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If you have sold all your shares in The Kowloon Motor Bus Holdings Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This circular does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation.

**THE KOWLOON MOTOR BUS HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

**POSSIBLE DISCLOSEABLE TRANSACTION IN RELATION
TO THE SEPARATE LISTING OF
ROADSHOW HOLDINGS LIMITED ON
THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED
PREFERENTIAL OFFER, LOYALTY SHARE BONUS SCHEME,
POST-IPO SHARE OPTION SCHEME AND
PRE-IPO SHARE OPTION SCHEME
OF ROADSHOW HOLDINGS LIMITED**

**Financial adviser to
The Kowloon Motor Bus Holdings Limited on the Spin-off**



CLSA Limited

A notice convening a Special General Meeting of The Kowloon Motor Bus Holdings Limited to be held at Grand Ballroom I & II, 6/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong at 10:00 a.m. on Thursday, 12 April 2001 is set out on pages 22 to 23 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to The Kowloon Motor Bus Holdings Limited's branch share registrar in Hong Kong, Central Registration Hong Kong Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournments thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Special General Meeting or any adjournments thereof should you so desire.

28 March 2001

EXPECTED TIMETABLE

2001

Latest time for return of proxy forms in respect of
the Special General Meeting 10:00 a.m. on Tuesday, 10 April

Latest time for lodging transfers of KMB Shares to
qualify for the Preferential Offer (*Note*) 4:00 p.m. on Wednesday, 11 April

Register of members of the Company closes from 9:00 a.m. to 4:00 p.m. on
Thursday, 12 April

Record Date for determining the entitlement
to the Preferential Offer (*Note*) Thursday, 12 April

Special General Meeting 10:00 a.m. on Thursday, 12 April

Register of members of the Company re-opens on Tuesday, 17 April

Note: If the Spin-off does not occur by 12 July 2001 the Board may determine another date for closure of the register of members of the Company for the purpose of determination of entitlement to the Preferential Offer and further announcement will be made to inform KMB Shareholders in due course.

DEFINITIONS

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

“Associate”	the meaning ascribed thereto in the Listing Rules
“Board”	board of Directors
“Bonus Shares”	the RoadShow Shares to be transferred by KMB under the proposed Loyalty Share Bonus Scheme, further details of which are contained in the section headed “Loyalty Share Bonus Scheme”
“CCASS”	the Central Clearing and Settlement System established and operated by Hongkong Clearing
“CLSA” or “Sponsor”	CLSA Limited, a securities dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Company” or “KMB”	The Kowloon Motor Bus Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange and which is the ultimate controlling shareholder of RoadShow
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Directors”	the directors of the Company
“Employee(s)”	any full-time employee or executive director of RoadShow or its subsidiaries
“Excluded Shareholders”	shareholders of KMB who are directors of RoadShow or its subsidiaries or an associate of such directors
“Global Offering”	the global offering of RoadShow Shares under the Spin-off as described in the prospectus to be issued by RoadShow
“Group”	the KMB Group and the RoadShow Group
“HK\$”	Hong Kong dollars
“Hongkong Clearing”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	the final price per RoadShow Share fixed at a HK\$ amount (exclusive of brokerage and Stock Exchange transaction levy) at which the RoadShow Shares are to be subscribed and issued pursuant to the Global Offering, as described in the prospectus to be issued by RoadShow in relation thereto

DEFINITIONS

“KMB Group”	KMB and its subsidiaries (excluding the RoadShow Group)
“KMB Shares”	shares of HK\$1 each in the capital of KMB
“KMB Shareholders”	shareholders of KMB
“Latest Practicable Date”	23 March 2001, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date on which dealings in RoadShow Shares first commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loyalty Share Bonus Scheme”	the proposed bonus scheme for the Qualifying Shareholders who satisfy certain conditions as described in the prospectus to be issued by RoadShow
“Overseas Shareholders”	holders of KMB Shares whose addresses on the register of members of KMB were outside Hong Kong on the Record Date
“Post-IPO Share Option Scheme”	the share option scheme for the Employees as summarized in Appendix I and proposed to be adopted by RoadShow conditionally
“Preferential Offer”	the proposed preferential offer to the Qualifying Shareholders for subscription of the Reserved Shares at the Issue Price, on and subject to the terms and conditions as described in the prospectus to be issued by RoadShow
“Pre-IPO Share Option Scheme”	the share option scheme for the executive directors and full-time employees of KMB and its subsidiaries (including the Employees) as summarized in Appendix II and proposed to be adopted by RoadShow conditionally
“Price Determination Date”	the date on which the Issue Price is fixed
“Qualifying Shareholders”	holders of KMB Shares, whose names appear on the register of members of KMB on the Record Date, other than Overseas Shareholders, US Shareholders and Excluded Shareholders
“Record Date”	12 April 2001, being the record date for ascertaining entitlement to the Preferential Offer, or such later date as the Board may determine if the Spin-off does not occur by 12 July 2001
“Registrar”	Central Registration Hong Kong Limited of 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong

DEFINITIONS

“Reserved Shares”	the 36,000,000 RoadShow Shares, subject to adjustment, being offered pursuant to the Preferential Offer
“RoadShow”	RoadShow Holdings Limited, a company incorporated in Bermuda with limited liability which is currently wholly owned by KMB Resources Limited, another wholly-owned subsidiary of KMB
“RoadShow Board”	the board of directors of RoadShow
“RoadShow Group”	RoadShow and its subsidiaries at the time of the Spin-off
“RoadShow Shares”	shares of HK\$0.10 each in the capital of RoadShow
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong) (as amended)
“SGM”	the special general meeting of the Company to be held on 12 April 2001, notice at which is set out on pages 22 to 23 of this circular
“Spin-off”	the proposed spin-off and listing of the RoadShow Shares on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	United States of America
“US Shareholders”	shareholders of KMB who are US persons or who are within the US (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended)

LETTER FROM THE BOARD



THE KOWLOON MOTOR BUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

The Hon Sir Sze-yuen CHUNG, GBM, GBE, JP*
Raymond KWOK Ping Luen
Dr the Hon WOO Pak Chuen, JP*
YU Shu Chuen
Walter KWOK Ping Sheung, JP
NG Siu Chan
William LOUEY Lai Kuen
John CHAN Cho Chak, GBS, JP
Charles LUI Chung Yuen, MH
Winnie J NG
Dr James KUNG Ziang Mien, OBE*
George CHIEN Yuan Hwei
The Hon Eric LI Ka Cheung, OBE, JP*
Norman LEUNG Nai Pang, GBS, JP
LUI Pochiu
Edmond HO Tat Man
TSIM Tak Po (*Alternative Director to
Mr Raymond KWOK Ping Luen*)
Lana WOO (*Alternate Director to
Dr the Hon WOO Pak Chuen, JP*)
Patrick CHAN Kai Lung (*Alternate Director to
Mr Walter KWOK Ping Sheung, JP*)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal

Place of Business:
No.1, Po Lun Street
Lai Chi Kok
Kowloon
Hong Kong

* *Independent non-executive Directors*

27 March 2001

To the KMB Shareholders

Dear Sir or Madam,

**Possible Discloseable Transaction in relation
to the separate listing of
RoadShow Holdings Limited on
The Main Board of The Stock Exchange of Hong Kong Limited
Preferential Offer, Loyalty Share Bonus Scheme,
Post-IPO Share Option Scheme and
Pre-IPO Share Option Scheme of RoadShow Holdings Limited**

INTRODUCTION

The Board announced on 7 February 2001 that RoadShow had made an application to the Stock Exchange for the separate listing of the RoadShow Shares thereon. The RoadShow Group is

LETTER FROM THE BOARD

principally engaged in the business of out-of-home media sales that primarily sells and manages multi-media advertising on board of transit vehicles. It also manages advertising spaces on the exterior of transit vehicles and sells and manages advertising displays in transit vehicle shelters and engages in a merchandising business of commemorative items. The business of the RoadShow Group is distinct from that of the KMB Group which mainly engages in the operation of franchised public transit vehicles in Hong Kong, as well as non-franchised transit vehicle services in Hong Kong and the operation of transit vehicles in China. Therefore, there will not be any competition in business between the RoadShow Group and the KMB Group.

It is proposed that new RoadShow Shares will be issued pursuant to the Spin-off. RoadShow's market capitalisation is calculated by reference to the offer price which is subject to prevailing market conditions and remains to be agreed on the Price Determination Date. Depending on the offer price and the expected market capitalisation of RoadShow, the Spin-off may constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Spin-off is not subject to the approval of the KMB Shareholders.

Assuming that the over-allotment option is not exercised, the Company will hold approximately 75% of the total issued share capital of RoadShow immediately following completion of the Spin-off. Given the foregoing, and that RoadShow does not constitute a major subsidiary of the Company, the dilution in the Company's equity interest in RoadShow as well as the dilution effect to the profitability and asset backing of the Company will not be considered material after the Spin-off.

In connection with the Spin-off, the Preferential Offer and the Loyalty Share Bonus Scheme will be proposed and RoadShow will adopt the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. KMB Shareholders' approvals are required for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. The KMB Shareholders who are eligible participants under either of the schemes will abstain and will be required to procure their respective Associates to abstain from voting in respect of the relevant resolution to be proposed at the SGM.

The purposes of this circular are (1) to provide KMB Shareholders with information on the reasons for and the benefits of the Spin-off and such other information relating to the Spin-off as required by the Listing Rules for a discloseable transaction of the Company, the Preferential Offer, the Loyalty Share Bonus Scheme, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme; and (2) to seek KMB Shareholders' approval for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

THE SPIN-OFF

(1) The Spin-off

The exact structure of the Spin-off will be decided by the Directors but is at present expected to be effected by way of offering new RoadShow Shares to the public in Hong Kong, placing new RoadShow Shares to institutional and professional investors in Hong Kong and elsewhere and offering new RoadShow Shares to Qualifying Shareholders in Hong Kong under the Preferential Offer and will be accompanied by a separate listing of RoadShow Shares on the Main Board of the Stock Exchange. The Company is also considering the possibility of a secondary listing of the RoadShow Shares on the London Stock Exchange in the United Kingdom which will be at the same time as the Listing Date. Pursuant to the Spin-off, a new issue of RoadShow Shares representing 25.0% or 27.7% (if the over-allotment option is exercised) of the enlarged issued share capital of RoadShow will be offered under the Global Offering. The RoadShow Shares will rank *pari passu* in all respects with the other RoadShow Shares then in issue.

LETTER FROM THE BOARD

The Spin-off, if made, is expected to be conditional on (amongst other things):

- (i) the Listing Committee granting listing of and permission to deal in RoadShow Shares in issue and to be issued as part of the Spin-off; and
- (ii) the underwriting agreements relating to the Spin-off having been executed and the obligations of the underwriters under the underwriting agreements becoming unconditional and not being terminated in accordance with the terms of such agreement or otherwise.

The Spin-off will not proceed if the above conditions are not satisfied, whereupon an announcement will be made.

(2) Separate Listing of RoadShow Shares

The KMB Shares will continue to be listed on the Stock Exchange after the implementation of the Spin-off. The listing of the RoadShow Shares on the Stock Exchange is conditional upon the conditions stated in paragraph (1) above.

An application has been made to the Stock Exchange on 7 February 2001 for the listing of and permission to deal in the RoadShow Shares in issue and any new RoadShow Shares to be issued pursuant to the Spin-off as set out in the prospectus to be issued by RoadShow in due course and any new RoadShow Shares that may be issued pursuant to the exercise of options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

Subject to the granting of the listing of, and permission to deal in, RoadShow Shares on the Main Board of the Stock Exchange as well as compliance with the stock admission requirements of Hongkong Clearing, the RoadShow Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as may be determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

(3) Business of the RoadShow Group

The RoadShow Group is principally engaged in the business of out-of-home media sales that primarily sells and manages multi-media advertising on board of transit vehicles through an internally developed multi-media on-board system which consists of liquid crystal display monitors and video players mounted inside transit vehicles. The RoadShow Group also manages or markets advertising spaces on the exterior of transit vehicles and sells and manages advertising displays in transit vehicle shelters and engages in a merchandising business of selling commemorative items.

The RoadShow Group was originally part of the operations of the KMB Group. The KMB Group's core business activities include: (a) the operation of franchised public transit vehicles on Hong Kong Island, Kowloon, the New Territories and Lantau Island; (b) the operation of non-franchised transit vehicle operations, which provides local coach and shuttle transit vehicle services in Hong Kong as well as cross border shuttle transit vehicle services between Hong Kong and Shenzhen; and (c) the operation of transit vehicles in China.

In anticipation of the Spin-off, the KMB Group will undergo a group reorganisation involving, inter alia, the transfer of the multi-media on-board, transit network media sales and merchandising businesses that were carried out by the KMB Group to the RoadShow Group. Upon completion of the Spin-off, KMB will become RoadShow's controlling shareholder, holding approximately 75% of its issued share capital (assuming that the over-allotment option is not exercised).

