

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 advisor.

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

Quam  **Quam Capital Limited**
Financial Services Group

A letter from the board of directors of RoadShow Holdings Limited (the “**Company**”) is set out on pages 6 to 24 of this circular. A letter from the independent board committee of the Company is set out on pages 25 to 26 of this circular. A letter from Quam Capital Limited, the independent financial adviser containing its advice to the independent board committee and the independent shareholders of the Company, is set out on pages 27 to 59 of this circular.

A notice convening the special general meeting of the Company to be held at Concord Room I, 8/F., Renaissance Harbour View Hotel, Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 9:30 a.m. on 9 October 2009 (the “**Special General Meeting**”) is set out on pages 65 to 66 of this circular. Whether or not you are able to attend and/or vote at the Special General Meeting in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal office of the Company at No. 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from subsequently attending and voting in person at the Special General Meeting or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bus Power”	Bus Power Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Company”	RoadShow Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 888)
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Continuing Connected Transactions”	the transactions contemplated under each of the Licence Agreements
“Director(s)”	the director(s) of the Company
“Existing Licence Agreement”	the licence agreement dated 30 January 2009 entered into between KMB and RoadShow Media in relation to, among others, the grant by KMB to RoadShow Media of a licence for soliciting advertising business in respect of the interior panels of the bus body of the KMB Buses for a term commencing on 1 February 2009 and ending on 31 October 2009
“Exterior Advertising Licence Agreement”	the bus exterior advertising licence agreement dated 28 August 2009 entered into between KMB and Bus Power whereby KMB has granted to Bus Power a licence for the exclusive right to market, display and maintain advertisements at the Exterior Advertising Spaces

DEFINITIONS

“Exterior Advertising Spaces”	the exterior panels of the bodies of the KMB Buses for advertising
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement
“Independent Shareholders”	the Shareholders other than KMB Resources Limited, Ms. Winnie Ng and Mr. Anthony Ng and their respective associates
“Interior Advertising Licence Agreement”	the bus interior advertising licence agreement dated 28 August 2009 entered into between KMB and RoadShow Media whereby KMB has granted to RoadShow Media a licence for soliciting advertising business in respect of the Interior Advertising Spaces
“Interior Advertising Spaces”	those surfaces of the interior panels and other interior spaces inside the compartments of the KMB Buses for advertising
“KMB”	The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Transport International

DEFINITIONS

“KMB Bus(es)”	the franchised public bus(es) which will vary in number, type and model from time to time operated by KMB within the territories of Hong Kong as required under the franchise granted to KMB under the Public Bus Services Ordinance (Chapter 230 of the Laws of Hong Kong)
“KMBPBS”	KMB Public Bus Services Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Transport International and the holding company of KMB
“Latest Practicable Date”	15 September 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Licence Agreements”	the Interior Advertising Licence Agreement and the Exterior Advertising Licence Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Quam Capital”	Quam Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement
“Media Sales Management Services Agreement”	the agreement dated 1 June 2001 entered into between KMBPBS and RoadShow Media as amended and supplemented by the addendum dated 31 October 2007 in relation to media sales management and administrative services relating to the Exterior Advertising Spaces

DEFINITIONS

“MMOB”	Multi-media On-board
“MMOB Advertising”	the advertising broadcast within the KMB Buses fitted with the MMOB broadcasting system
“MMOB Licence Agreement”	the agreement dated 31 October 2007 entered into between KMB and RoadShow Media whereby KMB has granted to RoadShow Media an exclusive licence to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system
“Operator Agreement”	an agreement dated 8 October 2004 between KMB and an operator (which is not a member of the Group) whereby KMB granted to the operator the sole and exclusive right and privilege of advertising on the Exterior Advertising Spaces
“RoadShow Media”	RoadShow Media Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	Holder(s) of the share(s) of the Company
“Special General Meeting”	the special general meeting of the Company to be held on 9 October 2009 to consider, if thought fit, approve the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement as mentioned in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Transport International”

Transport International Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 62), the ultimate holding company of the Company

“%”

per cent



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 (*Chairman*)
GBS, JP, DBA (Hon), BA, DipMS, CCMI, FCILT,
FHKIoD

YUNG Wing Chung (*Deputy Chairman*)

Winnie NG (*Deputy Chairman*)
BA, MBA (Chicago), MPA (Harvard)

Dr. Carlye Wai-Ling TSUI[#]
BBS, MBE, JP, DProf, BA(Econ), FHKIoD,
FBCS, CITP, FHKIE, HonFACE, PDipCD

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

Professor Stephen CHEUNG Yan Leung[#]
BBS, JP

MO Tik Sang (*Managing Director*)

MAK Chun Keung

Anthony NG
BA, MBA (Ivey)

John Anthony MILLER
SBS, OBE, MPA (Harvard), BA (London)

Edmond HO Tat Man
MA (Cantab), MBA, CMILT, MHKIoD

Registered office :

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Principal Office:

No. 9 Po Lun Street
Lai Chi Kok
Kowloon
Hong Kong

[#] *Independent Non-executive Director*

17 September 2009

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

The Board refers to the announcement of the Company dated 28 August 2009 whereby it was announced that:

* *For identification purposes only*

LETTER FROM THE BOARD

- (1) on 28 August 2009, KMB and RoadShow Media entered into the Interior Advertising Licence Agreement pursuant to which KMB has agreed to grant a licence to RoadShow Media for soliciting advertising business in respect of the Interior Advertising Spaces for a term of 5 years commencing on 1 November 2009 and ending on 31 October 2014; and
- (2) on 28 August 2009, KMB and Bus Power entered into the Exterior Advertising Licence Agreement pursuant to which KMB has agreed to grant a licence to Bus Power for the exclusive right to market, display and maintain advertisements at the Exterior Advertising Spaces for a term of 3 years commencing on 1 November 2009 and ending on 31 October 2012, with an option to extend the term for a further period of 2 years from 1 November 2012 to 31 October 2014.

The purposes of this circular are (i) to provide you with further information regarding the Continuing Connected Transactions; (ii) to set out the letter of advice from Quam Capital to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement; (iii) to set out the recommendation and opinion of the Independent Board Committee after taking into consideration of the advice of Quam Capital in relation to the terms of the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement; (iv) to give you notice of the Special General Meeting to be held to consider and, if thought fit, to approve, among other things, the resolutions relating to the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement.

2. THE CONTINUING CONNECTED TRANSACTIONS

(I) The Interior Advertising Licence Agreement

Reference is made to the announcement of the Company dated 4 February 2009 and the circular of the Company dated 24 February 2009 in relation to the Existing Licence Agreement, the term of which will expire on 31 October 2009. The Board is pleased to announce that the tender submitted by the

LETTER FROM THE BOARD

Group was accepted by KMB and KMB and RoadShow Media have entered into the Interior Advertising Licence Agreement on 28 August 2009, the particulars of which are set out below.

Date

28 August 2009

Parties

- (1) KMB
- (2) RoadShow Media

Subject Matter

KMB has granted to RoadShow Media a licence for soliciting advertising business in respect of the Interior Advertising Spaces and any other scope of services as approved by KMB from time to time, including the exclusive right to market, display and maintain advertisements at the Interior Advertising Spaces, together with such right of access to the Interior Advertising Spaces as approved by KMB for the proper displaying, installation and maintenance of advertisements at the Interior Advertising Spaces.

Condition

The Interior Advertising Licence Agreement is conditional on the approval of the Independent Shareholders in a general meeting in accordance with the requirements of the Listing Rules.

If the above condition is not fulfilled within 3 months immediately after the date of the Interior Advertising Licence Agreement (or such a later date as may be agreed by the parties in writing), the Interior Advertising Licence Agreement shall lapse.

Term

Conditional on the approval of the Independent Shareholders referred to in the paragraph headed “Condition” above, the term of the Interior Advertising Licence Agreement shall be of a period of 5 years commencing on 1 November 2009 and ending on 31 October 2014 (both dates inclusive).

LETTER FROM THE BOARD

Since the bus interior advertising business is one of the core businesses of the Group and the longer term of the Interior Advertising Licence Agreement enables a stable source of revenue for the Group, the Directors consider that it is necessary for the term of the Interior Advertising Licence Agreement to be more than 3 years, and that it is normal business practice for advertising licence agreements to be longer than three years, which is the case of typical advertising licence agreements with public bus companies in the market as far as the Company is aware. The independent financial adviser will give its opinion on pages 27 to 59 of this circular that it is necessary for the Interior Advertising Licence Agreement to be of a term longer than three years and that it is normal business practice for contracts of this type to be longer than three years.

Consideration

The licence fee payable by RoadShow Media to KMB is equal to the stipulated percentage of the net advertising revenue, or a guaranteed minimum licence fee, whichever is the greater.

Under the Interior Advertising Licence Agreement, the net advertising revenue means the aggregate of (i) the total amount of fee or rental derived or accrued from the Interior Advertising Spaces under the advertising contracts to be entered into between RoadShow Media and advertisers, (ii) the total amount of revenue attributable to the provision of the display of advertisements at the Interior Advertising Spaces and any other scope of services as approved by KMB from time to time, and (iii) any other income otherwise derived by RoadShow Media as a result of its use, marketing and/or subletting of the Interior Advertising Spaces; less any trade discounts and agency commissions/rebates (if any) but without allowance for bad debts and/or any other expenses of whatever nature incurred by RoadShow Media.

The stipulated percentage of 60% was determined with reference to the stipulated percentage of the Existing Licence Agreement, which was determined with reference to the relevant profit sharing percentages charged by KMB in relation to the advertising businesses in respect of the exterior panels of the bus body of the KMB Buses and the selected bus shelters owned by KMB.

LETTER FROM THE BOARD

The guaranteed minimum licence fees payable during the term of the Interior Advertising Licence Agreement are as follows:

Year	Guaranteed minimum licence fee per month for the corresponding year
1 November 2009 — 31 October 2010	HK\$750,000
1 November 2010 — 31 October 2011	HK\$900,000
1 November 2011 — 31 October 2012	HK\$1,000,000
1 November 2012 — 31 October 2013	HK\$1,000,000
1 November 2013 — 31 October 2014	HK\$1,083,333

The guaranteed minimum licence fees have been determined based on the above stipulated percentage of the estimated net advertising revenue to be derived from the Interior Advertising Spaces. The estimated net advertising revenue has been determined with reference to the estimated advertising revenue to be generated from each KMB Bus (which has been determined with reference to the market rates of fees for advertising on interior panels of bus body in Hong Kong), the maximum number of KMB Buses to be made available for such advertising business under the Interior Advertising Licence Agreement and the estimated occupancy rate of such available KMB Buses. The total guaranteed minimum licence fees for the entire term amount to HK\$56,800,000.

The monthly guaranteed minimum licence fee shall be paid by RoadShow Media to KMB on the first day of each month during the term of the Interior Advertising Licence Agreement. The excess of the stipulated percentage of the net advertising revenue over the guaranteed minimum licence fee shall be calculated at the end of each month and payable by RoadShow Media to KMB within 10 days from the end of that month.

RoadShow Media shall, within 2 months after the expiry of the term of the Interior Advertising Licence Agreement, submit to KMB a final audited statement certified by an accountant jointly appointed by RoadShow Media and KMB, showing the details of the net advertising revenue and the trade discounts and agency commissions/rebates (if any) for each month during the term of the Interior Advertising Licence Agreement to ascertain the actual licence fee payable for the entire term. The difference between the amount

LETTER FROM THE BOARD

of licence fee payable for the term so ascertained and the total licence fee already paid in respect of the term shall be paid or refunded by the relevant party to the other.

