normal commercial terms, fair and reasonable and in the interest of the Shareholders and the Group as a whole.

LETTER FROM PSCL

B. Basis of the Proposed Caps

In accordance with the waiver conditions granted by the Stock Exchange in 2001, the annual amount in respect of each of the Non-exempt Continuing Connected Transactions individually shall not exceed 3% of the Group's total net tangible asset value for the three years ended 31 December 2004.

Since the Waiver has expired on 31 December 2004, the Non-exempt Continuing Connected Transactions will be subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

In formulating our opinion in relation to the fairness and reasonableness of the Proposed Caps, we have reviewed the calculation of the Proposed Caps of the Non-exempt Continuing Connected Transactions. As stated in the letter from the Board, the management of the Company expressed that the determination of the Proposed Caps are based on, among others: (i) the historical data in previous similar transactions; and (ii) the expected growth of demand in the net advertising rental of the Company in the foreseeable future; and (iii) the advertising panel growth in the coming years in Hong Kong.

(i) Media Sales Management Services Agreement

The Proposed Caps

As stated in the letter from the Board, the Proposed Caps for the Media Sales Management Services Agreement for the three financial years ending 31 December 2007 respectively are all HK\$20 million each year. In assessing the fairness and reasonableness of the Proposed Caps from 2005 to 2007 under the Media Sales Management Services Agreement, we have considered the following:

(a) *Historical service fee*

The historical service fees paid under the Media Sales Management Services Agreement is set out in Table 3 below.

Table 3: Historical service fees paid under the Media Sales Management Services Agreement

Period	Amount <i>HK\$'000</i>
For the year ended 31 December	
2002	17,426
2003	18,529
2004 ¹	15,441

LETTER FROM PSCL

Note 1: Service fee covered a ten months period from 1 January 2004 to 30 October 2004

Source: Company data

As illustrated in Table 3 above, the historical service fee received from KMBPBS in relation to the provision of the media sales management and administrative services under the Media Sales Management Services Agreement grew at an annual rate of approximately 6.3% from 2002 to 2003. The service fee paid in 2004 of approximately HK\$15.4 million covered a period of ten months from 1 January 2004 to 30 October 2004 and represents approximately 83.3% of the full year service fee in 2003.

As stated in the letter from the Board, in October 2005, the parties of the Media Sales Management Services Agreement have agreed that the service fees for the financial year ending 31 December 2005 will be settled in full by KMBPBS on or before 31 December 2005. The Board further mentioned that it expects the annual service fees that will be received for the financial year ending 31 December 2005 to be more than HK\$10 million and in line with years 2002 and 2003 levels.

Based on our discussion with the management, as well as our review of the Company's internal information, we consider that it is reasonable for the Board to expect the annual service fees that will be received for the financial year ending 31 December 2005 to be more than HK\$10 million and in line with years 2002 and 2003 levels.

In light of the above, we consider that it is reasonable for the Company to propose a cap of HK\$20 million for the Media Sales Management Services Agreement in 2005.

(b) 2005 to 2007 annual growth rates under the Media Sales Management Services Agreement

As illustrated in Table 3 above, the annual service fees received under the Media Sales Management Services Agreement were considerably stable and remained in a range of HK\$15 to HK\$18 million from 2002 to 2004. Based on our discussions with the management of the Company, it is our understanding that the public bus industry is a highly regulated industry in Hong Kong.

LETTER FROM PSCL

We note that the annual growth in number of buses that a bus company can operate is subject to approval by the Hong Kong Transport Department. Moreover, we consider that the determination of the Proposed Caps from 2005 to 2007, among others, are affected by the growth in number of buses to be operated by KMB for this three-year period.

The total number of registered double deck public buses of KMB from 2000 to 2004 is set out in Table 4 below:

**Table 4: Registered double deck public bus of
KMB from 2000 to 2004**

Year	Number of KMB's double deck bus	Growth rate %
2000	4,001	n/a
2001	4,137	3.4
2002	4,195	1.4
2003	4,058	(3.3)
2004	3,975	(2.0)

Source: Hong Kong Transport Department

According to Table 4 above, we note that the number of registered double deck public buses of KMB remained stable from 2000 to 2004. The number of registered double deck buses of KMB increased by approximately 3.4% and approximately 1.4% respectively in 2001 and 2002, and decreased by approximately 2.0% from 4,058 buses in 2003 to 3,975 buses in 2004.

Based on our discussions with the management of the Company, we note that the number of buses to be involved in vehicle exterior advertising business will remain relatively stable and in line with previous years' levels from 2005 to 2007. We also understand from the management of the Company that the rental rates for advertising spaces on buses exteriors have remained stable for the past few years and this trend is expected to continue from 2005 to 2007.