LETTER FROM THE BOARD

The unaudited proforma combined profit from ordinary activities before taxation of the RoadShow Group for each of the three years ended 31 December 2000 were HK\$24,732,000, HK\$16,916,000 and HK\$36,497,000, respectively and the unaudited proforma combined profit from ordinary activities after taxation of the RoadShow Group for the same periods were HK\$20,762,000, HK\$14,226,000 and HK\$31,034,000, respectively.

The unaudited proforma adjusted consolidated profit from ordinary activities before taxation of the KMB Group (excluding the unaudited proforma combined profit before taxation of the RoadShow Group) for each of the three years ended 31 December 2000 were HK\$653,897,000, HK\$875,618,000 and HK\$899,982,000, respectively and the unaudited proforma adjusted consolidated profit from ordinary activities after taxation of the KMB Group (excluding the unaudited proforma combined profit after taxation of the RoadShow Group) for the same periods were HK\$565,113,000, HK\$724,652,000 and HK\$824,066,000, respectively.

(4) Intended use of proceeds

RoadShow intends to use the proceeds from the Spin-off for the following purposes:

- (a) approximately 43.0% will be used for the purchase of equipment used in the multi-media on-board business;
- (b) approximately 41.0% will be used for the purchase of equipment and other expenses related to the development of the global positioning system to be used in conjunction with the multi-media on-board system;
- (c) approximately 14.5% will be used for the acquisition or investment in complementary businesses, products and technologies, or the establishment of joint ventures that the RoadShow Group believes will complement its current or future business. However, the RoadShow Group has no specific agreements or commitments relating to any material acquisition; and
- (d) the remainder for development of programming content for use in the multi-media on-board system, working capital, marketing and promotional expenses and general corporate purposes.

Pending such uses, the directors of RoadShow intend to place the net proceeds into short-term deposits. Please note that the above percentages are subject to finalisation by the directors of RoadShow. Please refer to the prospectus of RoadShow for further details.

(5) Reasons for and benefits of the Spin-off

The Board believes that the separate listing of RoadShow will provide a more diversified funding source for RoadShow to finance its existing operations and future expansion. The Spin-off will also allow RoadShow to achieve its valuation potential as investors are able to invest directly into the multi-media on-board, transit network media sales and merchandising businesses of the KMB Group.

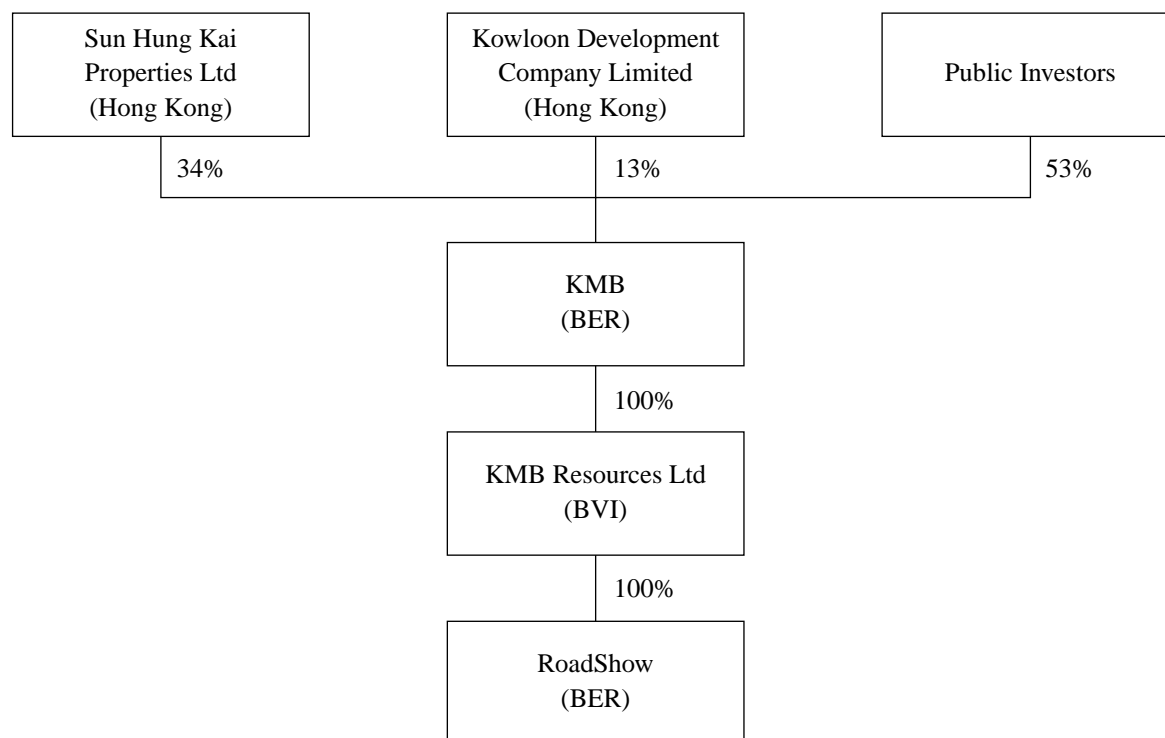
The Board believes that the benefits of the Spin-off will also be beneficial to the shareholders of the KMB Group. The Board believes that the Spin-off will allow the KMB Group to focus on its core operations other than multi-media on-board, transit network media sales and merchandising businesses. Furthermore, the Spin-off will increase the operational and financial transparency of the RoadShow Group and hence, enable investors to better assess the performance and potential of the KMB Group and the RoadShow Group.

