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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

On 31 October 2014, KMB and Bus Power (a wholly-owned subsidiary of the Company) entered into the Licence Agreement pursuant to which KMB has conditionally granted an exclusive licence to Bus Power to market, install, display and maintain advertisements on or at the Advertising Spaces, for an initial term of 2 years and 8 months commencing on 1 November 2014 until 30 June 2017 (both dates inclusive), which may be extended for a further period of 3 years from 1 July 2017 to 30 June 2020 (both dates inclusive) at the option of KMB.

KMB is a wholly-owned subsidiary and an associate of Transport International, which is the ultimate controlling Shareholder. KMB is therefore a connected person of the Company within the meaning of the Listing Rules. The transactions contemplated under the Licence Agreement will constitute continuing connected transactions of the Company and as the applicable percentage ratios in respect of the proposed annual caps for such transactions exceed 5%, they are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A special general meeting will be convened at which resolution(s) will be proposed to seek the independent Shareholders' approval of, among other things, the transactions contemplated under the Licence Agreement and the proposed annual caps.

A circular containing, among other things, further details of the Licence Agreement, the letter of recommendation from the independent board committee comprising the independent non-executive Directors, the letter of advice from the independent financial adviser to the independent board committee and independent Shareholders, and a notice of the special general meeting, is expected to be despatched to the Shareholders on or before 21 November 2014.

* *For identification purposes only*

THE NEW BUS EXTERIOR & INTERIOR ADVERTISING LICENCE AGREEMENT

Pursuant to the Existing Licence Agreements entered into between KMB and the Group in August 2009, KMB granted exclusive licences to the Group to market, display and maintain advertisement at the external panels of the bodies of the KMB Buses and the interior panels and spaces inside the compartment of the KMB Buses respectively, both for a term which is to expire on 31 October 2014. The Board is pleased to announce that following KMB's acceptance of the tender submitted by Bus Power, KMB and Bus Power entered into the Licence Agreement on 31 October 2014, the principal terms of which are summarised below:

Date

31 October 2014

Parties

- (1) KMB (a wholly-owned subsidiary of Transport International); and
- (2) Bus Power (a wholly-owned subsidiary of the Company).

Subject matter

KMB has conditionally granted to Bus Power an exclusive licence to market, install, display and maintain advertisements on or at the Advertising Spaces, together with such right of access to the Advertising Spaces as approved by KMB for the proper displaying, installation, maintenance, repairing and removing of advertisements.

Condition precedent

The Licence Agreement is conditional on the approval by the independent Shareholders 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 Licence Agreement (or such later date as may be agreed by KMB and Bus Power in writing), the Licence Agreement will lapse.

Term

Conditional on the approval by the independent Shareholders referred to in the paragraph headed "*Condition precedent*" above, the Term of the Licence Agreement shall be for the Initial Term of 2 years and 8 months commencing on 1 November 2014 and ending on 30 June 2017 (both dates inclusive), and may be extended for the Extended Term of another 3 years from 1 July 2017 to 30 June 2020 (both dates inclusive) at the option of KMB.

Assuming that the Term is extended for the Extended Term as described above, the total duration of the Licence Agreement will be for 5 years and 8 months. Since the bus advertising business is one of the core businesses of the Group and the longer term of the Licence Agreement will enable a stable source of revenue for the Group, the Directors (excluding the independent non-executive Directors whose view will be given in the circular after taking into account the advice of the independent financial adviser) consider that it is necessary for the term of the Licence Agreement to be of such duration (which is more than three years), and that it is the 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 advice to be given by the independent financial adviser in the circular will include their advice in relation to the length of the Term pursuant to Rule 14A.52 of the Listing Rules.

Pricing and basis of consideration

The Licence Fee, attributable to bus exterior and interior advertising respectively, will be payable by Bus Power to KMB on a monthly basis within 10 days following the end of the month and calculated as follows:

$$\text{Licence Fee} = (\text{the attributable Net Advertising Revenue}) \times (\text{an agreed fixed percentage as pre-determined by Bus Power and accepted by KMB through the tender process}),$$

provided that: the respective Licence Fee for each month in a Service Period shall not be lower than an agreed minimum monthly Licence Fee, as determined by Bus Power and accepted by KMB through the tender process, which shall be paid in advance on the first day of each relevant month with incremental increase in such minimum fee applicable to each successive Service Period.

The calculation basis of the Licence Fee was determined by KMB in its tender invitation and is in line with the common market practice for bus advertising in Hong Kong, and the relevant agreed percentage and agreed minimum monthly Licence Fee were determined by Bus Power with reference to tender experience in the past, and the estimated Net Advertising Revenue based on factors including the advertisement fees charged by the Group on independent third parties and renting rate of available KMB Buses.

Bank guarantees

Bus Power will procure the issuance to KMB, and maintain throughout respectively (1) the Initial Term plus 3 months thereafter, and (2) (if the Term is extended for the Extended Term) the Extended Term plus 3 months thereafter, an irrevocable bank guarantee in respect of each said period issued in favour of KMB as security for the due payment of the Licence Fees and all other sums payable and the due performance by Bus Power of the terms of the Licence Agreement. The amount of each bank guarantee shall represent 6 times the average of the agreed minimum monthly Licence Fee in respect of, respectively, (1) the Initial Term, and (2) (if the Term is extended for the Extended Term) the full Term.