In view of the above, in particular: (i) the number of buses to be involved in vehicle exterior advertising business will remain relatively stable from 2005 to 2007; and (ii) the rental fee for advertising space on buses exteriors will remain relatively stable from 2005 to 2007, we consider that it is reasonable for the Company to set HK\$20 million as the Proposed Caps from 2005 to 2007 under the Media Sales Management Services Agreement.

LETTER FROM PSCL

In light of the above, in particular:

- (i) the service fees received were within the range of HK\$15 to HK\$18 million from 2002 to 2004;
- (ii) the Board expected that the annual service fees for the full year of 2005 will be in line with 2002 and 2003 levels;
- (iii) the number of KMB buses is expected to remain at similar levels from 2005 to 2007; and
- (iv) the rental fee for advertising space on transit vehicle exteriors will also remain relatively stable in 2005 to 2007,

we are of the opinion that it is fair and reasonable for the Company to set the 2005, 2006 and 2007 Proposed Caps at HK\$20 million each year under the Media Sales Management Services Agreement.

(ii) Licence Agreement

The Proposed Caps under the Licence Agreement are illustrated in Table 5 below.

Table 5: Proposed Caps under the Licence Agreement

Period	Amount <i>HK\$'000</i>	Annual growth rate %
For the year ending 31 December		
2005	8,200	n/a
2006	9,400	14.6
2007	10,800	14.9
Average annual growth rate under the Licence Agreement		14.8

Source: Company data

LETTER FROM PSCL

In assessing the fairness and reasonableness of the Proposed Caps from 2005 to 2007 under the Licence Agreement, we have considered the following:

(a) Historical royalty fee

The historical royalty fee paid to KMB in relation to the provision of the media sales business is set out in Table 6 below:

Table 6: Historical royalty fee under the Licence Agreement

Period	Amount <i>HK\$'000</i>	Annual growth rate %
For the year ended 31 December		
2002	5,527	n/a
2003	5,896	6.7
2004	6,659	12.9
Average annual growth rate under the Licence Agreement		9.8
For the six months ended 30 June 2005	3,424	

Source: Company data

As illustrated in Table 6 above, the historical royalty fee paid to KMB in relation to the provision of the media sales business on selected transit vehicle shelters under the Licence Agreement grew at an average annual rate of approximately 9.8% for the three-year period from 2002 to 2004. Moreover, the actual royalty fee paid under the Licence Agreement reached approximately HK\$6.7 million in 2004.

Based on the annual growth rate of approximately 12.9% in 2004, and that the actual royalty fee for the first six months in 2005 was approximately 51.4% of the full year fee in 2004 of approximately HK\$6.7 million, we consider that it is reasonable for the Company to propose a cap of HK\$8.2 million for the Licence Agreement in 2005.

(b) Annual growth rates under the Licence Agreement from 2005 to 2007

The royalty fee is calculated as a percentage of the net advertising rental derived from the panels at the Selected Bus Shelters and we understand from the management of the Company that the number of advertising panels of bus shelters may not be adjusted solely at the discretion of the bus operators but subject to approval by the Hong Kong Transport Department.

LETTER FROM PSCL

Based on information provided by the management of the Company, we note that Bus Focus' advertising revenue derived from its bus shelters business grew at an annual rate ranging from approximately 10% to 15% in the past two years. Moreover, we note that the number of panels in relation to the Licence Agreement has been targeted to grow at steady pace from 2005 to 2007.

We also understand from management of the Company that the rental fees of advertising panels of bus shelters charged by KMB have remained stable in previous years. Moreover, the management of the Company is of the view that this steady trend is likely to continue from 2005 to 2007.

According to Nielsen Media Research, we note that the total advertising expenditure in Hong Kong grew at an annual rate of approximately 13.4% in 2004.

In light of the above, we consider that it is reasonable for the Company to propose annual caps of HK\$8.2 million, HK\$9.4 million and HK\$10.8 million in 2005, 2006 and 2007 respectively under the Licence Agreement, which represents an average annual growth rate of approximately 14.8%.

In light of the above, in particular:

- (i) given that the actual 2004 royalty fee was approximately HK\$6.7 million and the actual royalty fee for the first six months in 2005 was approximately 51.4% of the full year royalty fee in 2004 under the Licence Agreement;
- (ii) the number of advertising panels on the bus shelters is expected to grow at steady pace from 2005 to 2007;
- (iii) the rental fee of advertising panels of bus shelters charged by KMB is expected to remain steady from 2005 to 2007; and
- (iv) the total advertising expenditure in Hong Kong grew at an annual rate of approximately 13.4% in 2004,

we are of the opinion that the Proposed Caps for the three financial years ending 31 December 2007 at HK\$8.2 million, HK\$9.4 million and HK\$10.8 million respectively under the Licence Agreement, which represent an average annual growth rate of approximately 14.8%, are fair and reasonable.