LETTER FROM THE BOARD

(6) Effects of the Spin-off

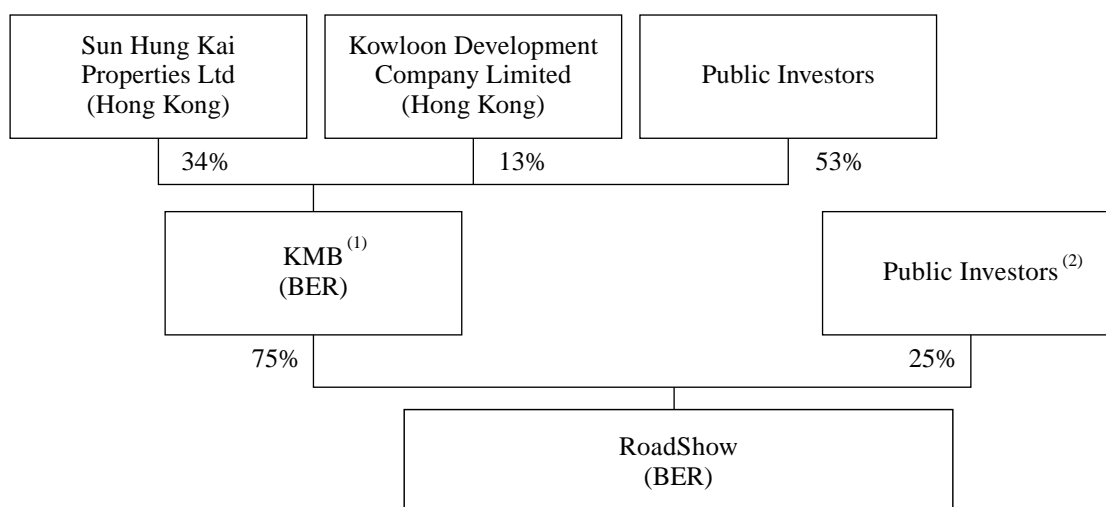
(i) Shareholding structure prior to the Spin-off

A simplified shareholding structure of RoadShow prior to the Spin-off is set out as follows:



(ii) Proposed shareholding structure

A simplified shareholding structure of RoadShow immediately following completion of the Spin-off (assuming that the over-allotment option is not exercised) is set out as follows:



LETTER FROM THE BOARD

Notes:

- (1) KMB holds its interest in RoadShow through KMB Resources Limited, its wholly-owned subsidiary.
- (2) Of the 25%, approximately 3.75% of the total issued share capital of RoadShow will be held by Qualifying Shareholders, assuming that all the Qualifying Shareholders take up their entitlements under the Preferential Offer and the over-allotment option is not exercised.

(iii) *Hong Kong taxation and stamp duty*

Under current legislation, the implementation of the Spin-off is, of itself, not expected to have any adverse Hong Kong tax consequence for the KMB Shareholders, except that those persons who are treated for tax purposes as securities dealers may be subject to profits tax in respect of any gain resulting from the dealings in the RoadShow Shares pursuant to the Spin-off.

Dealings in the RoadShow Shares registered on RoadShow's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(iv) *General*

KMB Shareholders in Hong Kong are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of the Spin-off. It is emphasized that none of KMB, RoadShow or their respective professional advisers or any other parties involved in the Spin-off or their respective directors will accept any responsibility for any tax effect on, or liabilities of, the KMB Shareholders.

PREFERENTIAL OFFER

Subject to the Stock Exchange granting listing of, and permission to deal in, the RoadShow Shares on the Stock Exchange, Qualifying Shareholders will be invited to participate in the Spin-off by applying for a set number of Reserved Shares on an assured basis. On the basis of 403,639,413 KMB Shares in issue as at 27 March 2001, Qualifying Shareholders are entitled to subscribe one Reserved Share for every 12 KMB Shares (or such other number of KMB Shares as will be stated in the prospectus of RoadShow) held by them on the Record Date. Any Qualifying Shareholder holding less than 12 KMB Shares (or such other number of KMB Shares as will be stated in the prospectus of RoadShow) will not be entitled to apply for the Reserved Shares. Any Reserved Shares not taken up by the Qualifying Shareholders will be allocated at the discretion of CLSA to institutional and professional investors in Hong Kong and elsewhere pursuant to the placing.

KMB Shareholders should note that the entitlements to Reserved Shares may represent RoadShow Shares not in a multiple of a full board lot of RoadShow Shares, and dealings in odd lot RoadShow Shares may be below their prevailing market price. Entitlements to Reserved Shares are not transferrable and there will be no trading in nil paid entitlements on the Stock Exchange. Any RoadShow Shares issued pursuant to the Preferential Offer shall be deemed fully paid, ranking *pari passu* in all respects with other RoadShow Shares then in issue.

LETTER FROM THE BOARD

Assuming that all the Qualifying Shareholders take up their entitlements under the Preferential Offer, the number of RoadShow Shares issued under the Preferential Offer represent approximately 15% of the Global Offering and approximately 3.75% of the total issued share capital of RoadShow assuming the over-allotment option is not exercised.

A prospectus of RoadShow containing, amongst other matters, details of the Preferential Offer and the Loyalty Share Bonus Scheme will be despatched to the Qualifying Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Thursday, 12 April 2001 (or such later date(s) as the Board may determine) for the purpose of determining the entitlement of KMB Shareholders to the Preferential Offer. No transfer of the KMB Shares may be registered on that day. In order to qualify for the Preferential Offer, all transfers must be lodged with the Registrar by no later than 4:00 p.m. on Wednesday, 11 April 2001 (or such later date as the Board may determine). However, if the Spin-off does not occur by 12 July 2001, the Board may determine another date for closure of the register of members of the Company for the purpose of determination of entitlement to the Preferential Offer and further announcement will be made to inform KMB Shareholders in due course.

LOYALTY SHARE BONUS SCHEME

Qualifying Shareholders who have applied for Reserved Shares under the Preferential Offer and hold such Reserved Shares as a long term investment will be allocated Bonus Shares on the following terms. Qualifying Shareholders who have been issued and allotted RoadShow Shares under the Preferential Offer and hold the RoadShow Shares continuously for 12 months immediately after the Listing Date (the "Relevant Period") will be entitled to receive one Bonus Share for every 10 RoadShow Shares which they acquire under the Preferential Offer. Fractions of the Bonus Shares will be rounded down to the nearest whole RoadShow Share. However, if such Qualifying Shareholders dispose all or any part of the RoadShow Shares within the Relevant Period, they will have forgone their entitlement to participate in the Loyalty Share Bonus Scheme in respect of the disposed RoadShow Shares.

The number of Bonus Shares transferred will be based only on those RoadShow Shares which are issued and allotted under the Preferential Offer and held continuously in the same shareholder'(s)' name for the Relevant Period.