Historical figures

The licence fee paid and/or payable by RoadShow Media to KMB under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 was approximately HK\$7.2 million.

Proposed annual caps

The annual cap of the licence fee payable under the Existing Licence Agreement for the financial year ending 31 December 2009 was set at HK\$20,300,000 and was approved by the then Independent Shareholders at the special general meeting of the Company held on 17 March 2009. The Directors expect that the aggregate of the total licence fee payable under the Existing Licence Agreement for the period from 1 February 2009 to 31 October 2009 and the total licence fee payable under the Interior Advertising Licence Agreement for the period from 1 November 2009 to 31 December 2009 will not exceed such cap amount of HK\$20,300,000.

The Directors expect that the total licence fee payable under the Interior Advertising Licence Agreement for the following periods will not exceed the following maximum figures:

For the period from 1 January 2010 to 31 December 2010:	HK\$39,000,000
For the period from 1 January 2011 to 31 December 2011:	HK\$43,000,000
For the period from 1 January 2012 to 31 December 2012:	HK\$52,000,000
For the period from 1 January 2013 to 31 December 2013:	HK\$57,000,000
For the period from 1 January 2014 to 31 October 2014:	HK\$52,000,000

The above maximum figures have been determined by multiplying the stipulated percentage under the Interior Advertising Licence Agreement by the estimated maximum net advertising revenue for the period from 1 January 2010 to 31 October 2014. The estimated maximum net advertising revenue during the said period has been determined with reference to the estimated advertising revenue to be generated from each KMB Bus (which has been determined with reference to the actual net advertising revenue for the period from 1 February 2009 to 30 June 2009 under the Existing Licence Agreement)

LETTER FROM THE BOARD

and the maximum number of KMB Buses to be made available for such advertising business under the Interior Advertising Licence Agreement and on the presumption that the occupancy rate of such available KMB Buses by the advertisers would be 100% during the said period.

The above annual caps in respect of the total licence fee payable under the Interior Advertising Licence Agreement are subject to the approval of the Independent Shareholders.

Other major terms

Bank guarantee

Upon signing of the Interior Advertising Licence Agreement, RoadShow Media shall provide KMB with irrevocable bank guarantee(s) in favour of KMB as security for the due payment of the licence fee and all other sums payable by RoadShow Media to KMB under the Interior Advertising Licence Agreement and the due performance and observance by RoadShow Media of all terms and conditions contained in the Interior Advertising Licence Agreement.

The above bank guarantee(s) shall be valid and effective for a period of not less than the term of the Interior Advertising Licence Agreement plus 3 months immediately after the expiry of such term. The guaranteed amount under the bank guarantee(s) shall be in the sum of HK\$10 million or an amount equal to 6 times of the average monthly guaranteed minimum licence fee during the term of the Interior Advertising Licence Agreement, whichever is the higher.

Reinstatement deposit

RoadShow Media shall be responsible for removing the advertisements from the KMB Buses and reinstating the Interior Advertising Spaces to its original condition at the expiry of the advertising contracts entered into between RoadShow Media and the advertisers and/or the Interior Advertising Licence Agreement. RoadShow Media shall pay to KMB a deposit in the amount of HK\$200,000 upon signing of the Interior Advertising Licence Agreement. Such deposit shall be held by KMB throughout the term of the Interior Advertising Licence Agreement whereby KMB shall have the right to forfeit such deposit in the event of any breach or non-observance or non-performance by RoadShow Media under the Interior Advertising Licence Agreement.

(II) The Exterior Advertising Licence Agreement

On 8 October 2004, KMB and an operator (which is not a member of the Group) entered into the Operator Agreement whereby KMB granted to the operator the sole and exclusive right and privilege of advertising on the Exterior Advertising Spaces, the term of which will expire on 31 October 2009. The Board is pleased to announce that the tender submitted by the Group was accepted by KMB and KMB and Bus Power have entered into the Exterior Advertising Licence Agreement on 28 August 2009, the particulars of which are set out below.

Date

28 August 2009

Parties

- (1) KMB
- (2) Bus Power

Subject Matter

KMB has granted to Bus Power a licence for the exclusive right to market, display and maintain advertisements at the Exterior Advertising Spaces, together with such right of access to the Exterior Advertising Spaces as approved by KMB for the proper displaying, installation and maintenance of advertisements at the Exterior Advertising Spaces.

Condition

The Exterior Advertising Licence Agreement is conditional on the approval of the Independent Shareholders in a general meeting in accordance with the requirements of the Listing Rules.

If the above condition is not fulfilled within 3 months immediately after the date of the Exterior Advertising Licence Agreement (or such a later date as may be agreed by the parties in writing), the Exterior Advertising Licence Agreement shall lapse.

Term

Conditional on the approval of the Independent Shareholders referred to in the paragraph headed “Condition” above, the term of the Exterior Advertising Licence Agreement shall be of a period of 3 years commencing on 1 November 2009 and ending on 31 October 2012 (both dates inclusive), with an option (to be exercised solely at the discretion of KMB) to extend the term for another 2 years from 1 November 2012 to 31 October 2014 (both dates inclusive).

Assuming that the option to extend the term of the Exterior Advertising Licence Agreement is exercised by KMB as described above, since the bus exterior advertising business is one of the core businesses of the Group and the longer term of the Exterior Advertising Licence Agreement will enable a stable source of revenue for the Group, the Directors consider that it is necessary for the term of the Exterior Advertising Licence Agreement to be more than 3 years, and that it is normal business practice for advertising licence agreements to be longer than three years, which is the case of typical advertising licence agreements with public bus companies in the market as far as the Company is aware. The independent financial adviser will give its opinion on pages 27 to 59 of this circular that it is necessary for the Exterior Advertising Licence Agreement to be of a term longer than three years and that it is normal business practice for contracts of this type to be longer than three years.

Consideration

The licence fee payable by Bus Power to KMB is equal to the stipulated percentage of the net advertising revenue, or a guaranteed minimum licence fee, whichever is the greater.

Under the Exterior Advertising Licence Agreement, the net advertising revenue means the aggregate of (i) the total amount of fee or rental derived or accrued from the Exterior Advertising Spaces under the advertising contracts to be entered into between Bus Power and advertisers, and (ii) any other income otherwise derived by Bus Power as a result of its use, marketing and/or subletting of the Exterior Advertising Spaces; less any trade discounts and agency commissions/rebates (if any) but without allowance for bad debts and/or any other expenses of whatever nature incurred by Bus Power.

LETTER FROM THE BOARD

The stipulated percentage of 70% was determined with reference to the relevant profit sharing percentages charged by KMB in relation to the advertising businesses in respect of the exterior and interior panels of the bus body of the KMB Buses and the selected bus shelters owned by KMB.

The guaranteed minimum licence fees payable during the term of the Exterior Advertising Licence Agreement are as follows:

Year	Guaranteed minimum licence fee per month for the corresponding year
1 November 2009 — 31 October 2010	HK\$4,583,000
1 November 2010 — 31 October 2011	HK\$4,750,000
1 November 2011 — 31 October 2012	HK\$5,000,000
1 November 2012 — 31 October 2013	HK\$5,000,000
1 November 2013 — 31 October 2014	HK\$5,250,000

The guaranteed minimum licence fees have been determined based on the above stipulated percentage of the estimated net advertising revenue to be derived from the Exterior Advertising Spaces. The estimated net advertising revenue has been determined with reference to the estimated advertising revenue to be generated from each KMB Bus (which has been determined with reference to the market rates of fees for advertising on exterior panels of bus body in Hong Kong), the maximum number of KMB Buses to be made available for such advertising business under the Exterior Advertising Licence Agreement and the estimated occupancy rate of such available KMB Buses. The total guaranteed minimum licence fees for the initial term of three years from 1 November 2009 to 31 October 2012 amount to HK\$171,996,000 whereas the total guaranteed minimum licence fees for the entire term of five years from 1 November 2009 to 31 October 2014 amount to HK\$294,996,000.

The monthly guaranteed minimum licence fee shall be paid by Bus Power to KMB on the first day of each month during the term of the Exterior Advertising Licence Agreement. The excess of the stipulated percentage of the net advertising revenue over the guaranteed minimum licence fee shall be calculated at the end of each month and payable by Bus Power to KMB within 10 days from the end of that month.

LETTER FROM THE BOARD

Bus Power shall, within 2 months after the expiry of the term of the Exterior Advertising Licence Agreement, submit to KMB a final audited statement certified by an accountant jointly appointed by Bus Power and KMB, showing the details of the net advertising revenue and the trade discounts and agency commissions/rebates (if any) for each month during the term of the Exterior Advertising Licence Agreement to ascertain the actual licence fee payable for the entire term. The difference between the amount of licence fee payable for the term so ascertained and the total licence fee already paid in respect of the term shall be paid or refunded by the relevant party to the other.

Proposed annual caps

The Directors expect that the total licence fee payable under the Exterior Advertising Licence Agreement for the following periods will not exceed the following maximum figures (assuming the option to extend the term under the Exterior Advertising Licence Agreement is exercised by KMB as described above):

For the period from 1 November 2009 to 31 December 2009:	HK\$13,000,000
For the period from 1 January 2010 to 31 December 2010:	HK\$78,000,000
For the period from 1 January 2011 to 31 December 2011:	HK\$85,000,000
For the period from 1 January 2012 to 31 December 2012:	HK\$93,000,000
For the period from 1 January 2013 to 31 December 2013:	HK\$103,000,000
For the period from 1 January 2014 to 31 October 2014:	HK\$94,000,000

The above maximum figures have been determined by multiplying the stipulated percentage under the Exterior Advertising Licence Agreement by the estimated maximum net advertising revenue for the five years from 1 November 2009 to 31 October 2014. The estimated maximum net advertising revenue during the said five-year period has been determined with reference to the estimated advertising revenue to be generated from each KMB Bus (which has been determined with reference to the market rates of fees for advertising on exterior panels of bus body in Hong Kong) and the maximum number of KMB Buses to be made available for such advertising business under the Exterior Advertising Licence Agreement and on the presumption that the occupancy rate of such available KMB Buses by the advertisers would be 100% during the said five-year period.

LETTER FROM THE BOARD

The above annual caps in respect of the total licence fee payable under the Exterior Advertising Licence Agreement are subject to the approval of the Independent Shareholders.

Other major terms

Bank guarantee

Upon signing of the Exterior Advertising Licence Agreement, Bus Power shall provide KMB with irrevocable bank guarantee(s) in favour of KMB as security for the due payment of the licence fee and all other sums payable by Bus Power to KMB under the Exterior Advertising Licence Agreement and the due performance and observance by Bus Power of all terms and conditions contained in the Exterior Advertising Licence Agreement.

The above bank guarantee(s) shall be valid and effective for a period of not less than the initial term of the Exterior Advertising Licence Agreement of three years plus 3 months immediately after the expiry of such term.

In the event that the option to extend the term of the Exterior Advertising Licence Agreement is exercised by KMB, Bus Power shall provide KMB with irrevocable guarantee(s) in favour of KMB which shall be valid and effective for a period of not less than the extended term of two years plus 3 months immediately after the expiry of the extended term.

The guaranteed amount under the bank guarantee(s) shall be in the sum of HK\$30 million or an amount equal to 6 times of the average monthly guaranteed minimum licence fee during the term of the Exterior Advertising Licence Agreement, whichever is the higher.