LETTER FROM PSCL

(iii) Service Agreement

The Proposed Caps under the Service Agreement is illustrated in Table 7 below.

Table 7: Proposed Caps under the Service Agreement

Period	Amount <i>HK\$'000</i>	Annual growth rate %
For the year ending 31 December		
2005	13,000	n/a
2006	15,000	15.4
2007	17,300	15.3
Average annual growth rate under the Service Agreement		15.4

Source: Company data

In assessing the fairness and reasonableness of the Proposed Caps for the three financial years ending 31 December 2007 under the Service Agreement, we have considered the following:

(a) *Historical management fee*

The historical management fee under the Service Agreement is set out in Table 8 below:

Table 8: Historical management fee under the Service Agreement

Period	Amount <i>HK\$'000</i>	Annual growth rate %
For the year ended 31 December		
2002	7,784	n/a
2003	8,952	15.0
2004	10,087	12.7
Average annual growth rate under the Service Agreement		13.9
For the six months ended 30 June 2005	5,220	

Source: Company data

LETTER FROM PSCL

As illustrated in Table 8 above, the historical management fee paid to TML in relation to the provision of the media sales business on selected transit vehicle shelters under the Service Agreement grew at an average annual rate of approximately 13.9% for the three-year period from 2002 to 2004. Moreover, the actual management fee paid under the Service Agreement reached approximately HK\$10.1 million in 2004.

Based on the annual growth rate of approximately 12.7% in 2004, and that the actual management fee for the first six months in 2005 was approximately 51.7% of the full year fee in 2004 of approximately HK\$10.1 million, we consider that it is fair and reasonable for the Company to propose a cap of HK\$13 million for the Service Agreement for the financial year ending 31 December 2005.

(b) *Annual growth rates under the Service Agreement from 2005 to 2007*

The management fee is calculated as a percentage of the net advertising rental derived from the panels under the Service Agreement plus the Shortfall (if any). As discussed in the paragraph headed “Annual growth rates under the Licence Agreement from 2005 to 2007” on page 31, we understand from the management of the Company that the number of advertising panels of bus shelters is subject to approval by the Hong Kong Transport Department.

Moreover, based on the Company’s management information, Bus Focus’ advertising revenue derived from its bus shelters business has experienced a range of approximately 10% to 15% growth in the past two years. Also, the number of panels in relation to the Service Agreement has been targeted to grow at steady pace from 2005 to 2007.

In consideration of the rental rates of advertising panels of bus shelters charged by TML have remained stable since 2001 and the management of the Company is of the view that this trend is expected to be in the same level in 2005 to 2007; in addition, the total advertising expenditure in Hong Kong grew at an annual rate of approximately 13.4% in 2004, we are of the view that it is fair and reasonable for the Company to propose a cap of HK\$13.0 million, HK\$15.0 million and HK\$17.3 million respectively under the Service Agreement for the three financial years ending 31 December 2007, which represents an average annual growth rate of approximately 15.4%.

LETTER FROM PSCL

In light of the above, in particular:

- (i) given that the average annual growth rate of the management fee was approximately 13.9% and the actual management fee for the first six months in 2005 was approximately 51.7% of the full year fee in 2004 under the Service Agreement;
- (ii) the number of advertising panels on the bus shelters is expected to grow at steady pace from 2005 to 2007;
- (iii) the rental fee of advertising panels of bus shelters charged by TML is expected to remain steady from 2005 to 2007; and
- (iv) the total advertising expenditure in Hong Kong grew at an annual rate of approximately 13.4% in 2004,

we are of the opinion that the Proposed Caps for the three financial years ending 31 December 2007 at HK\$13.0 million, HK\$15.0 million and HK\$17.3 million respectively under the Service Agreement, which represents average annual growth rate of approximately 15.4%, are fair and reasonable.

In view of the aforesaid, we are of the opinion that the Proposed Caps for each of the three financial years ending 31 December 2005, 2006 and 2007 under the Non-exempt Continuing Connected Transactions are fair and reasonable.

RECOMMENDATION

Having considered the principal factors referred to above, we are of the view that: (i) the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of Company and its Shareholders as a whole; and (ii) the Proposed Caps are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favor of the Non-exempt Continuing Connected Transactions and the Proposed Caps at the SGM. We also recommend the Independent Shareholders to vote in favor of the Non-exempt Continuing Connected Transactions and the Proposed Caps at the SGM.