In order to qualify for the Loyalty Share Bonus Scheme:

- with respect to the application for Reserved Shares under the Preferential Offer:
 - (a) if the Qualifying Shareholder is a beneficial owner of the KMB Shares, the Qualifying Shareholder must apply for the Reserved Shares to be registered in his/her own name;
or
 - (b) if the Qualifying Shareholder is a nominee holding the KMB Shares on behalf of his/her beneficiary(s), in order for the beneficiary(s) to qualify for the Loyalty Share Bonus Scheme, the beneficiary(s) and the nominee must complete the relevant

LETTER FROM THE BOARD

application form to apply for the Reserved Shares under the Preferential Offer and the Reserved Shares must be registered in the name of the beneficiary(s), failing which the beneficiary(s) will be deemed to have foregone his/her rights under the Loyalty Share Bonus Scheme,

all on and subject to the terms and conditions, and in accordance with the timing and procedures, set out in the prospectus and the relevant application form to be issued by RoadShow;

- the RoadShow Shares must have been registered in the name of the same shareholder (and if joint shareholders, in both of their names) continuously until the expiry of the Relevant Period; and
- throughout the Relevant Period, the address of the shareholder (and that of any joint shareholder) appearing in the register of shareholders of KMB must be a Hong Kong address.

Bonus Shares will be transferred by KMB out of its then existing shareholdings in RoadShow to the eligible Qualifying Shareholders as soon as reasonably practicable after the expiry of the Relevant Period (together with all rights then attaching to those RoadShow Shares) at no additional payment by such Qualifying Shareholders.

All stamp duty (if any) which may otherwise be payable by such Qualifying Shareholders on the transfer to him or her of Bonus Shares will be paid by KMB. In addition, any associated charges imposed by the share registrar of RoadShow on KMB or the Qualifying Shareholders will also be paid by KMB. All costs incurred in verifying the Qualifying Shareholders' eligibility will also be paid by KMB.

Bonus Shares may be allocated to the Qualifying Shareholders in odd lots (of fewer than 2000 RoadShow Shares). Qualifying Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Assuming that all the Qualifying Shareholders have taken up their entitlements under the Preferential Offer and are eligible to participate in the Loyalty Share Bonus Scheme, KMB will transfer up to 3.6 million RoadShow Shares, representing approximately 0.375% of the total issued share capital of RoadShow immediately following completion of the Spin-off (assuming that the over-allotment option is not exercised), to such Qualifying Shareholders as Bonus Shares.

The implementation of the Loyalty Share Bonus Scheme is subject to the Stock Exchange granting listing of, and permission to deal in, the RoadShow Shares on the Stock Exchange.

POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme constitutes a share scheme governed by Chapter 17 of the Listing Rules and the adoption of such scheme is subject to the approval of the KMB Shareholders at the SGM with persons who are eligible participants under the scheme abstaining from and procuring their respective Associates to abstain from voting on this resolution. Please refer to Appendix I for a summary of the principal terms of the Post-IPO Share Option Scheme.

LETTER FROM THE BOARD

PRE-IPO SHARE OPTION SCHEME

Although RoadShow is not yet a listed issuer, it is a wholly-owned subsidiary of KMB and thus, the Pre-IPO Share Option Scheme constitutes a share scheme governed by Chapter 17 of the Listing Rules and the adoption of such scheme is subject to the approval of the KMB Shareholders at the SGM with persons who are eligible participants under the scheme abstaining from and procuring that their respective Associates abstain from voting on this resolution. Please refer to Appendix II for a summary of the principal terms of the Pre-IPO Share Option Scheme.

NON-COMPETITION UNDERTAKING

The Company shall, conditional upon the listing of RoadShow Shares on the Stock Exchange, undertake to RoadShow that it will not at any time during which RoadShow Shares are listed on the Stock Exchange and for so long as it is a controlling shareholder (within the meaning prescribed under the Listing Rules) of RoadShow directly or indirectly carry out any business which shall compete with the business of the RoadShow Group. This undertaking will lapse if the Company ceases to be a controlling shareholder of RoadShow.

Please note that the terms of the non-competition undertaking are subject to finalisation by the parties. The detailed terms of the undertaking will be set out in the prospectus of RoadShow to be issued in due course.

FINANCIAL EFFECTS OF THE SPIN-OFF

Net Asset Value

On the basis of the unaudited proforma combined net tangible asset value of the RoadShow Group of approximately HK\$57 million as at 31 December 2000, the Spin-off will result in a net increase in the unaudited proforma adjusted consolidated net asset value per KMB Share from HK\$5.50 as at 31 December 2000 prior to the Spin-off to HK\$6.45 upon completion of the Spin-off, based on 403,639,413 KMB Shares in issue as at 31 December 2000.

Earnings

Assuming that the Spin-off had been completed as at 1 January 2000, the unaudited proforma adjusted consolidated net profit attributable to the KMB Shareholders for the year ended 31 December 2000 would have decreased by approximately HK\$9.9 million or approximately 2.45 cents per KMB Share calculated based on 403,639,413 KMB Shares in issue as at 31 December 2000.

SPECIAL GENERAL MEETING

Notice of the SGM is set out on pages 22 and 23 of this circular.

RECOMMENDATIONS

The Directors believe that the proposed Pre-IPO Share Option Scheme will serve as a recognition of the contributions of the relevant individuals to the RoadShow Group in its establishment. The Directors (except for those Directors who are eligible to participate in the Pre-IPO Share Option

LETTER FROM THE BOARD

Scheme and who accordingly have refrained from making any recommendation and will abstain from voting in respect of ordinary resolution numbered 1 as set out in the Notice of SGM) accordingly recommend the KMB Shareholders to vote in favour of ordinary resolution numbered 1 as set out in the Notice of SGM on page 22 of this circular.

The Directors believe that the proposed Post-IPO Share Option Scheme under the ordinary resolution numbered 2 is in the interests of the Company and the KMB Shareholders and (except for those Directors who are eligible to participate in the Post-IPO Share Option Scheme and who accordingly have refrained from making any recommendation and will abstain from voting in respect of ordinary resolution numbered 2 set out in the Notice of SGM) accordingly recommend the KMB Shareholders to vote in favour of ordinary resolution numbered 2 as set out in the Notice of SGM on pages 22 to 23 of this circular.

GENERAL

CLSA has been appointed sponsor and global co-ordinator in respect of the Spin-off. The Board expects that a prospectus of RoadShow containing, amongst other matters, details of the Preferential Offer and the Loyalty Share Bonus Scheme will be despatched to the Qualifying Shareholders in due course.

ADDITIONAL INFORMATION

This circular is being distributed to the KMB Shareholders. This circular does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. Neither this circular nor anything contained herein shall form the basis of any contract or commitment whatsoever.

Your attention is drawn to the additional information contained in the Appendices to this circular.