Reinstatement deposit

Bus Power shall be responsible for removing the advertisements from the KMB Buses and repainting the exterior panels of the KMB Buses with KMB's corporate colours and livery as specified by KMB at the expiry of the advertising contracts entered into between Bus Power and the advertisers and/or the Exterior Advertising Licence Agreement. Bus Power shall pay to KMB a deposit in the amount of HK\$800,000 upon signing of the Exterior Advertising Licence Agreement. Such deposit shall be held by KMB throughout the term of the Exterior Advertising Licence Agreement whereby

KMB shall have the right to forfeit such deposit in the event of any breach or non-observance or non-performance by Bus Power under the Exterior Advertising Licence Agreement.

Transitional contracts

Bus Power has agreed to take up all advertising contracts with expiry dates beyond 31 October 2009 which have been entered into, prior to the commencement of the Exterior Advertising Licence Agreement, between an operator (which is not a member of the Group) and respective advertisers in relation to bus exterior advertising at the Exterior Advertising Spaces under the Operator Agreement on the same terms and conditions stated therein. Bus Power, as the licensee under the Exterior Advertising Licence Agreement, shall return a commission calculated at a rate of 5% of the advertising fees derived from such transitional contracts for the respective periods between 1 November 2009 (being the commencement date of the Exterior Advertising Licence Agreement) and the respective expiry dates of the transitional contracts to the operator, as the licensee under the Operator Agreement, within 60 days upon Bus Power's actual receipt of advertising fees under the respective transitional contracts. The remaining 95% of the advertising fees derived from the transitional contracts for the period on or after 1 November 2009 shall be accrued to Bus Power which shall be included in the calculation of the licence fee payable by Bus Power under the Exterior Advertising Licence Agreement.

(III) The MMOB Licence Agreement

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

Date

31 October 2007

Parties

- (1) KMB
- (2) RoadShow Media

LETTER FROM THE BOARD

Subject Matter

KMB has granted to RoadShow Media an exclusive licence to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system.

Term

The term of the MMOB Licence Agreement is of a period of 5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive), with an option (subject to the fulfillment of certain conditions) to extend the term for a further period from 1 August 2012 to 30 June 2017 (both dates inclusive).

Consideration

The licence fee payable by RoadShow Media to KMB is equal to the stipulated percentage of the net advertising revenue, or a guaranteed minimum licence fee, whichever is the greater. Details of the stipulated percentage were disclosed in the announcement of the Company dated 31 October 2007 and the circular of the Company dated 21 November 2007.

The guaranteed minimum licence fees payable for the three years ending 31 July 2010, 31 July 2011 and 31 July 2012 are as follows:

Year	Guaranteed minimum licence fee per month for the corresponding year
1 August 2009 — 31 July 2010	HK\$1,416,667
1 August 2010 — 31 July 2011	HK\$1,500,000
1 August 2011 — 31 July 2012	HK\$1,583,333

Further, RoadShow Media will pay KMB the following charges under the MMOB Licence Agreement:

- (i) a service charge for the maintenance of the MMOB equipment, to be paid on an annual basis, with the exact annual amount to be agreed by both parties in accordance with the circumstances on a reasonable basis; and

LETTER FROM THE BOARD

- (ii) a service charge for the rental of additional MMOB broadcasting system, using the depreciation of capital invested by KMB in LCD monitors and the associated installation costs as a basis for calculations.

The above licence fee and service charges were reached following arm's length negotiations between RoadShow Media and KMB by reference to market practice.

Historical figures

The licence fee and service charges paid and/or payable by RoadShow Media to KMB under the MMOB Licence Agreement for the 5-month period ended 31 December 2007, the year ended 31 December 2008 and the 7-month period ended 31 July 2009 were approximately HK\$7.6 million, HK\$20.0 million and HK\$12.5 million respectively.

Proposed annual caps

As disclosed in the announcement of the Company dated 31 October 2007 and the circular of the Company dated 21 November 2007, the following annual caps of the licence fee and service charges payable under the MMOB Licence Agreement were approved by the then Independent Shareholders at the special general meeting of the Company held on 10 December 2007:

For the period from 1 August 2007 to 31 December 2007:	HK\$14,000,000
For the period from 1 January 2008 to 31 December 2008:	HK\$34,000,000
For the period from 1 January 2009 to 31 December 2009:	HK\$41,000,000

The Directors confirm that for the two financial years ended 31 December 2007 and 31 December 2008, the total licence fee and service charges paid under the MMOB Licence Agreement did not exceed the relevant annual caps as approved by the then Independent Shareholders. The Directors expect that the total licence fee and services charges payable under the MMOB Licence Agreement for the financial year ending 31 December 2009 will not exceed the relevant annual cap as approved by the then Independent Shareholders.

LETTER FROM THE BOARD

The Directors further expect that the total licence fee and service charges payable under the MMOB Licence Agreement for the following periods will not exceed the following maximum figures:

For the period from 1 January 2010 to 31 December 2010:	HK\$42,000,000
For the period from 1 January 2011 to 31 December 2011:	HK\$48,000,000
For the period from 1 January 2012 to 31 December 2012:	HK\$55,000,000

The above maximum figures have been determined by multiplying the stipulated percentage under the MMOB Licence Agreement by the estimated maximum net advertising revenue for the three years from 1 January 2010 to 31 December 2012. The estimated maximum net advertising revenue during the said three-year period has been determined with reference to the actual net advertising revenue for the two years ended 31 December 2007 and 31 December 2008 and the forecasted net advertising revenue for the year ending 31 December 2009 under the MMOB Licence Agreement. In determining the above maximum figures, consideration is also given to the expected increase in advertising revenue brought by the Company's planned enhancement programme for the existing MMOB broadcasting system which will strengthen the broadcasting quality and increase the available airtime.

The above annual caps in respect of the total licence fee and service charges payable under the MMOB Licence Agreement are subject to the approval of the Independent Shareholders.

(IV) The Media Sales Management Services Agreement

On 1 June 2001, KMBPBS and RoadShow Media entered into the Media Sales Management Services Agreement in relation to media sales management and administrative services relating to the Exterior Advertising Spaces, which include management and administrative services in connection with the Operator Agreement. The details of the Media Sales Management Services Agreement were set out in the announcement of the Company dated 24 November 2005 and the circular of the Company dated 5 December 2005.

The Media Sales Management Services Agreement was amended and supplemented by an addendum dated 31 October 2007, details of which were disclosed in the announcement of the Company dated 31 October 2007 and the circular of the Company dated 21 November 2007.

LETTER FROM THE BOARD

On 11 August 2009, KMBPBS and RoadShow Media mutually agreed to terminate the Media Sales Management Services Agreement with effect from 1 November 2009.

3. DESCRIPTION OF THE CONNECTED RELATIONSHIP AND THE LISTING RULES REQUIREMENTS

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

Each of RoadShow Media and Bus Power is an indirect wholly-owned subsidiary of the Company.

Due to the connected relationship mentioned above and based on the applicable percentage ratios, the transactions contemplated under each of the Licence Agreements constitute continuing connected transactions of the Company which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprises Dr. Carlye Wai-Ling Tsui and Professor Stephen Cheung Yan Leung, both independent non-executive Directors. Notwithstanding that Dr. Eric Li Ka Cheung, the other independent non-executive Director, does not have a material interest in the Continuing Connected Transactions, he is not appointed as a member of the Independent Board Committee. As Dr. Li is an independent non-executive director of Transport International, the Company considers it more appropriate not to appoint him as a member of the Independent Board Committee in respect of the Continuing Connected Transactions.

4. REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE LICENCE AGREEMENTS

As at the date of this circular, the Group is operating MMOB Advertising, bus interior advertising and bus shelters advertising. The Directors consider that entering into the Licence Agreements enables the synchronized operation of bus interior advertising, bus exterior advertising and MMOB Advertising by the Group and thereby creates an integrated bus media platform which enhances the media-sales market penetration of the Group and further strengthens the leading status of the Group in the out-of-home advertising segment.

LETTER FROM THE BOARD

The Directors consider that the terms of each of the Licence Agreements are on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of each of the Licence Agreements and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. SPECIAL GENERAL MEETING

Set out on pages 65 to 66 of this circular is the notice convening the Special General Meeting at which ordinary resolutions will be proposed to approve the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement as mentioned above.

KMB Resources Limited (a wholly-owned subsidiary of Transport International and the intermediate controlling shareholder of the Company holding approximately 73.01% of the issued share capital of the Company as at the Latest Practicable Date), Ms. Winnie Ng (a director of both the Company and Transport International, interested in more than 5% of the issued share capital of Transport International and approximately 0.11% of the issued share capital of the Company as at the Latest Practicable Date) and Mr. Anthony Ng (a director of the Company, interested in more than 5% of the issued share capital of Transport International and approximately 0.01% of the issued share capital of the Company as at the Latest Practicable Date) and their respective associates, will abstain from voting in relation to the above-mentioned resolutions at the Special General Meeting.

In accordance with Rule 13.39(4) of the Listing Rules, the votes to be taken at the Special General Meeting will be taken by poll. An announcement of the results of the Special General Meeting will be published on the date of the Special General Meeting or the business day following the Special General Meeting.

6. ACTION TO BE TAKEN

A proxy form for use at the Special General Meeting is enclosed herein. Whether or not you intend to attend the Special General Meeting, you are requested to complete the proxy form and return it to the principal office of the Company at No. 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Special General Meeting. Delivery of a proxy form will not preclude you from attending and voting in person at the Special General Meeting if you so wish.

7. GENERAL INFORMATION

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

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

8. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 25 to 26 of this circular which contains its recommendation to the Independent Shareholders. The Independent Board Committee, having taken into account the advice of Quam Capital, considers that the terms of each of the Licence Agreements are on normal commercial terms in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned, and that the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Board recommends that the Independent Shareholders should vote in favour of the relevant resolutions in the Special General Meeting.

Your attention is also drawn to the additional information set out in the appendix to this circular.

By Order of the Board
John CHAN Cho Chak
Chairman

The following is the text of a letter of recommendation from the Independent Board Committee which has been prepared for the purpose of inclusion in this circular.



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 888)

17 September 2009

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 17 September 2009 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether, in our opinion, the terms of each of the Licence Agreements and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

Quam Capital has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of each of the Licence Agreements and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter on pages 27 to 59 of the Circular.

Your attention is drawn to the letter from the Board set out on pages 6 to 24 of the Circular and the general information set out in the Appendix of the Circular.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of each of the Licence Agreements and the MMOB Licence Agreement, and having taken into account the advice given by Quam Capital, we consider that the terms of each of the Licence Agreements are on normal commercial terms in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned, and that the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Having taken into account the advice given by Quam Capital, we also consider that it is necessary for the term of each of the Licence Agreements to be more than 3 years, and that it is normal business practice for advertising licence agreements with public bus companies to be longer than three years. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions approving the Continuing Connected Transactions and the proposed annual caps in respect of each of the Licence Agreements and the MMOB Licence Agreement.

Yours faithfully

Carlye Wai-Ling TSUI **Stephen CHEUNG Yan Leung**
Independent Board Committee

LETTER FROM QUAM CAPITAL

The following is the full text of the letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Licence Agreements and the related proposed annual caps, and the renewed annual caps for licence fee and service charges payable under the MMOB Licence Agreement for the three years ending 31 December 2012.