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited
Alvin Lai
Director

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited
Ross Cheung
Director — Corporate Finance

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS**Directors and chief executive**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive or any associated corporation is taken or deemed to have under such provisions of the SFO); or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

Interests in the Company

Beneficial interests	The Company: Ordinary share of HK\$0.1 each					Total number of shares held	% of total issued shares
	Personal interests	Family interests	Corporate interests	Other interests			
Winnie J. NG ⁽¹⁾	1,000,000	—	—	123,743		1,123,743	0.1%
Anthony NG ⁽¹⁾	—	—	—	123,743		123,743	0.0%
James Conrad LOUEY	283,500	600,000	—	—		883,500	0.1%

Interests in KMB Holdings, an associated corporation of the Company

Beneficial interests	KMB Holdings ⁽²⁾ : Ordinary share of HK\$1 each				Total number of shares held	% of total issued shares
	Personal interests	Family interests	Corporate interests	Other interests		
John CHAN Cho Chak	2,000	—	—	—	2,000	0.0%
Winnie J. NG ⁽³⁾	41,416	—	—	21,000,609	21,042,025	5.2%
Anthony NG ⁽³⁾	233,954	—	—	21,000,609	21,234,563	5.3%
James Conrad LOUEY	13,929	—	—	—	13,929	0.0%

Notes:

- Each of Winnie J. NG and Anthony NG has interest in 123,743 shares in the Company as a beneficiary of certain private trusts which beneficially held the shares.
- KMB Holdings is the ultimate holding company of the Company.
- Each of Winnie J. NG and Anthony NG has interest in 21,000,609 shares in KMB Holdings as a beneficiary of certain private trusts which beneficially held the shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which he/she was taken or deemed to have under such provisions of the SFO) or (ii) entered in the register of interests required to be kept by the Company pursuant to Section 352 of the SFO or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in appendix 10 to the Listing Rules.

Each of John CHAN Cho Chak, Winnie J. NG, Eric LI Ka Cheung (Directors) and LAU Shung Oi, Susanna (an alternate Director) was as at the Latest Practicable Date a director or alternate director or employee of KMB Resources and/or KMB Holdings, each of which, as disclosed below, was a company having, as at the Latest Practicable Date, an interest in the Company's shares required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, each of the following persons, other than a Director or chief executive of the Company, had an interest and/or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise interested in 5% or more of any class of the then issued share capital of the Company:

Name	Number of shares held	Approximate percentage interest in the Company's issued share capital
KMB Resources	728,127,410	73.01%
KMB Holdings (<i>Note</i>)	728,127,410	73.01%

Note: As KMB Resources is a wholly owned subsidiary of KMB Holdings, which in turn holds 73.01% of the entire issued share capital in the Company, KMB Holdings is deemed to be interested in the same number of shares held by KMB Resources under the SFO.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, no other person (other than the Directors and chief executive) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors of the Company had any interest in any assets which have been, since 31 December 2004 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors of the Company was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group.

5. EXPERT'S QUALIFICATIONS AND CONSENT

The following are the qualifications of the expert who has given opinions or advice which are contained in this circular:

Name	Qualifications
Platinum Securities Company Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

PSCL has given and has not withdrawn its written consent to the issue of this circular with its letter of advice included in the form and context in which it appears.

As at the Latest Practicable Date, PSCL did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and did not have any interest in any assets which have been, since 31 December 2004 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Company since 31 December 2004, the date to which the latest published audited financial statement of the Company were made up.

7. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. GENERAL

- (a) The secretary to the Board of the Company is CHAN Siu Yin Bomie, who is a Fellow of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The principal office of the Company is at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong.
- (c) The principal share registrars and transfer office is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. PROCEDURES OF DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws of the Company:

A resolution put to vote at a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or

- (d) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a member of the Company or in the case of a member of the Company being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member of the Company.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the SGM will demand a poll in relation to the ordinary resolutions for approving, among other things, the Non-exempt Continuing Connected Transactions and the Proposed Caps at the SGM.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the offices of the Company from the date of this circular up to and including 22 December 2005 (excluding Saturdays and public holidays):

- (a) the Media Sales Management Services Agreement;
- (b) the Licence Agreement;
- (c) the Service Agreement;
- (d) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular;
- (e) the letter issued by PSCL, the text of which is set out on pages 19 to 35 of this circular; and
- (f) the written consent given by PSCL as referred to in the paragraph headed “Expert’s Qualifications and Consent” of this appendix.