Yours faithfully,
By Order of the Board
The Kowloon Motor Bus Holdings Limited
John CHAN Cho Chak, GBS, JP
Managing Director

SUMMARY OF TERMS

The following is a summary of the principal terms of the Post-IPO Share Option Scheme to be approved at the SGM:—

(a) Who may join

The RoadShow Board may, at its discretion, invite any full-time employee including any executive director of any company in the RoadShow Group to take up options to subscribe for RoadShow Shares at a price calculated in accordance with sub-paragraph (b) below.

(b) Price of RoadShow Shares

The subscription price for RoadShow Shares under the Post-IPO Share Option Scheme will be a price determined by the RoadShow Board and notified to each grantee.

The subscription price will not be less than 80% of the average closing prices of the RoadShow Shares on the Stock Exchange on the five trading days immediately preceding the date of offer of the option granted to a grantee or the nominal value of a RoadShow Share, whichever is the higher.

(c) Maximum number of RoadShow Shares

- (i) The maximum number of RoadShow Shares in respect of which options may be granted (together with RoadShow Shares issued pursuant to options exercised and RoadShow Shares in respect of which any options then outstanding) under the Post-IPO Share Option Scheme and any other share option schemes of RoadShow (including the Pre-IPO Share Option Scheme) may not exceed 10 per cent. of the issued share capital of RoadShow from time to time, excluding for this purpose RoadShow Shares issued on exercise of options under the Post-IPO Share Option Scheme and all other share option schemes of RoadShow.
- (ii) No option may be granted to any one person which, if exercised in full, would result in such person becoming entitled to subscribe for such number of RoadShow Shares as, when aggregated with the total number of RoadShow Shares already issued and remaining issuable to him under the Post-IPO Share Option Scheme exceed 25 per cent. of the aggregate number of RoadShow Shares for the time being issued and are issuable under the Post-IPO Share Option Scheme.

(d) Time of exercise of option

An option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during a period of not less than 2 years and not more than 10 years to be notified by the RoadShow Board to each grantee which period of time shall commence on the date on which the option is accepted and expire on such date as determined by the RoadShow Board or 10 years from the date on which the Post-IPO Share Option Scheme is conditionally adopted, whichever is the earlier. The RoadShow Board may provide restrictions on the time during which the options may be exercised.

(e) Rights are personal to grantee

An option is personal to the grantee and is not assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or enter into any agreement to do any of the foregoing.

(f) Rights on ceasing employment

If the grantee of an option leaves the service of the RoadShow Group for any reason other than death, misconduct or certain other grounds, the grantee may exercise the option up to the grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the relevant company in the RoadShow Group whether salary is paid in lieu of notice or not, or such longer period as the RoadShow Board may determine, failing which the option (to the extent not already exercised) will lapse.

(g) Rights on death

If the grantee of an option dies before exercising the option in full and none of certain events which would be a ground for termination of his or her employment arises, his or her personal representative(s) may exercise the option in full (to the extent which has become exercisable and not already exercised) within a period of 12 months from the date of death or such longer period as the RoadShow Board may determine, failing which the option will lapse.

(h) Right on dismissal

If the grantee of an option leaves the service of RoadShow or the relevant subsidiary by reason of misconduct or on certain specified grounds, his or her option (to the extent not already exercised) will immediately lapse.

(i) Effects of alterations to capital

In the event of an alteration in the capital structure of RoadShow whilst any option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of RoadShow as fair and reasonable will be made in the subject matter of the option so far as unexercised, the subscription price and/or the method of the exercise of the option, provided that no such alteration shall be made so that a RoadShow Share would be issued at less than its nominal value or which would give a grantee a different proportion of the issued share capital of RoadShow as that to which he or she was previously entitled and no alteration shall be made if any alteration in the capital structure of RoadShow is the result of an issue of RoadShow Shares in the capital of RoadShow as consideration in a transaction.

(j) Rights on winding up

In the event that a notice is given by RoadShow to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily winding-up RoadShow, RoadShow shall, on the same date or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to the grantee and the grantee (or his or her legal personal representative(s)) may by notice in writing to

RoadShow (such notice to be received by RoadShow not later than four business days prior to the proposed date of the shareholders' meeting) exercise the option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice, accompanied by a remittance for the full amount of the aggregate subscription price for the RoadShow Shares in respect of which the notice is given and RoadShow shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of RoadShow Shares which falls to be issued on such exercise.

(k) Rights on take-over

If a general offer by way of take-over is made to all the holders of RoadShow Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) with the terms of the offer having been approved by the holders of not less than nine-tenths in value of the RoadShow Shares comprised in the offer within four months from the date of the offer and the offeror thereafter gives a notice pursuant to the Companies Act to acquire the remaining RoadShow Shares, the grantee (or his or her personal representative(s)) may by notice in writing to RoadShow within 21 days of such notice exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.

(l) Rights on a compromise or arrangement

If a compromise or arrangement between RoadShow and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of RoadShow or its amalgamation with any other company or companies, RoadShow shall give notice to the grantee (or his or her legal personal representatives(s)) on the same date as it dispatches the notice to each member or creditor of RoadShow summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his or her legal personal representatives(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court exercise any of his or her options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Post-IPO Share Option Scheme. RoadShow may require the grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the RoadShow Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such RoadShow Shares been subject to such compromise or arrangement.

(m) Ranking of RoadShow Shares

- (i) The RoadShow Shares to be allotted upon the exercise of an option will be subject to RoadShow's bye-laws for the time being in-force and will rank *pari passu* with the fully paid RoadShow Shares in issue on the date of exercise of the option and in

particular will rank in full for all dividends or other distributions declared paid or made on or after the date of exercise of the option, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the date of exercise of the option.

- (ii) Unless the context otherwise requires, references to “RoadShow Shares” in the Post-IPO Share Option Scheme include references to shares in RoadShow of any such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of RoadShow from time to time.

(n) Period of Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a period of ten years commencing on the adoption date of the Post-IPO Share Option Scheme, after which period no further options will be granted but the provisions of the Post-IPO Share Option Scheme shall in all other respects remain in full force and effect.

(o) Alteration to Post-IPO Share Option Scheme

- (i) The terms of the Post-IPO Share Option Scheme provide, amongst other things, that no alteration shall be made to the Post-IPO Share Option Scheme to the advantage of the participants of the Post-IPO Share Option Scheme without the prior approval of shareholders of RoadShow in general meeting.
- (ii) Any alteration to the terms and conditions of the Post-IPO Share Option Scheme, which are of a material nature, must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme.