Quam Capital Limited 華富嘉洛企業融資有限公司

A Member of The Quam Group

17 September 2009

To the Independent Board Committee and the Independent Shareholders
RoadShow Holdings Limited
9 Po Lun Street
Lai Chi Kok
Kowloon
Hong Kong

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (i) the Interior Advertising Licence Agreement and the related annual caps in respect of the licence fee payable thereunder for the period from 1 January 2010 to 31 October 2014 (the “Interior Licence Fee Caps”); (ii) the Exterior Advertising Licence Agreement and the related annual caps in respect of the licence fee payable thereunder for the five years ending 31 October 2014 (the “Exterior Licence Fee Caps”); and (iii) the proposed renewed annual caps in respect of the licence fee and service charges payable under the MMOB Licence Agreement for the three years ending 31 December 2012 (the “New MMOB Caps”). Details of the respective terms of the Licence Agreements and the MMOB Licence Agreement are set out in the “Letter from the Board” contained in the circular issued by the Company to the Shareholders dated 17 September 2009 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

LETTER FROM QUAM CAPITAL

Dr. Carlye Wai-Ling Tsui and Professor Stephen Cheung Yan Leung, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Licence Agreements have been entered into by the Group within its ordinary and usual course of business based on normal commercial terms; and their respective terms together with the Interior Licence Fee Caps, the Exterior Licence Fee Caps and the New MMOB Caps (collectively, the “Annual Caps”) are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the Licence Agreements and the adoption of the Annual Caps. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

Quam Capital is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give an independent advice in respect of the Licence Agreements and the Annual Caps.

In formulating our recommendation, we have relied on the information and facts supplied by the Group and its advisers, and the opinions expressed by and the representations of the Directors and management of the Group up to the Latest Practicable Date. We have assumed that all the information and representations contained or referred to in the Circular were true and accurate in all respects at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time that they were made and continue to be true at the date thereof. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Group and the Directors; and the Directors have confirmed to us that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information available as at the Latest Practicable Date to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, KMB or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Licence Agreements and the Annual Caps, we have taken into consideration the following factors and reasons:

1. Background of and reasons for the Licence Agreements and the Annual Caps

(i) *Principal business of the Group*

As stated in the “Letter from the Board” of the Circular, as at the date of the Circular, the Group is operating the MMOB Advertising, bus interior advertising and bus shelters advertising businesses. According to the Company’s annual report for the year ended 31 December 2008, the Group is a dominant player in the franchised bus advertising market in Hong Kong with a total of approximately 4,800 buses equipped with its MMOB system, reaching a daily audience of 4 million.

(ii) *The Licence Agreements*

RoadShow Media has been operating the bus interior advertising business since 1 February 2009 through a licence granted by KMB under the Existing Licence Agreement for soliciting advertising business in respect of the Interior Advertising Spaces for a term until 31 October 2009, details of which are set out in the Company’s announcement and circular dated 4 and 24 February 2009 respectively. As advised by the Company, in light of the expiration of the licence under the Existing Licence Agreement on 31 October 2009, KMB issued a public invitation to tender in respect of the licence for soliciting advertising business in respect of the Interior Advertising Spaces. The Group’s tender for such licence was accepted by KMB and the parties entered into the Interior Advertising Licence Agreement on 28 August 2009.

Pursuant to the Interior Advertising Licence Agreement, KMB has granted RoadShow Media a licence for soliciting advertising business in respect of the Interior Advertising Spaces of up to a maximum of 3,000 KMB Buses and any other scope of services as approved by KMB from time to time, including the exclusive right to market, display and maintain advertisements at the Interior Advertising Spaces, together with such right of access to the Interior Advertising Spaces as approved by KMB for the proper displaying, installation and maintenance of advertisements at the Interior Advertising

Spaces (the “Interior Advertising Transaction”). The term of the licence under the Interior Advertising Licence Agreement shall commence on 1 November 2009 for a period of five years ending on 31 October 2014.

As disclosed in the “Letter from the Board” of the Circular, on 8 October 2004, KMB and an operator (which is not a member of the Group) entered into the Operator Agreement whereby KMB granted to the operator the sole and exclusive right and privilege of advertising on the Exterior Advertising Spaces, the term of which will expire on 31 October 2009. As advised by the Company, in light of the expiration of the licence under the Operator Agreement on 31 October 2009, KMB issued a public invitation to tender in respect of the licence for soliciting advertising business in respect of the Exterior Advertising Spaces. The Group’s tender for such licence was accepted by KMB and the parties entered into the Exterior Advertising Licence Agreement on 28 August 2009.

Pursuant to the Exterior Advertising Licence Agreement, KMB has granted Bus Power a licence for the exclusive right to market, display and maintain advertisements at the Exterior Advertising Spaces, together with such right of access to the Exterior Advertising Spaces as approved by KMB for the proper displaying, installation and maintenance of advertisements at the Exterior Advertising Spaces (the “Exterior Advertising Transaction”). The term of the licence under the Exterior Advertising Licence Agreement shall be for an initial period of three years commencing on 1 November 2009 and ending on 31 October 2012 (the “Initial Term”), with an option (to be exercised solely at the discretion of KMB) to extend the term for another two years from 1 November 2012 to 31 October 2014 (the “Extended Term”, and together with the Initial Term referred to as the “Total Term”).

We understand that for the purpose of facilitating the Group’s solicitation for advertising business in respect of the Interior Advertising Spaces and the Exterior Advertising Spaces and reaching the target audience, each of RoadShow Media and Bus Power have reached a mutual understanding with KMB that the service routes of the selected KMB Buses under the Licence Agreements will primarily cover urban areas with high passenger flow and large viewing audience, which is expected to facilitate RoadShow Media and Bus Power to generate more revenue from the Interior Advertising Transaction and the Exterior Advertising Transaction respectively.

Based on our discussion with the management of the Company regarding the Group's overall business development, we noted that the Group only commenced its bus interior advertising business in February 2009 under the Existing Licence Agreement which is subject to expiration on 31 October 2009. Whereas, since mid 2001, the Group has been engaging in exterior advertising related business by providing media sales management and administrative services relating to the Exterior Advertising Spaces pursuant to the Media Sales Management Services Agreement (as amended and supplemented by an addendum dated 31 October 2007) which will be terminated upon mutual agreement between the relevant parties with effect from 1 November 2009. Given the circumstances, the entering into of the Licence Agreements will not only allow the Group to continue its effort in developing the existing bus interior advertising business but also enables the Group to expand its business scope to include sale and marketing activities for the Exterior Advertising Spaces, representing further steps towards strategic business cooperation with KMB. In light of the above, we concur with the view of the Directors that the entering into of the Licence Agreements will facilitate the Group to capitalise on the advertising spaces of KMB to create an integrated bus media platform and enable the synchronised operation of the Group's advertising sales business, thereby enhancing the media-sales market penetration of the Group and further strengthens the market position of the Group in the out-of-home advertising segment.

(iii) *The New MMOB Caps*

On 31 October 2007, the Group entered into the MMOB Licence Agreement with KMB whereby KMB has granted the Group an exclusive licence to conduct MMOB Advertising business on the KMB Buses fitted with the MMOB broadcasting system for a term of five years ending 31 July 2012 (the "MMOB Transaction"), details of which are set out in the Company's announcement and circular dated 31 October 2007 and 21 November 2007 respectively. Upon approval of the then Independent Shareholders at its special general meeting held on 10 December 2007, the Company has adopted the annual caps in respect of the licence fee and service charges payable under the MMOB Licence Agreement for the first three years of the five-year term ending 31 December 2009. To facilitate the continuation of the MMOB Transaction for the remaining two years of the five-year term ending 31 July 2012 and to comply with the requirements under Rule 14A.35 of the Listing Rules, the Company proposes to adopt the New MMOB Caps and seek approval of the Independent Shareholders for the adoption of the New MMOB Caps at the Special General Meeting.

(iv) Views

Having considered the above, and particularly that the Interior Advertising Transaction and the Exterior Advertising Transaction will broaden the revenue base of the Group through business expansion and are in line with the principal business of the Group, we are of the view that the Licence Agreements are conducted in the ordinary and usual course of the Group's business; and in the interests of the Company and the Shareholders as a whole.

Given the Group's principal activity and the nature of the Interior Advertising Transaction, the Exterior Advertising Transaction and the MMOB Transaction, it is reasonable to expect that each of the Interior Advertising Transaction, the Exterior Advertising Transaction and the MMOB Transaction will continue to take place on a regular and frequent basis and in the ordinary and usual course of business of the Group during the respective terms of the Licence Agreements and the remaining two years of the five-year term of the MMOB Licence Agreement. It would be impractical for the Company to strictly comply with the Listing Rules requirements regarding "connected transactions" on each occasion when it arises. As such, we are of the view that the entering into of the Licence Agreements and the adoption of the Annual Caps are essential for the Group in ensuring the continued smooth operation of its out-of-home advertising business with KMB for the respective terms of the Licence Agreements and the remaining two years of the five-year term of the MMOB Licence Agreement.

2. Principal terms of the Licence Agreements

(i) The Interior Advertising Licence Agreement

(a) The licence fee

The monthly licence fee (the "Interior Licence Fee") payable by RoadShow Media to KMB under the Interior Advertising Licence Agreement equals to (i) 60% of the Interior Net Advertising Revenue (as defined hereinbelow), or (ii) the monthly guaranteed minimum Interior Licence Fee ("Interior GMLF"), whichever is the greater.

The Interior Net Advertising Revenue represents the aggregate of (i) the total amount of fee or rental derived or accrued from the Interior Advertising Spaces under the advertising contracts to be entered into

LETTER FROM QUAM CAPITAL

between RoadShow Media and outside advertisers; (ii) the total amount of revenue attributable to the provision of the display of advertisements at the Interior Advertising Spaces and any other scope of services as approved by KMB from time to time; and (iii) any other income otherwise derived by RoadShow Media as a result of its use, marketing and/or subletting of the Interior Advertising Spaces; less trade discounts and agency commissions or rebates (if any) but without allowance for bad debts and/or any other expenses of whatever nature incurred by RoadShow Media.

Pursuant to the Interior Advertising Licence Agreement, the monthly Interior GMLF during the term thereof are as follows:

Year	Interior GMLF per month for the corresponding year (HK\$)
1 November 2009 – 31 October 2010	750,000
1 November 2010 – 31 October 2011	900,000
1 November 2011 – 31 October 2012	1,000,000
1 November 2012 – 31 October 2013	1,000,000
1 November 2013 – 31 October 2014	1,083,333

The aggregate Interior GMLF is HK\$56,800,000 for the entire term of the Interior Advertising Licence Agreement. The Interior GMLF is payable by RoadShow Media monthly during the term of the Interior Advertising Licence Agreement. The excess of the actual Interior Licence Fee over the Interior GMLF shall be calculated and payable by RoadShow Media to KMB within 10 days from the end of each month. RoadShow Media shall, within two months after the expiry of the term of the Interior Advertising Licence Agreement, submit to KMB an audited statement certified by the accountants jointly appointed by RoadShow Media and KMB, showing the total amount of the Interior Net Advertising Revenue to ascertain the actual Interior Licence Fee payable for the term of the Interior Advertising Licence Agreement. The difference between the total amount of Interior Licence Fee payable for the term of the Interior Advertising Licence Agreement so ascertained and the total Interior Licence Fee already paid in respect of the term of the Interior Advertising Licence Agreement shall be paid or refunded by the relevant party to the other.

