
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 888)

CONTINUING CONNECTED TRANSACTION

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the board of directors of RoadShow Holdings Limited (the “**Company**”) is set out on pages 5 to 14 of this circular. A letter from the independent board committee of the Company is set out on pages 15 to 16 of this circular. A letter from Quam Capital Limited, the independent financial adviser to the independent board committee and the independent shareholders of the Company, is set out on pages 17 to 32 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 on 14 May 2012 at 12:15 p.m. (or so soon thereafter as the annual general meeting convened to be held at 11:30 a.m. on the same day at the same place shall have been concluded or adjourned) is set out on pages 38 to 39 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal office of the Company at 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so desire.

Hong Kong, 18 April 2012

* For identification purposes only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
1. Introduction	6
2. The MMOB Licence Agreement as Supplemented and Amended by the Supplemental Agreement	6
3. Reasons for and Benefits of the Continuing Connected Transaction	11
4. Description of the Connected Relationships	12
5. Listing Rules Implications	12
6. Special General Meeting	13
7. Action to be Taken	13
8. Recommendation and Advice	14
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	15
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	17
APPENDIX — GENERAL INFORMATION	33
NOTICE OF SPECIAL GENERAL MEETING	38

DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“Bank Guarantee”	an irrevocable bank guarantee of a licensed bank in Hong Kong in favour of KMB to be provided by RoadShow Media as security for the payment of the licence fees and all other sums payable by RoadShow Media to KMB under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement
“Board”	the board of Directors
“Company”	RoadShow Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 888)
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Term”	from 1 August 2012 to 30 June 2017 (both dates inclusive)
“Franchise”	the franchise granted by the Government of Hong Kong to KMB to operate a public service in Hong Kong
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Independent Board Committee”	the committee of the board of the Directors, consisting of Dr. Carlye Wai-Ling TSUI and Professor Stephen CHEUNG Yan Leung both being independent non-executive Directors, to advise the Independent Shareholders in respect of the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the SGM for approving the transactions under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement
“Initial Term”	5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive)
“KMB”	The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Transport International
“KMB Buses”	the buses operated by KMB pursuant to the Franchise
“Latest Practicable Date”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MMOB”	Multi-Media On-Board
“MMOB Advertising”	the advertising broadcast within the KMB Buses fitted with the MMOB broadcasting system
“MMOB Licence Agreement”	the agreement dated 31 October 2007 entered into between KMB and RoadShow Media whereby KMB has granted to RoadShow Media an exclusive licence to conduct MMOB Advertising

DEFINITIONS

“Quam Capital” or “Independent Financial Adviser”	Quam Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 as described to in this circular
“RoadShow Media”	RoadShow Media Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 as referred to in this circular
“Shareholder(s)”	the holder(s) of Shares of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Supplemental Agreement”	the supplemental agreement dated 16 March 2012 entered into between KMB and RoadShow Media pursuant to which KMB and RoadShow Media have conditionally agreed to, upon the expiration of the Initial Term, extend the term of the licence under the MMOB Licence Agreement for the Extended Term, and amend certain terms and conditions of the MMOB Licence Agreement

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transport International”	Transport International Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 62), which is the ultimate holding company of the Company
“%”	percent

LETTER FROM THE BOARD



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 888)

Board of Directors:

Dr. John CHAN Cho Chak (*Chairman*)

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

Mr. YUNG Wing Chung (*Deputy Chairman*)

Ms. Winnie NG (*Deputy Chairman*)

BA, MBA (Chicago), MPA (Harvard), FCIM, CMILT, MHKIoD

Dr. Carlye Wai-Ling TSUI[#] *BBS, MBE, JP, DProf, BA(Econ),*

FHKIoD, FHKMA, FBCS, CITP, FHKIE, HonFACE, PDipCD

Dr. Eric LI Ka Cheung[#] *GBS, OBE, JP, LLD, DSocSc, BA,*

FCPA (Practising), Hon HKAT, FCA, FCPA (Aust.), FCIS, FHKIoD

Professor Stephen CHEUNG Yan Leung[#]

BBS, JP, FHKIoD

Mr. Alex MO Tik Sang (*Managing Director*)

FHKIoD

Mr. MAK Chun Keung

Mr. John Anthony MILLER

SBS, OBE, MPA (Harvard), BA(London), FHKIoD

Mr. Edmond HO Tat Man

MA(Cantab), MBA, FCILT, MHKIoD

[#] *Independent Non-Executive Director*

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Principal Office:

9 Po Lun Street
Lai Chi Kok
Kowloon
Hong Kong

* *For identification purposes only*

LETTER FROM THE BOARD

18 April 2012

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

1. INTRODUCTION

The Board refers to the announcement of the Company dated 16 March 2012. On 31 October 2007, KMB and RoadShow Media entered into the MMOB Licence Agreement pursuant to which KMB had agreed to grant an exclusive licence to RoadShow Media to conduct MMOB Advertising on KMB Buses fitted with MMOB broadcasting system. The term of such licence is for the Initial Term of 5 years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive) and shall be extended for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) upon the fulfillment of certain renewal conditions.

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

The purposes of this circular are to provide you with (i) details of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, (ii) the recommendation from the Independent Board Committee, (iii) the letter of advice from the Quam Capital to the Independent Board Committee and the Independent Shareholders, and (iv) a notice of the SGM.

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

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

LETTER FROM THE BOARD

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

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

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

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

Parties

Licensor: KMB

Licensee: RoadShow Media

Subject matter

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

LETTER FROM THE BOARD

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

The Supplemental Agreement is conditional upon the obtaining of the approval of the Independent Shareholders of the Company.

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

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

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

Term of the licence

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

Based on the fact that (i) the MMOB Advertising, being the subject matter of the MMOB Licence Agreement, is the core business of the Group and (ii) the longer duration of the MMOB Licence Agreement would ensure a stable revenue source generated by the MMOB Advertising and reduce the Group's exposures to potential competition in the near future, the Directors consider that the term of the MMOB Licence Agreement as extended by the Supplemental Agreement (that is, the Extended Term), which is more than three years, is necessary for and is also in the interests of the Company and the Shareholders as a whole given the nature of the Group's business.

Consideration

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

LETTER FROM THE BOARD

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

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

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

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

Historical figures

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

Period	Amount (HK\$)
For the year ended 31 December 2009:	22.6 million
For the year ended 31 December 2010:	27.8 million
For the year ended 31 December 2011:	26.9 million

LETTER FROM THE BOARD

Proposed annual caps

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

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

Period	Amount (HK\$)
For the financial year ending 31 December 2013:	44.0 million
For the financial year ending 31 December 2014:	46.0 million
For the financial year ending 31 December 2015:	46.0 million
For the financial year ending 31 December 2016:	50.0 million
For the financial year ending 31 December 2017:	54.0 million

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

LETTER FROM THE BOARD

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

Provision of Bank Guarantee

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

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

3. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

MMOB Advertising is the core business of the Group. The revenue attributable to the business of advertising broadcast within KMB buses fitted with the MMOB broadcasting system represented a significant portion of the Group's total revenue for the previous years. With the signing of the Supplemental Agreement for the extension of the MMOB Licence Agreement for the Extended Term, the Group is able to sustain its leading position in the out-of-home media market.

The continuing connected transactions contemplated by the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are conducted on arm's length basis in the ordinary and normal course of business of

LETTER FROM THE BOARD

the Group. The Directors consider that the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group and the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the above proposed annual caps for the five years ending 31 December 2017 are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

4. DESCRIPTION OF THE CONNECTED RELATIONSHIPS

KMB

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.

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

RoadShow Media

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

The Group

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

5. LISTING RULES IMPLICATIONS

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

LETTER FROM THE BOARD

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

6. SPECIAL GENERAL MEETING

Set out on pages 38 to 39 of this circular is the notice convening the SGM at which an ordinary resolution will be proposed, if thought fit, to approve the transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 as referred to in this circular.

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) and Ms. Winnie Ng (a director of both the Company and Transport International, who was interested in about 5.2% of the issued share capital of Transport International and approximately 0.1% of the issued share capital of the Company as at the Latest Practicable Date) and their respective associates, will be required to abstain from voting in relation to the above-mentioned ordinary resolution at the SGM.

The votes to be taken at the SGM will be taken by poll, an announcement of the results of which will be published pursuant to the Listing Rules.

7. ACTION TO BE TAKEN

A proxy form for use at the SGM is enclosed herein. Whether or not you intend to attend the SGM, you are requested to complete the proxy form and return it to the principal office of the Company at 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 SGM. Delivery of a proxy form will not preclude Shareholders from attending and voting in person at the SGM if they so wish.