Proposed annual caps and basis

The total amount payable under the Licence Agreement is not currently expected to exceed the following on an annual basis:

<i>Period</i>	<i>Amount (HK\$)</i>
From 1 November 2014 to 31 December 2014	23,000,000
From 1 January 2015 to 31 December 2015	119,000,000
From 1 January 2016 to 31 December 2016	133,000,000
From 1 January 2017 to 31 December 2017	144,000,000
From 1 January 2018 to 31 December 2018	146,000,000
From 1 January 2019 to 31 December 2019	158,000,000
From 1 January 2020 to 30 June 2020	85,000,000

The proposed annual caps were determined with reference to the estimated total amounts of Licence Fees payable for each Service Period pro-rated on an annual basis, based on the historical net advertising revenue under the Existing Licence Agreements and the expected growth rate of the Net Advertising Revenue.

The proposed annual caps are subject to the approval of the independent Shareholders at the special general meeting.

LISTING RULES IMPLICATIONS

Transport International is the ultimate controlling Shareholder indirectly holding approximately 73.01% of the issued share capital of the Company, as at the date of this announcement, through KMB Resources Limited (a wholly-owned subsidiary of Transport International). KMB is a wholly-owned subsidiary and associate of Transport International, and is therefore a connected person of the Group within the meaning of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps for the transactions contemplated under the Licence Agreement exceed 5%, such transactions constitute continuing connected transactions of the Company which are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SPECIAL GENERAL MEETING

A special general meeting will be convened at which resolution(s) will be proposed to seek the independent Shareholders' approval of, among other things, the transactions contemplated under the Licence Agreement and the above proposed annual caps.

A circular containing, among other things, further details of the Licence Agreement, the letter of recommendation from the independent board committee comprising the independent non-executive Directors, the letter of advice from the independent financial adviser to the independent board committee and independent Shareholders, and a notice of the special general meeting, is expected to be despatched to the Shareholders on or before 21 November 2014.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The bus exterior and interior advertising business is a core business of the Group and the Licence Agreement was entered into, following successful tender, in the ordinary and usual course of business of the Group. The Directors consider that the entering into the Licence Agreement enables the synchronization of bus exterior and interior advertising and the advertising broadcast with the multi-media on-board broadcasting system on the KMB Buses, all of which are operated by the Group and thereby creating an integrated bus media platform to enhance the media-sales market penetration of the Group and to further strengthen the leading status of the Group in the out-of-home advertising segment.

The Directors (excluding the independent non-executive Directors whose view will be given in the circular after taking into account the advice of the independent financial adviser) consider that the transactions contemplated under the Licence Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL INFORMATION

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

The Group is principally engaged in the provision of media sales and design services and production of advertisements for multi-media on-board, transit vehicles exteriors and interiors, online portal, mobile apps, shelters and outdoor signages advertising businesses. The Group is also engaged in the provision of integrated marketing services covering these advertising platforms.

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

Bus Power is principally engaged in the provision of media sales service for advertising on transit vehicle.

DEFINITIONS

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

“Advertising Spaces”	such parts of the exterior and interior areas and spaces of the KMB Buses on which the Company may display advertisements pursuant to the Licence Agreement
“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Bus Power”	Bus Power Limited, a company incorporated in Hong Kong and a 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)
“Director(s)”	the director(s) of the Company
“Existing Licence Agreements”	the exterior advertising licence agreement and the interior advertising licence agreement both dated 28 August 2009 entered into between KMB and the Group whereby KMB granted to the Group exclusive licences to market, display and maintain advertisements at the external panels of the bodies of the KMB Buses and the interior panels and spaces inside the compartment of the KMB Buses respectively, both for a term commencing on 1 November 2009 and ending on 31 October 2014
“Extended Term”	the period from 1 July 2017 to 30 June 2020 (both dates inclusive)
“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
“Initial Term”	the period commencing on 1 November 2014 and ending on 30 June 2017 (both dates inclusive)

“KMB”	The Kowloon Motor Bus Company (1933) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Transport International
“KMB Bus(es)”	the franchised public bus(es) operated by KMB under the franchise granted to KMB under the Public Bus Services Ordinance (Chapter 230 of the Laws of Hong Kong) (including any extension or renewal thereto)
“Licence Agreement”	the bus exterior and interior advertising licence agreement dated 31 October 2014 entered into between KMB and Bus Power, further particulars of which are set out in the section headed “ <i>The New Bus Exterior & Interior Advertising Licence Agreement</i> ” of this announcement
“Licence Fee(s)”	the licence fee(s) payable by Bus Power to KMB under the Licence Agreement, further particulars of which are set out in the section headed “ <i>The New Bus Exterior & Interior Advertising Licence Agreement – Pricing and basis of consideration</i> ” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Advertising Revenue”	the gross income derived by Bus Power from the relevant exterior and/or interior Advertising Spaces less any corresponding trade discounts and agency commissions or rebates to the advertisers if any, at such rates as shall be approved by KMB, without any allowance for any expense incurred by Bus Power
“Service Period”	an agreed period of up to 12 months in each year as provided in the Licence Agreement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the Initial Term of the Licence Agreement and, if KMB has exercised an option to extend the Term for the Extended Term, shall refer to the full term of the Initial Term plus the Extended Term
“Transport International”	Transport International Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 62), which is the ultimate holding company of the Company
“%”	per cent

By Order of the Board
RoadShow Holdings Limited
MO Tik Sang
Managing Director

Hong Kong, 31 October 2014

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