As stated in the “Letter from the Board” of the Circular, the stipulated percentage of the monthly Interior Licence Fee was determined with reference to the stipulated percentage of the monthly licence fee of 60% under the Existing Licence Agreement, which was determined with reference to (i) the relevant stipulated profit sharing percentages charged by KMB for the licence granted to an independent operator in relation to the advertising sales business in respect of the Exterior Advertising Spaces under the Operator Agreement; and (ii) the licence granted to Bus Focus Limited, a subsidiary of the Company, in relation to the advertising business in respect of selected bus shelters owned by KMB, details of which are set out in the Company’s circulars dated 21 November 2007 and 28 November 2008, respectively. We have reviewed the Existing Licence Agreement and noted that the licence fee payable thereunder is calculated on similar basis as the Interior Licence Fee. We have also reviewed relevant clauses of the Operator Agreement provided by the Company and the aforesaid licensing agreement in respect of bus shelters advertising business and noted that the licence fees payable thereunder are calculated on similar bases as the Interior Licence Fee. In addition, we have reviewed similar agreements entered into by the Group with KMB or other independent franchised public bus operators in relation to the provision of MMOB advertising services on their buses acquired by the Group by way of public tendering. Under the aforesaid license agreements, the licence fees are calculated on similar bases as the Interior Licence Fee.

Based on our review of the aforesaid other licences granted by KMB or other independent franchised public bus operators to the Group and the relevant clauses of the Operator Agreement, it is noted that the stipulated percentage of the Interior Net Advertising Revenue payable to KMB as the Interior Licence Fee under the Interior Advertising Licence Agreement is in line with those of the abovementioned licence fees charged by KMB or other independent parties under licences of similar nature.

As stated in the “Letter from the Board” of the Circular, the Interior GMLF was determined based on 60% (being the stipulated percentage of Interior Licence Fee) of the estimated Interior Net Advertising Revenue. The estimated Interior Net Advertising Revenue was determined with reference to (i) the estimated advertising revenue to be generated from each KMB Bus (which has been determined with reference to the market rates of fees for advertising on the interior panels of bus bodies

in Hong Kong); (ii) the maximum number of KMB Buses which would be made available for the Interior Advertising Transaction; and (iii) the estimated occupancy rates of such available KMB Buses by the outside advertisers.

As noted above, the estimated advertising revenue to be generated from each KMB Bus for the Interior Advertising Transaction was determined with reference to the market rates of fees for advertising on the interior panels of bus bodies in Hong Kong. We have reviewed such market rates of fees provided by the Company and noted that the Company's estimated net advertising revenue to be generated from each KMB Bus applied in calculating the estimated Interior Net Advertising Revenue was in line with the market rates of fees for advertising on the interior panels of bus bodies in Hong Kong. We have also reviewed the historical average monthly net advertising revenue per KMB Bus generated from advertising on the Interior Advertising Spaces during the term of the Existing Licence Agreement up to 31 July 2009 and noted that the Company's estimated net advertising revenue to be generated from each KMB Bus applied in calculating the estimated Interior Net Advertising Revenue during the term of the Interior Advertising Licence Agreement was in line with such prevailing monthly net advertising revenue per KMB Bus under the Existing Licence Agreement and the gradual upward trend thereof for the six months ended 31 July 2009.

Further, we have reviewed the historical occupancy rates of the available KMB Buses by the outside advertisers during the term of the Existing Licence Agreement up to 31 July 2009 provided by the Company. We noted from the review that the estimated occupancy rates of the available KMB Buses by the outside advertisers during the term of the Interior Advertising Licence Agreement applied by the Company in calculating the estimated Interior Net Advertising Revenue is in line with the prevailing occupancy rate of the available KMB Buses by the outside advertisers under the Existing Licence Agreement.

As stated in the "Letter from the Board" in the Circular, the total licence fee paid and/or payable by RoadShow Media to KMB under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 was approximately HK\$7.2 million or HK\$1.2 million per month, representing the guaranteed minimum licence fee payable under such agreement. It is noted that the monthly guaranteed minimum licence fee payable under the Existing Licence Agreement is greater

than the monthly Interior GMLF for each of the five years ending on 31 October 2014 under the Interior Advertising Licence Agreement. In addition, we have noted that the upward trend of the net advertising revenue generated from advertising on the Interior Advertising Spaces under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 is in line with the upward trend of the Interior GMLF during the term of the Interior Advertising Licence Agreement.

In light of the foregoing, we consider that the basis of determination of the Interior Licence Fee is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

- (b) *The bank guarantee to be provided by RoadShow Media in favour of KMB under the Interior Advertising Licence Agreement (the “Interior Bank Guarantee”)*

Pursuant to the Interior Advertising Licence Agreement, RoadShow Media shall, upon signing of the agreement, provide KMB with irrevocable bank guarantee(s) in favour of KMB as security for due payment of the Interior Licence Fee and all other sums payable by RoadShow Media to KMB under the Interior Advertising Licence Agreement and the due performance and observance by RoadShow Media of all terms and conditions contained in the Interior Advertising Licence Agreement. The Interior Bank Guarantee shall be valid and effective for a period of not less than the term of the Interior Advertising Licence Agreement plus three months immediately after the expiry of such term. In consistency with the principles of the public invitation to tender in respect of the licence for the Interior Advertising Transaction, the guarantee amount under the Interior Bank Guarantee shall be in the sum of HK\$10 million or an amount equals to 6 times of the average monthly Interior GMLF during the term of the Interior Advertising Licence Agreement, whichever is the higher. We are advised by the Company that the Interior Bank Guarantee in the amount of HK\$10 million was provided to KMB upon signing of the Licence Agreement.

Given that the guarantee amount under the Interior Bank Guarantee of HK\$10 million is less than the total amount of Interior GMLF payable by RoadShow Media to KMB under the Interior Advertising Licence Agreement, we consider that the Interior Bank Guarantee is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(c) *Reinstatement deposit*

Pursuant to the Interior Advertising Licence Agreement, RoadShow Media shall be responsible for removing the advertisements from the KMB Buses and reinstating the Interior Advertising Spaces to its original condition at the expiry of the advertising contracts entered into between RoadShow Media and the outside advertisers and/or the Interior Advertising Licence Agreement. RoadShow Media shall pay to KMB a deposit in the amount of HK\$200,000 upon signing of the Interior Advertising Licence Agreement (the “Interior Works Deposit”). The Interior Works Deposit shall be held by KMB throughout the term of the Interior Advertising Licence Agreement whereby KMB shall have the right to forfeit the Interior Works Deposit in the event of any breach or non-observance or non-performance by RoadShow Media under the Interior Advertising Licence Agreement. Notwithstanding the foregoing, KMB may at its sole discretion elect not to forfeit the Interior Works Deposit but to deduct therefrom the amount of any Interior Licence Fee payable, any cost, expense, loss or damage sustained or incurred by KMB as a result of any breach, non-observance or non-performance by RoadShow Media under the Interior Advertising Licence Agreement. In the event of any forfeiture or deduction being made by KMB from the Interior Works Deposit during the term of the Interior Advertising Licence Agreement, RoadShow Media shall forthwith on demand by KMB make a further deposit to KMB equal to the amount so forfeited or deducted.

We are advised by the Company that the retention of the Interior Works Deposit is primarily intended to secure the satisfactory performance of RoadShow Media under the aforesaid obligations, and the Interior Works Deposit was determined with reference to similar requirements under the Existing Licence Agreement. Subject as aforesaid, pursuant to the Interior Advertising Licence Agreement, the Interior Works Deposit shall be refunded to RoadShow Media by KMB after the expiration or early determination of the Interior Advertising Licence Agreement and delivery of original condition of the Interior Advertising Spaces to KMB’s complete satisfaction.

(d) Duration of the Interior Advertising Licence Agreement

- (i) Background of and reasons for the long tenure of the Interior Advertising Licence Agreement

The term of the Interior Advertising Licence Agreement shall be of a period of five years commencing on 1 November 2009 and ending on 31 October 2014. According to the Interior Advertising Licence Agreement, during the term thereof, unless with prior written approval of KMB, RoadShow Media shall not enter into any advertising contracts in respect of the Interior Advertising Spaces which are to expire beyond 31 October 2014.

Given that the bus interior advertising business is one of the core businesses of the Group and the licence granted under the Interior Advertising Licence Agreement is exclusive in nature, the long tenure of the Interior Advertising Licence Agreement is therefore considered to be beneficial to the Group, as it will enable the stable operation of the Group's core business and a smooth business co-operation between RoadShow Media and KMB, which in turn would allow the Group to maintain a steady revenue source and reduce the Group's exposure to potential competition in the short to medium term. As such, we concur with the Directors' view that it is necessary for the term of the Interior Advertising Licence Agreement to be longer than three years.

- (ii) Comparison to other agreements of similar nature of public bus companies and business agreements undertaken by other Hong Kong listed company engaged in similar business

As stated in the "Letter from the Board" in the Circular, it is a normal business practice for the duration of advertising licence agreements with public bus companies to be longer than three years in the market as far as the Company is aware.

Although no straight comparables can be identified for the Interior Advertising Licence Agreement, in order to assess whether or not it is a normal business practice for contracts of similar business operation arrangements with public bus companies to be of a duration longer than three years, we have made references to the

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relevant clauses of the Operator Agreement and other agreements of similar nature entered into by the Group with KMB or other independent franchised public bus operators in relation to the provision of MMOB advertising services on their buses and the solicitation of advertising at bus shelters owned by KMB and noted that the durations of such agreements are longer than three years. In light of the above, we concur with the Directors' view that it is a normal business practice for advertising licence agreements with public bus companies to be longer than three years in the market.

As a supplemental reference, we have also identified and reviewed based on our best endeavour, the following transactions involving the establishment of long-term business operation arrangements in the advertising business as announced by other listed company in Hong Kong since 1 January 2009.

Parties	Type of transactions	Term of agreement
1. iKanTV Limited (愛看電視有限公司) (<i>Note</i>)	Acquisition of exclusive rights to procure advertising clients to place advertisements through LCD televisions located in all retail outlets of 廣東省郵政公司 (Guangdong Province Postal Company) and the relevant broadcasting rights	Initial term of 5 years with an option to extend for another 5 years
and Info-Source Media Limited (信源傳媒有限公司)		

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Parties	Type of transactions	Term of agreement
<p>2. China Outdoor Media Group Limited (Note)</p> <p>and</p> <p>Golden Cereal Supermarket Management Co., Ltd. (金色谷超市管理有限公司), M Media Global Ltd. (萬匯媒體有限公司), Hangzhou Hotou Technology Co., Ltd. (杭州宏拓科技有限公司) and CCI (HK) Ltd.</p>	<p>Appointment of exclusive agent to procure advertising for the media network and the provision of (i) contents for the media network and (ii) editorial and broadcasting technology</p>	<p>Initial term of 5 years and automatically renewable for another 3 years</p>

Source: The Stock Exchange's website

Note: According to an announcement dated 27 August 2009 issued by China Outdoor Media Group Limited ("China Outdoor"), a company listed on the Stock Exchange, iKanTV Limited (愛看電視有限公司) was originally owned as to 51% by a wholly owned subsidiary of China Outdoor. On 27 August 2009, such subsidiary of China Outdoor has agreed to dispose of 4% of the issued share capital of iKanTV Limited (愛看電視有限公司).

In view of the above analysis, we are of the opinion that it is a normal business practice for contracts of similar business operation arrangements in the advertising business to be of durations longer than three years.

In light of the foregoing, we consider it justifiable for RoadShow Media to enter into the Interior Advertising Licence Agreement with a term of more than three years, as this is in line with the normal practice of agreements of similar nature with public bus companies and other advertising companies and will ensure a smooth business co-operation between RoadShow Media and KMB.