NOTICE OF SPECIAL GENERAL MEETING



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 888)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of RoadShow Holdings Limited (the “**Company**”) will be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005 for the purpose of considering and, if deemed appropriate, passing, with or without modification, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** the continuing connected transactions contemplated under the agreement relating to media sales management services agreement dated 1 June 2001 entered into between RoadShow Media Limited and KMB Public Bus Services Holdings Limited and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the announcement and circular of the Company dated 24 November 2005 (the “**Announcement**”) and 5 December 2005 (the “**Circular**”), be and are hereby generally and unconditionally approved, ratified and confirmed.”
2. “**THAT** the continuing connected transactions contemplated under the licence agreement dated 1 March 2001 entered into between The Kowloon Motor Bus Company (1933) Limited and Bus Focus Limited and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the Announcement and the Circular, be and are hereby generally and unconditionally approved, ratified and confirmed.”
3. “**THAT** the continuing connected transactions contemplated under the service agreement dated 1 March 2001 entered into between Bus Focus Limited and Texon Media Limited

* *for identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the Announcement and the Circular, be and are hereby generally and unconditionally approved, ratified and confirmed.”

By Order of the Board
RoadShow Holdings Limited
John CHAN Cho Chak
Chairman

Hong Kong, 5 December 2005

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of authority must be lodged with the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. The Register of Members will be closed from Thursday, 22 December 2005 to Friday, 23 December 2005 both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 21 December 2005.
4. The Bye-laws of the Company is written in English. There is no Chinese version in respect thereof.



(Incorporated in Bermuda with limited liability)
 (Stock Code: 888)
Hong Kong Principal Office
 No.1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong

Proxy Form

Proxy Form for the special general meeting of RoadShow Holdings Limited to be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005.

I/We (Note 1) _____
 of _____
 being the holder(s) of (Note 2) _____
 shares of HK\$0.1 each of RoadShow Holdings Limited (the "Company") hereby appoint (Note 3) _____

_____ of _____
 or failing him/her _____
 of _____

or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the special general meeting of the Company to be held at the Royal Plaza Hotel, Grand Ballroom 1, 193 Prince Edward Road West, Kowloon, Hong Kong at 11:00 a.m. on Friday, 23 December 2005 or at any adjournment thereof (the "SGM") in connection with the resolutions set out in the relevant notice of the SGM as hereunder indicated, or if no such indication is given, as my/our proxy thinks fit:

INSTRUCTION (Note 4)

ORDINARY RESOLUTIONS

FOR AGAINST

ORDINARY RESOLUTIONS	FOR	AGAINST
1. The continuing connected transactions contemplated under the agreement relating to media sales management services agreement dated 1 June 2001 entered into between RoadShow Media Limited and KMB Public Bus Services Holdings Limited and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the announcement and circular of the Company dated 24 November 2005 (the "Announcement") and 5 December 2005 (the "Circular"), be and are hereby generally and unconditionally approved, ratified and confirmed.		
2. The continuing connected transactions contemplated under the licence agreement dated 1 March 2001 entered into between The Kowloon Motor Bus Company (1933) Limited and Bus Focus Limited and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the Announcement and the Circular, be and are hereby generally and unconditionally approved, ratified and confirmed.		
3. The continuing connected transactions contemplated under the service agreement dated 1 March 2001 entered into between Bus Focus Limited and Texon Media Limited and the associated proposed maximum aggregate annual values in respect of such transactions thereunder, details of which are more particularly described in the Announcement and the Circular, be and are hereby generally and unconditionally approved, ratified and confirmed.		

As witness my/our hand(s) this _____ day _____ of 2005.

Member's Signature (Note 5): _____

Notes:

- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS** as shown in the register of members of the Company.
- Please insert the number of shares of HK\$0.1 each in the Company to which this form of proxy relates registered in your name(s); if no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- Insert in **BLOCK CAPITALS** the name(s) and address(es) of the proxy or proxies desired in the space provided. **ANY ALTERATION TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLACE A "✓" IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, PLACE A "✓" IN THE BOX MARKED "AGAINST".** Failure to complete any or all the boxes will entitle your proxy to cast his/her vote at his/her discretion.
- This proxy form must be signed by you or your attorney duly authorised in writing. If you are a legal entity such as a corporation or an institution, this proxy form must be executed under seal of the legal entity or signed by the officer, attorney or other person authorised to sign the same. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy thereof must be deposited at the Company's principal office at No.1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the SGM.
- The proxy need not be a member of the Company but must attend the meeting in person to represent you. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.