LETTER FROM THE BOARD

8. RECOMMENDATION AND ADVICE

Your attention is drawn to the letter from the Independent Board Committee set out on pages 15 to 16 of this circular which contains its recommendation to the Independent Shareholders, and the letter from the Independent Financial Adviser set out on pages 17 to 32 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

18 April 2012

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company dated 18 April 2012 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context requires otherwise.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether, in our opinion, the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

Quam Capital Limited 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 transactions contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter on pages 17 to 32 of the Circular.

Your attention is drawn to the letter from the Board set out on pages 5 to 14 of the Circular and the general information set out in the Appendix.

** For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, and the advice given by Quam Capital Limited, we consider that the terms and conditions of the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement 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 for the five years ending 31 December 2017 as described in the Circular are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement and the proposed annual caps for the five years ending 31 December 2017 to be proposed at the SGM.

Yours faithfully,

Carlye Wai-Ling TSUI

Stephen CHEUNG Yan Leung

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 Supplemental Agreement and the related proposed annual caps for licence fees and service charges payable under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement for the five years ending 31 December 2017.



Quam Capital Limited

A Member of The Quam Group

18 April 2012

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 TRANSACTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the proposed annual caps in respect of the licence fees and service charges payable under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement for the five years ending 31 December 2017 (the “**New MMOB Caps**”). Details of the terms of the Supplemental Agreement are set out in the “Letter from the Board” contained in the circular issued by the Company to the Shareholders dated 18 April 2012 (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.

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 Supplemental Agreement is based on normal commercial terms and whether its terms together with the New MMOB 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 Supplemental Agreement

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and the adoption of the New MMOB 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 Supplemental Agreement and the New MMOB 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 currently available 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Supplemental Agreement and the New MMOB Caps, we have taken into consideration the following factors and reasons:

1. **Background of and reasons for the Supplemental Agreement and the New MMOB Caps**

(i) Principal business of the Group

As stated in the “Letter from the Board” in the Circular, the Group is principally engaged in the provision of media sales and management services for the MMOB business, transit vehicles exteriors and interiors advertising businesses and the operation of media advertising management services through marketing advertising spaces on transit vehicles exteriors, interiors, shelters and outdoor signage and the provision of advertising agency services. Based on the financial information provided by the Group, the revenue attributable to the business of advertising broadcast within the public buses fitted with the MMOB broadcasting system (the “**MMOB Advertising Business**”) was approximately HK\$99.5 million for the year ended 31 December 2011, representing approximately 26.8% of the Group’s total revenue for the relevant year.

(ii) The MMOB Licence Agreement and the Supplemental Agreement

On 31 October 2007, the Group entered into the MMOB Licence Agreement with KMB pursuant to which KMB has granted the Group an exclusive licence to conduct the MMOB Advertising Business on the KMB Buses fitted with the MMOB broadcasting system (the “**KMB MMOB Transaction**”), details of which are set out in the Company’s announcement and circular dated 31 October 2007 and 21 November 2007 respectively. The MMOB Licence Agreement and the KMB MMOB Transaction had been approved by the then Independent Shareholders at the Company’s special general meeting held on 10 December 2007.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The duration of the MMOB Licence Agreement is for the Initial Term of five years commencing on 1 August 2007 and ending on 31 July 2012 (both dates inclusive), and shall be extended for the Extended Term from 1 August 2012 to 30 June 2017 (both dates inclusive) upon the fulfillment of the following renewal conditions as stipulated under the MMOB Licence Agreement:

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

Based on the financial information provided by the Company, RoadShow Media has achieved aggregate NAR of approximately HK\$176.3 million for the period from 1 August 2007 to 8 February 2012, which exceeded the target aggregate amount of HK\$176 million as set out in the MMOB Licence Agreement. Upon fulfillment of the above renewal conditions, on 16 March 2012, KMB and RoadShow Media entered into the Supplemental Agreement, pursuant to which KMB and RoadShow Media have conditionally agreed to, upon the expiry of the Initial Term, extend the licence under the MMOB Licence Agreement for the Extended Term and to amend certain terms and conditions of the MMOB Licence Agreement, subject to the terms and conditions of the Supplemental Agreement.

(iii) The New MMOB Caps

In light of the duration of the Initial Term, upon approvals of the then Independent Shareholders at the Company’s special general meetings held on 10 December 2007 and 9 October 2009, the Company has adopted the annual caps in respect of the licence fees and service charges payable under the MMOB Licence Agreement for each of the five years ending 31 December 2012. To facilitate the continuation of the KMB MMOB Transaction pursuant to the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement for the entire Extended Term 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 SGM.