(e) Other major terms of the Interior Advertising Licence Agreement

We have also reviewed the other major terms of the Interior Advertising Licence Agreement and are not aware of any terms which are exceptional to normal market practice.

In light of the foregoing, we are of the opinion that the terms of the Interior Advertising Licence Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(ii) The Exterior Advertising Licence Agreement

(a) The licence fee

The monthly licence fee (the “Exterior Licence Fee”) payable by Bus Power to KMB under the Exterior Advertising Licence Agreement equals to (i) 70% of the Exterior Net Advertising Revenue (as defined hereinbelow), or (ii) the monthly guaranteed minimum Exterior Licence Fee (the “Exterior GMLF”), whichever is the greater.

The Exterior Net Advertising Revenue represents the aggregate of (i) the total amount of fee or rental derived or accrued from the Exterior Advertising Spaces under the advertising contracts to be entered into between Bus Power and advertisers; and (ii) any other income otherwise derived by Bus Power as a result of its use, marketing and/or subletting of the Exterior Advertising Spaces; less any trade discounts and agency commissions or rebates (if any) but without allowance for bad debts and/or any other expenses of whatever nature incurred by Bus Power.

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Pursuant to the Exterior Advertising Licence Agreement, the monthly Exterior GMLF during the Total Term are as follows:

Year	Exterior GMLF per month for the corresponding year (HK\$)
1 November 2009 – 31 October 2010	4,583,000
1 November 2010 – 31 October 2011	4,750,000
1 November 2011 – 31 October 2012	5,000,000
1 November 2012 – 31 October 2013	5,000,000
1 November 2013 – 31 October 2014	5,250,000

The aggregate Exterior GMLF is HK\$171,996,000 for the Initial Term and HK\$294,996,000 for the Total Term. The Exterior GMLF is payable by Bus Power monthly during the Total Term. The excess of the actual Exterior Licence Fee over the Exterior GMLF shall be calculated and payable by Bus Power to KMB within 10 days from the end of each month. Bus Power shall, within two months after the expiry of the Initial Term or the Total Term (as the case may be), submit to KMB an audited statement certified by the accountants jointly appointed by RoadShow Media and KMB, showing the total amount of the Exterior Net Advertising Revenue to ascertain the actual Exterior Licence Fee payable for such term. The difference between the total amount of Exterior Licence Fee payable for such term so ascertained and the total Exterior Licence Fee already paid in respect of such term shall be paid or refunded by the relevant party to the other.

As stated in the “Letter from the Board” of the Circular, the stipulated percentage of the monthly Exterior Licence Fee was determined with reference to the stipulated profit sharing percentages charged by KMB for the licences granted by way of public tendering in relation to the advertising businesses in respect of the exterior and interior panels of the bus bodies of the KMB Buses and the selected bus shelters owned by KMB. We have reviewed the relevant clauses of the Operator Agreement and the aforesaid other licensing agreements granted by KMB and noted that the licence fees thereunder are calculated on similar bases as the Exterior Licence Fee. In addition, we have reviewed similar agreements entered into by the Group with KMB or other independent franchised public bus operators in relation to the provision

of MMOB advertising services on their buses acquired by the Group by way of public tendering. Under the aforesaid licensing agreements, the licence fees payable are calculated on similar bases as the Exterior Licence Fee.

Based on our review of the aforesaid other licences granted by KMB or other independent franchised public bus operations to the Group and the relevant clauses of the Operator Agreement, it is noted that the stipulated percentage of the Exterior Net Advertising Revenue payable to KMB as the Exterior Licence Fee under the Exterior Advertising Licence Agreement is in line with those of the abovementioned licence fees charged by KMB or other independent parties.

As stated in the “Letter from the Board” of the Circular, the Exterior GMLF was determined based on 70% (being the stipulated percentage of Exterior Licence Fee) of the estimated Exterior Net Advertising Revenue. The estimated Exterior Net Advertising Revenue was determined with reference to (i) the estimated advertising revenue to be generated from each KMB Bus for the Exterior Advertising Transaction (which has been determined with reference to the market rates of fees for advertising on exterior panels of bus bodies in Hong Kong); (ii) the maximum number of KMB Buses which would be made available for the Exterior Advertising Transaction; and (iii) the estimated occupancy rates of such available KMB Buses by the outside advertisers.

The Company stated that the estimated advertising revenue to be generated from each KMB Bus for the Exterior Advertising Transaction was determined with reference to the market rates of fees for advertising on the exterior panels of bus bodies in Hong Kong. We have reviewed such market rates of fees provided by the Company and noted that the Company’s estimated net advertising revenue to be generated from each KMB Bus applied in calculating the estimated Exterior Net Advertising Revenue was in line with such market rates of fees for advertising on the exterior panels of bus bodies in Hong Kong.

We are advised by the Company that the estimated occupancy rates of the available KMB Buses by the outside advertisers applied in calculating the estimated Exterior Net Advertising Revenue were determined based on an independent market research on the prevailing occupancy rates of advertisements on public buses in Hong Kong. We

have reviewed the relevant independent market research conducted by a research agency specialised in the provision of competitive advertising and advertisement monitoring service and noted that the estimated occupancy rates of the available KMB Buses by the outside advertisers applied by the Company in calculating the estimated Exterior Net Advertising Revenue are in line with the prevailing occupancy rates of advertisements on public buses in Hong Kong.

In light of the foregoing, we consider that the basis of determination of the Exterior Licence Fee is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

- (b) *The bank guarantee to be provided by Bus Power in favour of KMB under the Exterior Advertising Licence Agreement (the “Exterior Bank Guarantee”)*

Pursuant to the Exterior Advertising Licence Agreement, Bus Power shall, upon signing of the agreement, provide KMB with irrevocable bank guarantee(s) in favour of KMB as security for due payment of the Exterior Licence Fee and all other sums payable by Bus Power to KMB under the Exterior Advertising Licence Agreement and the due performance and observance by Bus Power of all terms and conditions contained in the Exterior Advertising Licence Agreement. The Exterior Bank Guarantee shall be valid and effective for a period of not less than the Initial Term plus three months immediately after the expiry of such term. In the event that the Exterior Advertising Licence Agreement is extended for the Extended Term, Bus Power shall provide KMB with irrevocable bank guarantee(s) in favour of KMB which shall be valid and effective for a period of not less than the Extended Term plus 3 months immediately after the expiry of the Extended Term. In consistency with the principles of the public invitation to tender in respect of the licence for the Exterior Advertising Transaction, the guarantee amount under the Exterior Bank Guarantee shall be in the sum of HK\$30 million or an amount equals to 6 times of the average monthly Exterior GMLF during the Total Term, whichever is the higher. We are advised by the Company that the Exterior Bank Guarantee in the amount of HK\$30 million was provided to KMB upon signing of the Exterior Advertising Licence Agreement.

Given that the guarantee amount under the Exterior Bank Guarantee of HK\$30 million is less than the total amount of Exterior GMLF payable by Bus Power to KMB under the Exterior Advertising Licence Agreement during the Total Term, we consider that the Exterior Bank Guarantee is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(c) *Reinstatement deposit*

Pursuant to the Exterior Advertising Licence Agreement, Bus Power shall be responsible for removing the advertisements from the KMB Buses and repainting the exterior panels of the KMB Buses with KMB's corporate colours and livery as specified by KMB at the expiry of the advertising contracts entered into between Bus Power and the outside advertisers and/or the Exterior Advertising Licence Agreement. Bus Power shall pay to KMB a deposit in the amount of HK\$800,000 upon signing of the Exterior Advertising Licence Agreement (the "Exterior Works Deposit"). The Exterior Works Deposit shall be held by KMB throughout the Initial Term or the Total Term (as the case may be) whereby KMB shall have the right to forfeit the Exterior Works Deposit in the event of any breach or non-observance or non-performance by Bus Power under the Exterior Advertising Licence Agreement. Notwithstanding the foregoing, KMB may at its sole discretion elect not to forfeit the Exterior Works Deposit but to deduct therefrom the amount of any Exterior Licence Fee payable, any cost, expense, loss or damage sustained or incurred by KMB as a result of any breach, non-observance or non-performance by Bus Power under the Exterior Advertising Licence Agreement. In the event of any forfeiture or deduction being made by KMB from the Exterior Works Deposit during the Initial Term or the Total Term (as the case may be), RoadShow Media shall forthwith on demand by KMB make a further deposit to KMB equal to the amount so forfeited or deducted.

We are advised by the Company that the retention of the Exterior Works Deposit is primarily intended to secure the satisfactory performance of Bus Power under the aforesaid obligations, and the Exterior Works Deposit was determined with reference to similar requirement under the Existing Licence Agreement. Subject as aforesaid, pursuant to the Exterior Advertising Licence Agreement, the Exterior Works Deposit shall be refunded to Bus Power by KMB after the expiration or early determination of the Exterior Advertising Licence Agreement and delivery of original condition of the exterior panels of the KMB Buses to KMB's complete satisfaction.

(d) *Transitional contracts*

Pursuant to the Exterior Advertising Licence Agreement, Bus Power has agreed to take up all advertising contracts with expiry dates beyond 31 October 2009 which have been entered into, prior to the commencement of the Exterior Advertising Licence Agreement, between an operator (being one of the contracting parties to the Operator Agreement which is not a member of the Group) and the respective advertisers in relation to bus exterior advertising at the Exterior Advertising Spaces under the Operator Agreement on the same terms and conditions stated therein. Bus Power, as the licensee under the Exterior Advertising Licence Agreement, shall return a commission calculated at a rate of 5% of the advertising fees derived from such transitional contracts for the respective periods between 1 November 2009 (being the commencement date of the Exterior Advertising Licence Agreement) and the respective expiry dates of the transitional contracts to the relevant operator, as the licensee under the Operator Agreement, within 60 days upon Bus Power's actual receipt of advertising fees under the respective transitional contracts. The remaining 95% of the advertising fees derived from the transitional contracts for the period on or after 1 November 2009 shall be accrued to Bus Power which shall be included in the calculation of the licence fee payable by Bus Power under the Exterior Advertising Licence Agreement.

We are advised by the Company that the aforesaid commission rate of 5% of the advertising fees derived from the transitional contracts payable by Bus Power to the licensee under the Operator Agreement is in line with the commission rates of advertising revenue payable by the Group to its sales staffs for soliciting advertising business for the Interior Advertising Spaces and the MMOB Advertising. Based on our review and discussion with the Company's management on the ratio of the amount of commissions paid by the Group to its sales staffs for soliciting advertising business for the Interior Advertising Spaces and MMOB Advertising to the net advertising revenue generated from the respective businesses and the underlying calculations, we noted that the commission rate of 5% payable by Bus Power in relation to the transitional contracts to the licensee under the Operator Agreement is within the range of commission rates paid by the Group to its sales staffs.

As a supplemental reference, we have also reviewed a similar transaction involving appointment of an advertising agent to conduct marketing and sales activities within and outside the People's Republic of China in respect of certain outdoor advertising spaces as announced by another listed company in Hong Kong, namely Dahe Media Co., Ltd., on 13 February 2008. We noted from such announcement that the commission rate payable to the advertising agent under the relevant transaction is 10% of the contract value of the advertisement publication contracts in respect of the sale of the outdoor advertising spaces achieved by the advertising agent.