(p) Conditions of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme is conditional on, inter alia, it being approved by KMB, being the sole shareholder of RoadShow, and the KMB Shareholders in the SGM, the Listing Committee granting approval of the Post-IPO Share Option Scheme and any options which may be granted thereunder and the listing of and permission to deal in, any RoadShow Shares which may be issued pursuant to the exercise of options granted under the Post-IPO Share Option Scheme and on the obligations of the underwriters relating to the Spin-off under the underwriting agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s) by CLSA on behalf of the underwriters) and not being terminated in accordance with the terms of that agreement or otherwise. Application has been made to the Listing Committee for the approval of the Post-IPO Share Option Scheme, the granting of the options under the Post-IPO Share Option Scheme and the listing of, and permission to deal in, the RoadShow Shares which may be issued pursuant to the exercise of the options granted under the Post-IPO Share Option Scheme.

SUMMARY OF TERMS

Similar to the Post-IPO Share Option Scheme, the purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain executive directors and employees of the KMB Group and the RoadShow Group to the growth of the RoadShow Group and/or to the Spin-off. The Pre-IPO Share Option Scheme is subject to substantially the same conditions as the Post-IPO Share Option Scheme. The principal terms of the Pre-IPO Share Option Scheme, to be approved at the SGM, are substantially the same as the terms of the Post-IPO Share Option Scheme except that:—

- (a) full-time employees and executive directors of KMB Group who have contributed substantially to the growth of the RoadShow Group and to the Spin-off and the Employees are eligible to participate in the Pre-IPO Share Option Scheme;
- (b) the subscription price for the RoadShow Shares under the Pre-IPO Share Option Scheme shall be not less than 80% of the Issue Price to be determined by the board of directors of RoadShow;
- (c) under the Pre-IPO Share Option Scheme, if the grantee of an option leaves the service of the KMB Group or the RoadShow Group for any reason other than death, misconduct or certain other grounds, the grantee may exercise the option up to the grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which the date shall be the last actual working day with the relevant company of the KMB Group or the RoadShow Group (as the case may be), whether salary is paid in lieu of notice or not, or such longer period as the RoadShow Board may determine, failing which the option (to the extent not already exercised) will lapse;
- (d) the maximum number of RoadShow Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall not be more than 3% of the RoadShow Shares in issue and to be issued pursuant to the Spin-off;
- (e) the Pre-IPO Share Option Scheme will remain in force for a period commencing on the date on which the Pre-IPO Share Option Scheme is conditionally adopted by the KMB Shareholders in the SGM and ending on the day immediately prior to the Listing Date, after which period no further options will be granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect; and
- (f) an option granted under the Pre-IPO Share Option Scheme may be exercised at any time on or after the period commencing six months after the Listing Date until such date as determined by the RoadShow Board or 10 years from the date on which the Pre-IPO Share Option Scheme is conditionally adopted, whichever is the earlier.

Application has been made to the Listing Committee for the listing of and permission to deal in the RoadShow Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

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 herein misleading.

SHARE CAPITAL OF ROADSHOW

As at the Latest Practicable Date, the authorised share capital of RoadShow was HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, all of which were allotted and issued to KMB Resources Limited nil paid.

DISCLOSURE OF INTERESTS**(i) Interests in Shares**

As at 15 March 2001, the interests of the Directors in the equity or debt securities of the Company or its associated corporations (within the meaning of the SDI Ordinance) which require notification to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is deemed or taken to have under Section 31 of or Part I of the Schedule to the SDI Ordinance) or which are required to be entered into the register maintained by the Company under Section 29 of the SDI Ordinance or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Personal interests (Number of KMB Shares)	Family interests (Number of KMB Shares)	Corporate interests (Number of KMB Shares)	Other interests (Number of KMB Shares)	Total Number of KMB Shares
The Hon Sir Sze-yuen CHUNG, GBM, GBE, JP	18,821	—	—	—	18,821
Raymond KWOK Ping Luen	393,350	—	—	—	393,350
Dr the Hon WOO Pak Chuen, JP ...	210,047	—	—	—	210,047
YU Shu Chuen	2,943	70,803	—	5,768,281	5,842,027
				<i>(Note 1)</i>	
Walter KWOK Ping Sheung, JP	61,522	—	—	—	61,522
NG Siu Chan	—	11,196,877	—	—	11,196,877
William LOUEY Lai Kuen	1,058,465	—	—	—	1,058,465
John CHAN Cho Chak, GBS, JP	2,000	—	—	—	2,000
Charles LUI Chung Yuen, MH	11,779	—	—	2,379,590	2,391,369
				<i>(Note 2)</i>	
Winnie J NG	25,200	—	—	11,196,877	11,222,077
				<i>(Note 3)</i>	
Dr James KUNG Ziang Mien, OBE	—	—	—	—	—
George CHIEN Yuan Hwei	2,000	—	—	—	2,000

Name of Director	Personal interests (Number of KMB Shares)	Family interests (Number of KMB Shares)	Corporate interests (Number of KMB Shares)	Other interests (Number of KMB Shares)	Total Number of KMB Shares
The Hon Eric LI Ka Cheung, OBE, JP	—	—	—	—	—
Norman LEUNG Nai Pang, GBS, JP.	—	—	—	—	—
LUI Pochiu	323,584	—	—	—	323,584
Edmond HO Tat Man	—	—	—	—	—
TSIM Tak Po (Alternate Director to Mr. Raymond KWOK Ping Luen)	10,000	—	—	—	10,000
Lana WOO (Alternate Director to Dr the Hon WOO Pak Chuen, JP)	9,475	—	—	—	9,475
Patrick CHAN Kai Lung (Alternate Director to Mr. Walter KWOK Ping Sheung, JP)	—	—	—	—	—

Notes:—

1. HSBC International Trustee Ltd. held 5,768,281 KMB Shares in the Company as trustee of a discretionary trust. Mr YU Shu Chuen is deemed to have interest in the discretionary trust.
2. Mr. Charles LUI Chung Yuen, MH and members of his family together have interests in certain private trusts which beneficially held 2,379,590 KMB Shares in the Company.
3. Ms. Winnie J NG has interest in certain private trusts which beneficially held 11,196,877 KMB Shares in the Company.

(ii) Interests in share options in the Company

None of the Directors or chief executive of the Company had as at the Latest Practicable Date any interest in share options in the Company.

Save as disclosed herein, none of the Directors or chief executive of the Company had as at the Latest Practicable Date any interest in the equity or debt securities of the Company or any associated corporations (within the meaning of the SDI Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were taken or deemed to have taken under Section 31 of or Part I of the Schedule to the SDI Ordinance) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein.