(iv) Views

Given that the MMOB Advertising Business is one of the principal businesses of the Group and represents a substantial portion of the Group's revenue, we consider that the entering into of the Supplemental Agreement with KMB would allow the Group to continue its effort in developing its existing MMOB Advertising Business and is conducted in the ordinary and normal course of business of the Group.

Having considered the Group's principal activities and the nature of the KMB MMOB Transaction, it is reasonable to expect that the KMB 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 Extended Term. It would be impractical for the Company to strictly comply with the Listing Rules requirements regarding "connected transaction" on each occasion when it arises. As such, we are of the view that the entering into of the Supplemental Agreement and the adoption of the New MMOB Caps are essential for the Group in ensuring the continued smooth operation of the KMB MMOB Transaction for the Extended Term.

2. Principal terms of the Supplemental Agreement

(i) The guaranteed minimum royalty payment ("GMR")

According to the MMOB Licence Agreement, the licence fees payable by RoadShow Media to KMB (the "**Licence Fees**"), to be determined on an annual basis, is equal to the stipulated percentage of the NAR or the GMR, whichever is the greater.

According to the MMOB Licence Agreement, the NAR means the total amount(s) set out in the invoices issued by RoadShow Media (excluding the agency commission rebate or trade discount and without any adjustment for bad or doubtful debts). The stipulated percentage of an annual NAR is 50% for the first HK\$40 million of an annual NAR, plus 40% for any excess of an annual NAR over HK\$40 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The GMR during the Extended Term are as follows:

Period	Monthly GMR for the corresponding period <i>HK\$</i>	Total GMR for the corresponding period <i>HK\$ million</i>
1 August 2012 — 31 July 2013	1,591,667	19.1
1 August 2013 — 31 July 2014	1,600,000	19.2
1 August 2014 — 31 July 2015	1,608,333	19.3
1 August 2015 — 31 July 2016	1,616,667	19.4
1 August 2016 — 30 June 2017	1,772,727	19.5
Total		96.5

The aggregate GMR is HK\$96.5 million for the Extended Term. The GMR is payable by RoadShow Media monthly during the Extended Term. The excess of the actual Licence Fees over the GMR shall be calculated every three months commencing as effective from 1 August 2012 and be payable by RoadShow Media to KMB after the last day of the respective three-month period.

We were advised by the Company that the GMR for the Extended Term was determined after taking into consideration (i) the GMR for the year ending 31 July 2012 stipulated under the MMOB Licence Agreement; (ii) the actual Licence Fees payable under the MMOB Licence Agreement during the Initial Term; and (iii) the estimated NAR for the period from 1 August 2012 to 30 June 2017. The annual GMR for the year ending 31 July 2013 is HK\$19.1 million, representing only a slight increase from the annual GMR for the year ending 31 July 2012 stipulated under the MMOB Licence Agreement of HK\$19 million. Further, we noted that the total GMRs for each of the year/period over the Extended Term represent an upward trend with only a slight increment of 0.5%, which is lower than the average annual growth rate for the historical Licence Fees paid under the MMOB Licence Agreement during the Initial Term. We have reviewed the actual Licence Fees payable under the MMOB Licence Agreement over the Initial Term and noted that, save for the contract year of 1 August 2010 to 31 July 2011, the Licence Fees paid by RoadShow Media were greater than the corresponding applicable GMR. As advised by the management of the Company, the global advertising and media industry was

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

adversely affected by the European sovereign debt crisis in 2011, resulting in lower NAR received by RoadShow Media for the contract year from 1 August 2010 to 31 July 2011. Consequently, the Licence Fees paid by RoadShow Media for the year from 1 August 2010 to 31 July 2011 was equivalent to the corresponding GMR. Further, the GMR for the Extended Term is substantially lower than the forecasted Licence Fees for the corresponding period.

In light of the foregoing, we consider that the determination of the GMR for the Extended Term is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(ii) *The Bank Guarantee*

Pursuant to the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, RoadShow Media shall, on the day on which the Supplemental Agreement becomes unconditional, provide KMB with irrevocable bank guarantee in favour of KMB as security for due payment of the Licence Fees and all other sums payable by RoadShow Media to KMB for the Extended Term and the due performance and observance by RoadShow Media of all terms and stipulations reserved and contained in the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement. The Bank Guarantee shall be valid and effective for a period of not less than the Extended Term plus three months immediately after the expiry of such term. We were advised that the guarantee amount under the Bank Guarantee was determined in an amount equal to approximately half of the total GMR for each of the year/period during the Extended Term. Such basis of determination is in line with that for the guarantee amount under the bank guarantee pursuant to the MMOB Licence Agreement.