Given the aforesaid and the fact that the remaining 95% of the advertising fees derived from the transitional contracts for the period on or after 1 November 2009 shall be accrued to Bus Power which shall be included in the calculation of the licence fee payable by Bus Power under the Exterior Advertising Licence Agreement, we consider that the taking up of the transitional advertising contracts by Bus Power and the payment of the commission rate by Bus Power to the licensee under the Operator Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(e) Duration of the Exterior Advertising Licence Agreement

The Initial Term of the Exterior Advertising Licence Agreement shall commence on 1 November 2009 for a period of three years ending on 31 October 2012 and KMB may at its sole discretion elect to extend the agreement for the Extended Term from 1 November 2012 to 31 October 2014 on the condition that Bus Power shall have performed all the terms and conditions of the Exterior Advertising Licence Agreement throughout the Initial Term to the complete satisfaction of KMB. Subject to the granting of the Extended Term by KMB, Bus Power shall not enter into any advertising contracts in respect of the Exterior Advertising Spaces which are to expire beyond 31 October 2012. In the event that the Extended Term is granted by KMB, unless with prior written approval of KMB, Bus Power shall not enter into advertising contracts in respect of the Exterior Advertising Spaces which are to expire beyond 31 October 2014.

We have discussed with the management of the Company regarding the expected positioning of the bus exterior advertising business within the Group, and noted that it is the current intention of the Directors to develop the bus exterior advertising business of the Group to become one of its core businesses. Given this and that the licence under the Exterior Advertising Licence Agreement is exclusive in nature, and assuming that the Extended Term is granted by KMB, the long tenure of the Exterior Advertising Licence Agreement is considered to be beneficial to the Group, as it will enable the stable operation of the Group's core business and a smooth business co-operation between Bus Power and KMB, which in turn would allow the Group to maintain a steady revenue source and reduce the Group's exposure to potential competition in the short to medium term. As such, we concur with the Directors' view that it is necessary for the term of the Exterior Advertising Licence Agreement to be longer than three years.

As discussed in section (2)(i)(d) above, it is a normal business practice for the duration of advertising licence agreements with public bus companies to be longer than three years in the market. Further, from our analysis on transactions involving the establishment of long-term business operation arrangements in the advertising business as announced by other listed company in Hong Kong, we are of the opinion that it is a normal business practice for contracts of similar business operation arrangements in the advertising business to be of durations longer than three years.

In light of the foregoing, we consider it justifiable for Bus Power to enter into the Exterior Advertising Licence Agreement with a term of more than three years, as this is in line with the normal practice of agreements of similar nature with public bus companies and other advertising companies and will ensure a smooth business co-operation between Bus Power and KMB.

(f) Other major terms of the Exterior Advertising Licence Agreement

We have also reviewed the other major terms of the Exterior Advertising Licence Agreement and are not aware of any terms which are exceptional to normal market practice.

In light of the foregoing, we are of the opinion that the terms of the Exterior Advertising Licence Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

3. Requirements of the Listing Rules

For the financial years of the Company during the respective terms of the Licence Agreements, the subject transactions will be subject to review by the independent non-executive Directors and the Company's auditors as required by Rules 14A.37 and 14A.38 of the Listing Rules respectively. The independent non-executive Directors must confirm in the annual report and accounts that the Interior Advertising Transaction and the Exterior Advertising Transaction have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, the Listing Rules require that the Company's auditors must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the annual report of the Company), confirming that the Interior Advertising Transaction and the Exterior Advertising Transaction:

- have received the approval of the Board;
- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
- have been entered into in accordance with the relevant agreements governing the transaction; and
- have not exceeded the cap disclosed in its previous announcement.

Given the above, we are of the opinion that there will be sufficient procedures and arrangements in place to ensure that the Interior Advertising Transaction and the Exterior Advertising Transaction will be conducted on terms that are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned.

4. The Annual Cap

(i) *The Interior Licence Fee Caps*

(a) The historical annual cap for licence fee payable under the Existing Licence Agreement

The annual cap for the licence fee payable under the Existing Licence Agreement for the financial year ending 31 December 2009 was set at HK\$20.3 million which has taken into the 9 months expected advertising rental during the term of the Existing Licence Agreement commencing from 1 February 2009 to 31 October 2009. The total licence fee paid and/or payable by RoadShow Media to KMB under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 was approximately HK\$7.2 million. The Directors expect that the aggregate of the total licence fee payable under the Existing Licence Agreement for the period from 1 February 2009 to 31 October 2009 and the total Interior Licence Fee payable under the Interior Advertising Licence Agreement for the period from 1 November 2009 to 31 December 2009 will not exceed the historical cap of HK\$20.3 million.

We have discussed with the management of the Company in respect of the reason for the actual licence fee paid and/or payable by RoadShow Media under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 being considerably lower than the relevant cap proposed for such period. We are advised that the reasons are (i) the Directors have adopted buffers for the historical annual cap for the licence fee payable under the Existing Licence Agreement for the financial year ending 31 December 2009 to enable RoadShow Media to have greater degree of flexibility in conducting the Group's newly established bus interior advertising business under the Existing Licence Agreement so as to accommodate possible increase in advertising rentals; and (ii) given that RoadShow Media only began operating the bus interior advertising business since 1 February 2009

under the Existing Licence Agreement, it is a relatively new business to the Group, and given that the bus interior advertising business is also a fairly new initiative to the advertising business in Hong Kong, the outside advertisers are testing the effectiveness of bus interior advertising to the market during the period from 1 February 2009 up to 31 July 2009.

Notwithstanding the above, we have reviewed the monthly occupancy rates of the available KMB Buses to outside advertisers under the Existing Licence Agreement for the period from 1 February 2009 up to 31 July 2009 and noted that there has been a rapid increase in the occupancy rates during the period. We are advised by the Company that such increase was a result of RoadShow Media's effort in developing and promoting the bus interior advertising business in the market which in turn helped increase the acceptance level of advertising on the Interior Advertising Spaces among the outside advertisers and their respective clients having tested the market and received satisfactory responses, thereby increasing the number of advertising contracts and the amount of advertising rentals derived therefrom.

(b) *The bases of determination of the Interior Licence Fee Caps*

As stated in the "Letter from the Board" of the Circular, the Interior Licence Fee Caps for the four years ending 31 October 2013 and ten months ending 31 October 2014 have been determined by multiplying the stipulated percentage of 60% under the Interior Advertising Licence Agreement by the estimated maximum Interior Net Advertising Revenue for such period. The estimated maximum Interior Net Advertising Revenue during the aforesaid period has been determined with reference to the estimated net advertising revenue to be generated from each KMB Bus (which has been determined with reference to the actual net advertising revenue for the period from 1 February 2009 to 30 June 2009 under the Existing Licence Agreement) and the maximum number of KMB Buses to be made available for the Interior Advertising Transaction and on the presumption that the occupancy rate of such available KMB Buses by the outside advertisers would be 100% during the said period.

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The Interior Licence Fee Caps for the four years ending 31 December 2013 and ten months ending 31 October 2014 are as follows:

	For the year ending 31 December				For the 10 months ending 31 October
	2010	2011	2012	2013	2014
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
Interior Licence Fee Caps	39,000,000	43,000,000	52,000,000	57,000,000	52,000,000

In assessing the reasonableness and fairness of the Interior Licence Fee Caps, we have reviewed (i) the actual net advertising revenue under the Existing Licence Agreement for the period from 1 February 2009 to 30 June 2009 and the trend thereof; (ii) the actual occupancy rates of the available KMB Buses by the outside advertisers under the Existing Licence Agreement for the period from 1 February 2009 to 30 June 2009 and the trend thereof; (iii) the representation and projections of the Company's management in respect of the total net advertising revenue to be generated from the Interior Advertising Transaction for the term of the Interior Advertising Licence Agreement; and (iv) the rates of fees for advertising on the Interior Advertising Spaces charged by RoadShow Media under the Existing Licence Agreement. We have also discussed with the management of the Company on the underlying principal assumptions and bases considered in the determination of the Interior Licence Fee Caps including (a) the estimated occupancy rates of the available KMB Buses by the outside advertisers under the Interior Advertising Licence Agreement during the term thereof; (b) that the maximum number of KMB Buses available for the Interior Advertising Transaction under the Interior Advertising Licence Agreement is 3,000 compared to the maximum number of KMB Buses available under the Existing Licence Agreement is 500; (c) the orders for advertising on the Interior Advertising Spaces proposed by or under negotiations with or confirmed by outside advertisers; (d) that the Company expects the outside advertisers will begin to shift toward more comprehensive advertising packages having tested the market and received satisfactory responses; (e) the benefits to be gained from the service routes of the selected KMB Buses covering urban areas with high passenger flow

as discussed in section (1)(ii) above; and (f) that the Directors have adopted buffers for the Interior Licence Fee Caps to enable RoadShow Media to have greater degree of flexibility in conducting the Interior Advertising Transaction so as to accommodate possible increase in advertising rentals. Having considered the above, we are of the view that the Interior Licence Fee Caps were set by the Directors at the proposed level after careful and due consideration.

(ii) *The Exterior Licence Fee Caps*

We are advised that the Company currently has no access to any advertising contracts (including the transitional contracts) entered into between the relevant operator and advertisers in relation to advertising at the Exterior Advertising Spaces under the Operator Agreement and the relevant information on the transactions contemplated thereunder. As such, the historical licence fee paid and payable by such operator in respect of its bus exterior advertising business under the Operator Agreement is not available for our review.

As stated in the “Letter from the Board” in the Circular, the Exterior Licence Fee Caps for the five years ending 31 October 2014 have been determined by multiplying the stipulated percentage of 70% under the Exterior Advertising Licence Agreement by the estimated maximum Exterior Net Advertising Revenue for such five-year period. The estimated maximum Exterior Net Advertising Revenue during the aforesaid period has been determined with reference to the estimated net advertising revenue to be generated from each KMB Bus (which has been determined with reference to the market rates of fees for advertising on exterior panels of bus bodies in Hong Kong) and the maximum number of KMB Buses to be made available for the Exterior Advertising Transaction and on the presumption that the occupancy rate of such available KMB Buses by the outside advertisers would be 100% during the said five-year period.

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The Exterior Licence Fee Caps for the five years ending 31 October 2014 are as follows:

	For the 2 months ending 31 December	For the year ending 31 December				For the 10 months ending 31 October
	2009	2010	2011	2012	2013	2014
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
Exterior Licence Fee Caps	13,000,000	78,000,000	85,000,000	93,000,000	103,000,000	94,000,000

In assessing the reasonableness and fairness of the Exterior Licence Fee Caps, we have reviewed (i) the representation and projections of the Company's management in respect of the total net advertising revenue to be generated from the Exterior Advertising Transaction for the Total Term; and (ii) the market rates of fees for advertising on the exterior panels of bus bodies in Hong Kong. We have also discussed with the management of the Company on the underlying principal assumptions and bases considered in the determination of the Exterior Licence Fee Cap including (a) the estimated occupancy rates of the available KMB Buses by the outside advertisers under the Exterior Advertising Licence Agreement during the Total Term; (b) that the estimated net advertising revenue to be generated from each KMB Bus under the Exterior Advertising Licence Agreement is in line with the market rates of fees for advertising on the exterior panels of bus bodies in Hong Kong; and (c) that the Directors have adopted buffers for the Exterior Licence Fee Caps to enable Bus Power to have greater degree of flexibility in conducting the Exterior Advertising Transaction so as to accommodate possible increase in advertising rentals. Having considered the above, we are of the view that the Exterior Licence Fee Caps were set by the Directors at the proposed level after careful and due consideration.