(iii) Service Contract

None of the Directors has any existing or proposed service contract (excluding contracts expiring or determinable by the KMB Group within one year without payment of compensation (other than statutory compensation)) with any member of the KMB Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register maintained pursuant to Section 16(1) of the SDI Ordinance, the following KMB Shareholders (not being a director or chief executive of KMB) had an interest of 10% or more of the issued share capital of KMB:

Name	Number of issued KMB Shares	Approximate Shareholding percentage
Sun Hung Kai Properties Limited	137,192,373	33.99%
Arklake Limited	68,615,552	17%
Kowloon Development Company Limited	52,473,320	13%

The register of substantial shareholders indicates that the interest disclosed by Sun Hung Kai Properties Limited includes the 68,615,552 KMB Shares disclosed by Arklake Limited

Save as disclosed above, KMB had no notice of any interests required to be recorded under Section 16(1) of the SDI Ordinance as at the Latest Practicable Date.

LITIGATION

As at the Latest Practicable Date, neither KMB nor any of its subsidiaries is engaged in any litigation or claims of any material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

GENERAL

The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The transfer office of the Company is Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The company secretary of the Company is Ms. Lana WOO, who is an associate of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

NOTICE OF SPECIAL GENERAL MEETING



THE KOWLOON MOTOR BUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Company will be held at Grand Ballroom I & II, 6/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 12 April, 2001 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without modification:

ORDINARY RESOLUTIONS

- (1) “THAT the pre-IPO share option scheme of RoadShow Holdings Limited, a subsidiary of the Company, (“RoadShow”) (the “Pre-IPO Share Option Scheme”), the terms of which are contained in the document marked “A” and a summary of which is set out in a circular dated 28 March 2001 contained in the document marked “B” and despatched to the shareholders of the Company of which the notice convening this meeting forms part and produced to the meeting and for the purpose identification signed by the Chairman thereof, subject to and conditional on (amongst other things); (a) it being approved by the Company as the sole shareholder of RoadShow, (b) the listing committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the Pre-IPO Share Option Scheme and any options which may be granted thereunder and the listing of and permission to deal in any shares of RoadShow which may be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme; (c) the Stock Exchange granting approval of the Pre-IPO Share Option Scheme under Chapter 17 of the Rules Governing the Listing of Securities (the “Listing Rules”); and (d) the obligations of the underwriters under the underwriting agreements in respect of the spin-off of RoadShow Holdings Limited (the “Underwriters”) becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by CLSA Limited on behalf of the Underwriters) and not being terminated in accordance with the terms of that agreement or otherwise, be and is hereby approved and the board of directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the Pre-IPO Share Option Scheme.

- (2) “THAT the post-IPO share option scheme of RoadShow Holdings Limited, a subsidiary of the Company, (“RoadShow”) (the “Post-IPO Share Option Scheme”), the terms of which are contained in the document marked “C” and a summary of which is set out in a circular dated 28 March 2001 contained in the document marked “B” and despatched to the shareholders of the Company of which the notice convening this meeting forms part and produced to the meeting and for the purpose of identification signed by the Chairman thereof, subject to and conditional on (amongst other things); (a) it being approved by the Company as the sole shareholder of RoadShow, (b) the listing committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the Post-IPO Share Option Scheme and any options which may be granted thereunder and the listing of and permission to deal

NOTICE OF SPECIAL GENERAL MEETING

in any shares of RoadShow which may be issued pursuant to the exercise of options granted under the Post-IPO Share Option Scheme; (c) the Stock Exchange granting approval of the Post-IPO Share Option Scheme under Chapter 17 of the Listing Rules; and (d) the obligations of the underwriters under the underwriting agreements in respect of the spin-off of RoadShow (the “Underwriters”) becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by CLSA Limited on behalf of the Underwriters) and not being terminated in accordance with the terms of that agreement or otherwise, be and is hereby approved and the board of directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the Post-IPO Share Option Scheme.

By Order of the Board
Lana Woo
Company Secretary

Date: 28 March 2001

Head office and principal place of business:

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

Notes:

1. A member who is entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy need not be a member.
2. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. The instrument appointing the proxy or proxies and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney must be deposited at the office of the Company’s Registrar, Central Registration Hong Kong Limited, not less than 48 hours before the time for holding the meeting. Completion and deposit of the proxy form shall not preclude a member from attending and voting in person at the meeting.
4. A member who has interests in (a) the Pre-IPO Share Option Scheme; or (b) the Post-IPO Share Option Scheme shall abstain from and procure their respective associates (as defined in the Listing Rules) to abstain from voting on each of the above respective resolution.



THE KOWLOON MOTOR BUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Proxy Form

Proxy form for the Special General Meeting of The Kowloon Motor Bus Holdings Limited to be held at Grand Ballroom I & II, 6/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 12 April 2001 at 10:00 a.m.

I/We (Note 1) _____

of _____

being the holder(s) of (Note 2) _____

shares of HK\$1.00 each of The KOWLOON MOTOR BUS HOLDINGS LIMITED (“the Company”)

hereby appoint (Note 3) _____

of _____

or failing him/her _____

of _____

or failing him/her the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Special General Meeting of the Company to be held on Thursday, 12 April 2001 at 10:00 a.m. and at any adjournment thereof in connection with the following resolutions:

RESOLUTIONS		INSTRUCTION (Note 4)	
		For	Against
1.	Ordinary Resolution to approve the Pre-IPO Share Option Scheme of RoadShow Holdings Limited		
2.	Ordinary Resolution to approve the Post-IPO Share Option Scheme of RoadShow Holdings Limited		

As witness my/our hand(s) this _____ day of _____ 2001

Member's Signature: _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares of HK\$1.00 each in the capital of the Company in your name(s). If no number is inserted, this form of proxy will be deemed to relate to the shares of HK\$1.00 each in the capital of the Company registered in your name(s).
3. **Insert in BLOCK CAPITALS** the name(s) and address(es) of the proxy or proxies desired in the space provided. **ANY ALTERATION TO THIS FORM OF PROXY MUST BE INITIATED BY THE PERSON WHO SIGNS IT.** A proxy needs not be a member of the Company.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLACE A “/” IN THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST A RESOLUTION, PLACE A “/” IN THE BOX MARKED “AGAINST”.** Failure to complete the boxes will entitle your proxy to cast his/her vote at his/her declaration in respect of a resolution or abstain.
5. To be valid, this form of proxy must be completed and deposited at the Hong Kong principal office of the Company, No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed or a notarised copy of the power of authority, not less than 48 hours before the date appointed for holding the Special General Meeting.

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