The amounts of the Bank Guarantee during the Extended Term are as follows:

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that (i) the guarantee amounts under the Bank Guarantee under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement is substantially lower than the total GMR for each of the year/period during the Extended Term; and (ii) the basis of determination of the guarantee amounts under the Bank Guarantee is in line with that for the guarantee amount under the bank guarantee pursuant to the MMOB Licence Agreement, we consider that the Bank Guarantee is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

(iii) *Duration of the Supplemental Agreement*

(a) *Background of and reasons for the long tenure of the Supplemental Agreement*

Pursuant to the MMOB Licence Agreement and upon the fulfillment of the renewal conditions set out therein, KMB and RoadShow Media have agreed to extend the licence to conduct the MMOB Advertising Business for the Extended Term accordingly. The Extended Term shall be of a period of approximately five years commencing on 1 August 2012 and ending on 30 June 2017.

Given that the MMOB Advertising Business is one of the principal businesses of the Group and is exclusive in nature, the long tenure of the Supplemental Agreement is considered to be beneficial to the Group, as it will enable a stable operation of the KMB MMOB Transaction, which in turn would allow the Group to maintain a steady revenue source and reduce the Group's exposures to potential competition in the near future. As such, we concur with the Directors' view that it is necessary for the term of the Supplemental Agreement to be longer than three years.

(b) *Comparison to business agreements undertaken by other Hong Kong listed companies engaged in similar business*

To assess whether the duration of the Supplemental Agreement is in line with those of other similar transactions, we have attempted to compare it with transactions involving the establishment of long-term business operation arrangements in carrying out advertising business in Hong Kong by other Hong Kong listed companies since 1 January 2009. However, we are unable to identify such transactions. As an alternative, based on the information available on the website of the Stock Exchange, we have identified and reviewed based on our best endeavour,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the following transactions involving the establishment of long-term business operation arrangements in carrying out advertising business in the People's Republic of China as announced by other Hong Kong listed companies since 1 January 2009. We believe that, although the following transactions identified do not involve the carrying out of advertising business in Hong Kong, given the following transactions involve the obtaining of exclusive rights in carrying out advertising business, which are similar to the KMB MMOB Transaction in nature, they provide a reasonable comparison basis for the duration of the Supplemental Agreement.

Listed companies	Type of transactions	Term of agreement
1. China Outdoor Media Group Limited (Stock code: 254)	— 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 and the relevant broadcasting rights	Initial term of 5 years with an option to extend for another 5 years
	— 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	Initial term of 5 years and automatically renewable for another 3 years

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Listed companies	Type of transactions	Term of agreement
2.	China 33 Media Group Limited (Stock code: 8087)	— Obtained exclusive rights to sell advertising time slots in the audio programmes broadcasted on trains and to produce and supply non-advertising contents of the audio programmes	4 to 7 years
		— Obtained exclusive right to operate the advertising spaces on air traffic control towers of civil airports	Initial term of 9 years and renewal on same terms and conditions

Source: Stock Exchange website

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 Supplemental Agreement with a term of more than three years, as this is in line with the normal practice of agreements of similar nature with other advertising companies and will ensure a smooth business co-operation between RoadShow Media and KMB.

(c) Other major terms of the Supplemental Agreement

We have also reviewed the other major terms of the Supplemental 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 Supplemental Agreement are on normal commercial terms, 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.

3. Requirements of the Listing Rules

For each of the financial year of the Company during the Extended Term, the subject transaction 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 KMB MMOB Transaction contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement has 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 KMB MMOB Transaction contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement:

- has received the approval of the Board;
- is in accordance with the pricing policies of the Company if the transaction involve provision of goods or services by the Company;
- has been entered into in accordance with the relevant agreement governing the transaction; and
- has 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 KMB MMOB Transaction contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement will be conducted on normal commercial terms that are fair and reasonable as far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. The New MMOB Caps

(i) The annual caps for the Licence Fees and service charges payable for the six years ending 31 December 2012 (the “Existing MMOB Cap(s)”)

Set out below are the actual amounts of the Licence Fees 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 December 2011 and the Existing MMOB Caps:

	For the year ended 31 December					For the year ending 31 December
	2007	2008	2009	2010	2011	2012
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)
Existing MMOB						
Caps	14.0	34.0	41.0	42.0	48.0	55.0

	For the five months ended 31 December					For the year ended 31 December
	2007	2008	2009	2010	2011	
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)
Actual Licence Fees and service charges paid and/or payable by RoadShow Media	7.6	20.0	22.6	27.8	26.9	

The Directors expect that the aggregate amount of the total Licence Fees and service charges payable by RoadShow Media for the period from 1 January 2012 to 31 July 2012 (i.e. the last date of the Initial Term) under the MMOB Licence Agreement and for the period from 1 August 2012 (i.e. the commencement date of the Extended Term) to 31 December 2012 under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement will not exceed the Existing MMOB Cap for the year ending 31 December 2012 of HK\$55.0 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

It is noted from the above table that the actual monthly Licence Fees and service charges paid and/or payable by RoadShow Media to KMB under the MMOB Licence Agreement for the five months ended 31 December 2007 and each of the four years ended 31 December 2011 accounted for approximately 54.3%, 58.8%, 55.1%, 66.2% and 56.0% of the corresponding Existing MMOB Cap respectively.

We have discussed with the management of the Company in respect of the reasons for the relatively low utilisation rate of the Existing MMOB Caps. We were 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 KMB MMOB Transaction under the MMOB Licence Agreement so as to accommodate possible increase in advertising revenue; (ii) the MMOB Advertising Business operated by RoadShow Media was challenged by the increasing competition in the outdoor advertising industry which arise from, in particular, the new special advertisements platforms (such as advertising on train bodies, in-train stickers and posters on the walls and pillars of stations and MMOB advertising on trains) introduced during the period; and (iii) the MMOB Advertising Business was adversely affected by the unexpected European financial crisis in 2011 which led to lower than expected advertising revenue from the MMOB Advertising Business.

(ii) The bases of determination of the New MMOB Caps

Pursuant to the MMOB Licence Agreement, RoadShow Media shall pay KMB the Licence Fees, to be determined on an annual basis, which is equal to the stipulated percentage of the NAR or the GMR, whichever is the greater. Further, RoadShow Media shall pay KMB the following charges:

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the “Letter from the Board” in the Circular, the New MMOB Caps have been determined by multiplying the stipulated percentages under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, by the estimated maximum NAR to be derived from the KMB MMOB Transaction thereunder from 1 January 2013 to 31 December 2017 and after taking into account of the estimated service charges payable for the maintenance or rental for the relevant MMOB equipment or broadcasting system. The estimated maximum NAR during the aforesaid period has been determined with reference to the actual NAR derived from the KMB MMOB Transaction for the four years ended 31 December 2011, after taking into account the growth rate of the NAR in recent years.

The New MMOB Caps are as follows:

	For the year ending 31 December				
	2013	2014	2015	2016	2017
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)
New MMOB Caps	44.0	46.0	46.0	50.0	54.0

In assessing the reasonableness and fairness of the New MMOB Caps, we have reviewed (i) the actual NAR generated for the period from 1 August 2007 to 31 December 2011 under the MMOB Licence Agreement and the trend thereof; (ii) the representation and projections of the Company’s management in respect of the total advertising revenue to be generated from the KMB MMOB Transaction during the Extended Term; (iii) the historical service charge paid by RoadShow Media to KMB for maintenance of the MMOB equipment for the three years ended 31 December 2011 and the trend thereof; and (iv) the depreciation schedule of capital invested by KMB in the liquid crystal display monitors and the associated installation costs. 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 advertising revenue to be generated from the KMB MMOB Transaction during the Extended Term is expected to increase due to the expected upward adjustment in advertising charges to customers and the expected increase in airtime occupancy rate over the coming years; (b) that the number of KMB Buses fitted with the MMOB broadcasting system will remain stable from 2012 to 2017; (c) that the amounts of service charges for maintenance of the MMOB equipment for the five years ending 31 December 2017 are expected to be in line with the actual amounts paid for the three years ended 31 December 2011

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and are estimated to maintain a stable trend; and (d) the capital investment in the liquid crystal display monitors and the associated installation costs will be fully depreciated in 2014 based on the depreciation schedule. 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.