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(iii) The New MMOB Caps

- (a) *The historical annual caps for licence fee and service charges payable under the MMOB Licence Agreement (the “Existing MMOB Cap(s)”)*

Set out below are the actual amounts of the licence fee and service charges paid and/or payable by RoadShow Media to KMB under the MMOB Licence Agreement for the period from 1 August 2007 to 31 July 2009 and the Existing MMOB Caps for the three years ending 31 December 2009:

	For the year ended 31 December		
	2007	2008	2009
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Existing MMOB Caps	14.0	34.0	41.0
	 For the		
	5 months	For the	For the
	ended	year ended	7 months
	31 December	31 December	ended
	2007	2008	31 July 2009
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Actual licence fee and service charges paid and/ or payable	7.6	20.0	12.5

The Directors expect that the total licence fee and service charges payable under the MMOB Licence Agreement for the financial year ending 31 December 2009 will not exceed the relevant Existing MMOB Cap of HK\$41 million.

It is noted from the above table that the actual monthly licence fee and service charges paid and/or payable by RoadShow Media to KMB under the MMOB Licence Agreement increased steadily for the period from 1 August 2007 to 31 July 2009. We have been given to understand that the Existing MMOB Cap for the financial year ended 31 December 2007 had taken into account the five months expected net advertising revenue commencing from 1 August 2007 to 31 December 2007. The increase

in the Existing MMOB Caps for the two years ending 31 December 2009 as compared to that for 2007 was because they were prepared on a full calendar year basis as well as the inclusion of two types of service charges for the maintenance of the MMOB equipment and the rental of additional MMOB broadcasting system in addition to licence fee payable to KMB under the MMOB Licence Agreement commencing in 2008 and 2009 respectively. The increase in the Existing MMOB Cap for the year ending 31 December 2009 was also due to the commencement of the expected payment of rental charges on the newly installed MMOB broadcasting system to be installed during the year.

We have discussed with the management of the Company in respect of the reason for the relatively low utilisation rate of the Existing MMOB Caps. We are advised that the reasons are (i) the Directors have adopted buffers for the Existing MMOB Caps to enable RoadShow Media to have a greater degree of flexibility in conducting the MMOB Advertising business under the MMOB Licence Agreement so as to accommodate possible increase in advertising rentals; and (ii) the MMOB Advertising business operated by RoadShow Media was challenged by increasing competition in the outdoor advertising industry which arise from, in particular, the new special advertisements format such as advertising on train bodies, in-train stickers and posters on the walls and pillars of stations and MMOB advertising on trains introduced by MTR Corporation during the period which led to lower than expected advertising revenue from the MMOB Advertising business.

(b) *The bases of determination of the New MMOB Caps*

As stated in the “Letter from the Board” in the Circular, the New MMOB Caps for the three years ending 31 December 2012 have been determined by multiplying the stipulated percentages under the MMOB Licence Agreement by the estimated maximum net advertising revenue to be derived from the MMOB Advertising business thereunder from 1 January 2010 to 31 December 2012. The estimated maximum net advertising revenue during the aforesaid period has been determined with reference to the actual net advertising revenue generated for the two years ended 31 December 2008 and the forecasted net advertising revenue for the year ending 31 December 2009 under the MMOB Licence Agreement.

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The New MMOB Caps for the three years ending 31 December 2012 are as follows:

	For the year ending 31 December		
	2010	2011	2012
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
New MMOB Caps	42.0	48.0	55.0

In assessing the reasonableness and fairness of the New MMOB Caps, we have reviewed (i) the actual net advertising revenue generated for the period from 1 August 2007 to 31 July 2009 under the MMOB Licence Agreement and the trend thereof; and (ii) the representation and projections of the Company's management in respect of the total estimated net advertising revenue to be generated from the MMOB Advertising business under the MMOB Licence Agreement for the four years ending 31 December 2012. We have also discussed with the management of the Company on the underlying principal assumptions and bases considered in the determination of the New MMOB Caps including (a) that the net advertising revenue to be generated from the MMOB Advertising business under the MMOB Licence Agreement is expected to increase benefited from the Company's planned enhancement program for the existing MMOB broadcasting system which will strengthen the broadcasting quality and increase the available airtime; (b) that the number of KMB Buses fitted with the MMOB broadcasting system will remain the same from 2008 to 2010; and (c) the Directors have adopted buffers for the New MMOB Caps to enable RoadShow Media to have greater degree of flexibility in conducting the MMOB Advertising business under the MMOB Licence Agreement so as to accommodate possible increase in advertising rentals. Having considered the above, we are of the view that the New MMOB Caps were set by the Directors at the proposed level after careful and due consideration.

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Based on the factors and reasons discussed above, and after taking into account each of the Interior Advertising Transaction, the Exterior Advertising Transaction and the MMOB Transaction is of a revenue nature, we are of the view that the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. However, as the Annual Caps relate to future events and do not represent a forecast of the total Interior Licence Fee, Exterior Licence Fee and licence fee and service charges payable by RoadShow Media under the MMOB Licence Agreement for the entire or remaining (as the case may be) terms of the relevant agreements, we therefore express no opinion as to how closely the actual Interior Licence Fee, Exterior Licence Fee and licence fee and service charges payable by RoadShow Media under the MMOB Licence Agreement for the entire or remaining (as the case may be) terms of the relevant agreements correspond with the Annual Caps.

RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- that the Interior Advertising Transaction and the Exterior Advertising Transaction will broaden the revenue base of the Group through business expansion and are in line with the principle business of the Group;
- that the entering into of the Licence Agreements and the adoption of the Annual Caps are essential for the Group in ensuring the continued smooth operation of its out-of-home advertising business with KMB for the respective terms of the Licence Agreements and the remaining two years of the five-year term of the MMOB Licence Agreement;
- that the respective bases of determination of the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned;
- that the Annual Caps have been set up by the Directors, after careful and due considerations, at levels which will be in the interests of both the Company and the Shareholders; and
- the control and review procedures and arrangements in place to safeguard the interests of the Company and the Shareholders in relation to the Interior Advertising Transaction, the Exterior Advertising Transaction and the MMOB Transaction,

LETTER FROM QUAM CAPITAL

we consider that the Licence Agreements have been entered into within the ordinary and usual course of the Group's business based on normal commercial terms and their respective terms together with the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the Special General Meeting to approve the Licence Agreements and the Annual Caps.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Richard D. Winter
Managing Director

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 herein the omission of which would make any statement contained in this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors and chief executives

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 and 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in issued shares in the Company*

Name of Director	The Company: ordinary shares of HK\$0.1 each				Total number of shares held	Approximate % of total issued shares
	Personal interests	Family interests	Corporate interests	Other interests		
Winnie NG (<i>Note 1</i>)	1,000,000	—	—	123,743	1,123,743	0.11%
Anthony NG (<i>Note 1</i>)	—	—	—	123,743	123,743	0.01%

(ii) *Interests in issued shares in Transport International, an associated corporation of the Company*

Name of Director	Transport International (Note 2): ordinary shares of HK\$1.0 each				Total	Approximate
	Personal interests	Family interests	Corporate interests	Other interests	number of shares held	% of total issued shares
John CHAN Cho						
Chak	2,000	—	—	—	2,000	0.0%
Winnie NG (Note 3)	41,416	—	—	21,000,609	21,042,025	5.2%
Anthony NG						
(Note 3)	233,954	—	—	21,000,609	21,234,563	5.3%

Notes:

- Each of Ms. Winnie NG and Mr. Anthony NG has interest in 123,743 shares in the Company as a beneficiary of certain private trusts which beneficially hold the shares.
- Transport International is the ultimate holding company of the Company.
- Each of Ms. Winnie NG and Mr. Anthony NG has interest in 21,000,609 shares in Transport International as a beneficiary of certain private trusts which beneficially hold the shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company 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 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 which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which was required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were 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 was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

Substantial shareholders

So far as known to each Director and the chief executive of the Company, 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise interested in 5% or 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 and the amount of each of such person's/corporation's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

Name	Number of shares held	Approximate % in the Company's issued share capital
Transport International (<i>Note</i>)	728,127,410	73.01%
KMB Resources Limited (<i>Note</i>)	728,127,410	73.01%
DJE Investment S.A. and others	69,956,000	7.01%

Note: KMB Resources Limited owns 728,127,410 shares in the Company. KMB Resources Limited is a wholly-owned subsidiary of Transport International, which is accordingly deemed to be interested in the same number of shares held by KMB Resources Limited in the Company 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 executives of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or 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. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Quam Capital	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO

Quam Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Quam Capital did not have any direct or indirect interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, Quam Capital was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date to which the latest published audited financial statements of the Group were made up.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or had proposed to enter into, a service contract with any member of the group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. COMPETING INTERESTS

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 was a controlling shareholders).

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal office of the Company at No. 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong up to and including the date of the Special General Meeting (excluding Saturdays and public holidays):

- (a) the Interior Advertising Licence Agreement;
- (b) the Exterior Advertising Licence Agreement;
- (c) the MMOB Licence Agreement;
- (d) the Media Sales Management Services Agreement;
- (e) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 25 to 26 of this circular;
- (f) the letter issued by Quam Capital, the text of which is set out on pages 27 to 59 of this circular; and
- (g) the written consent of Quam Capital referred to in paragraph 3 of this Appendix.



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 (the “**Special General Meeting**”) of the shareholders of RoadShow Holdings Limited (the “**Company**”) will be held at Concord Room I, 8/F., Renaissance Harbour View Hotel, Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 9 October 2009 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**
 - (a) the Interior Advertising Licence Agreement as defined and described in the circular of the Company dated 17 September 2009 of which this resolution forms part, (the “**Circular**”) (a copy of each of the Interior Advertising Licence Agreement and the Circular having been produced at the meeting and marked “A” and “B” respectively and each initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
 - (b) the proposed annual caps, as described in the Circular, for the licence fee in respect of the transactions contemplated by the Interior Advertising Licence Agreement, be and are hereby approved; and
 - (c) the directors of the Company be and are hereby authorised for and on behalf of the Company to execute all such documents and agreements and do such acts or things as they may in their discretion consider to be necessary, desirable or expedient to implement and/or give effect to the terms of the Interior Advertising Licence Agreement.”

* For identification purposes only

NOTICE OF THE SPECIAL GENERAL MEETING

2. “**THAT:**
- (a) the Exterior Advertising Licence Agreement as defined and described in the Circular (as defined in ordinary resolution no. 1 set out in this notice) (a copy of the Exterior Advertising Licence Agreement having been produced at the meeting and marked “C” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
 - (b) the proposed annual caps, as described in the Circular, for the licence fee in respect of the transactions contemplated by the Exterior Advertising Licence Agreement, be and are hereby approved; and
 - (c) the directors of the Company be and are hereby authorised for and on behalf of the Company to execute all such documents and agreements and do such acts or things as they may in their discretion consider to be necessary, desirable or expedient to implement and/or give effect to the terms of the Exterior Advertising Licence Agreement.”

3. “**THAT:**

the proposed annual caps for the licence fee and service charges in respect of the transactions contemplated by the MMOB Licence Agreement as defined and described in the Circular (as defined in ordinary resolution no. 1 set out in this notice) be and are hereby approved.”

By order of the Board
Man Miu Sheung
Company Secretary

Hong Kong, 17 September 2009

Notes:

1. Any member of the Company entitled to attend and vote at the Special General Meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy 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 notarially certified copy of that power or authority must be lodged with the Company’s principal office at No. 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Special General Meeting or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
3. Voting at the Special General Meeting will be taken on a poll.