Based on the factors and reasons discussed above, and after taking into account that the KMB MMOB Transaction is essential for the Group's MMOB Advertising Business which is of a revenue nature, we are of the view that the New MMOB 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 New MMOB Caps relate to future events and do not represent a forecast of the total Licence Fees and service charges payable under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement over the Extended Term, we therefore express no opinion as to how closely the actual Licence Fees and service charges payable under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement over the Extended Term corresponding with the New MMOB 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 KMB MMOB Transaction contemplated under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement will allow the Group to continue its effort in developing its existing MMOB Advertising Business which is one of the principal businesses of the Group;
- that the entering into of the Supplemental Agreement and the adoption of the New MMOB Caps are essential for the Group in ensuring the continued smooth operation of the KMB MMOB Transaction over the Extended Term;
- that the bases of determination of the New MMOB Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned;
- that the New MMOB Caps have been set up by the Directors, after careful and due consideration, at levels which are in the interests of both the Company and the Shareholders; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

— the control and review procedures and arrangements in place to safeguard the interest of the Company and the Shareholders in relation to the KMB MMOB Transaction to be conducted during the Extended Term,

we consider that the Supplemental Agreement has been entered into within the ordinary and usual course of the Group's business based on normal commercial terms and its terms together with the New MMOB 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 resolution to be proposed at the SGM to approve the Supplemental Agreement and the New MMOB Caps.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Richard D. Winter
Chief Executive Officer

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares, underlying shares 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 such associate was taken or deemed to have under such provisions of the SFO); or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, were as follows:

(i) Interests in issued shares in the Company

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

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

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

Notes:

1. Ms. Winnie NG has interest in 123,743 shares in the Company as a beneficiary of certain private trusts which beneficially held the shares.
2. Transport International is the ultimate holding company of the Company.
3. Ms. Winnie NG has interest in 21,000,609 shares in Transport International as a beneficiary of certain private trusts which beneficially held the shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest or short position in the shares, underlying shares and/or debentures of the Company 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 entered in the register of interests required to be kept by the Company pursuant to Section 352 of the SFO; or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

None of the Directors has any direct or indirect interest in any assets which have since 31 December 2011 (being the date 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 proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors is materially interested in any contract or arrangement entered subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

Substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, each of the following persons, other than a Director or chief executive of the Company, had an interest and/or short position in the Company’s shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO:

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) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Dr. John CHAN Cho Chak, Ms. Winnie NG, Dr. Eric LI Ka Cheung, Mr. John Anthony MILLER and Mr. Edmond HO Tat Man, who are Directors of the Company, are also directors of Transport International; and Mr. YUNG Wing Chung, a Director of the Company, is an alternate director to Mr. Raymond KWOK Ping Luen in Transport International. Mr. Edmond HO Tat Man is also a director of KMB Resources Limited.

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 licensed corporation 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. The letter given by Quam Capital is given as at the date of this circular for incorporation herein.

As at the Latest Practicable Date, Quam Capital did not have any direct or indirect interest in any assets which had since 31 December 2011 (being the date 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 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 2011, 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 a service contract with any member of the Group which does not expire or is not terminable 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 as if each of them were a controlling shareholder).

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 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong up to and including the date of the SGM (excluding Saturdays and public holidays):

- (a) the MMOB Licence Agreement; and
- (b) the Supplemental Agreement.

NOTICE OF SPECIAL GENERAL MEETING



ROADSHOW HOLDINGS LIMITED

路訊通控股有限公司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 888)

NOTICE IS HEREBY GIVEN that a special general meeting (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 14 May 2012 at 12:15 p.m. (or so soon thereafter as the annual general meeting convened to be held at 11:30 a.m. on the same day at the same place shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement as defined and described in the circular of the Company dated 18 April 2012 (the “**Circular**”) (a copy of the Supplemental Agreement has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder and in connection therewith, be and are hereby approved, ratified and confirmed; and
- (b) the proposed annual caps for the five years ending 31 December 2017 in relation to the transactions under the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement as described in the Circular be and are hereby approved;

and that 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

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

or give effect to or in connection with the MMOB Licence Agreement as supplemented and amended by the Supplemental Agreement, and all other transactions contemplated thereunder and the proposed annual caps as described in the Circular.”

By Order of the Board
MAN Miu Sheung
Company Secretary

Hong Kong, 18 April 2012

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. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- (2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be lodged with the Company’s principal office at 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 adjourned meeting.
- (3) The Ordinary Resolution as set out above will be determined by way of poll.