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**TRANSPORT INTERNATIONAL HOLDINGS LIMITED**  
**載通國際控股有限公司\***  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 062)**



**ROADSHOW HOLDINGS LIMITED**  
**路訊通控股有限公司\***  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 888)**

## **JOINT ANNOUNCEMENT**

### **CONTINUING CONNECTED TRANSACTIONS**

#### **LICENCE AGREEMENT**

On 12 November 2008, KMB and Bus Focus entered into the Licence Agreement pursuant to which KMB agreed to grant an exclusive licence to Bus Focus to conduct the media sales agency and management business on the Selected Bus Shelters for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive).

KMB is an indirect wholly owned subsidiary of Transport International, which is the ultimate controlling shareholder of RoadShow. Bus Focus is indirectly owned by RoadShow through RMHL as to 60% and directly owned by Immense Prestige Limited (“IPL”) as to 40%. Bus Focus is therefore an indirect non-wholly owned subsidiary of RoadShow and Transport International.

For Transport International, the transactions contemplated by the Licence Agreement constitute intra-group transactions pursuant to Rule 14A.31(1) of the Listing Rules and are therefore exempt from all the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For RoadShow, KMB is a connected person of RoadShow within the meaning of the Listing Rules, and accordingly, the transactions contemplated by the Licence Agreement constitute continuing connected transactions which are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

A circular of RoadShow containing, among other things, further details of the Licence Agreement, the recommendation from its independent non-executive directors and the letter of advice from its independent financial adviser to its independent non-executive directors and its independent shareholders, and a notice of the Special General Meeting to approve the transactions contemplated under the Licence Agreement, will be despatched to the shareholders of RoadShow as soon as practicable in accordance with the Listing Rules.

\* *For identification purposes only*

## **SERVICE AGREEMENT**

On 12 November 2008, Bus Focus and JTL entered into the Service Agreement pursuant to which Bus Focus agreed to appoint JTL exclusively to provide the media sales agency services and maintenance and operational services in respect of Selected Bus Shelters for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive).

As IPL is a wholly owned subsidiary of JTIL, JTIL is a substantial shareholder of Bus Focus. JTL is a wholly owned subsidiary of JTIL and is therefore a connected person of Transport International and RoadShow within the meaning of the Listing Rules. Accordingly, the transactions contemplated by the Service Agreement constitute continuing connected transactions for Transport International and RoadShow under the Listing Rules.

For Transport International, the transactions contemplated by the Service Agreement constitute continuing connected transactions which are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For RoadShow, the transactions contemplated by the Service Agreement constitute continuing connected transactions which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As no shareholders of RoadShow have any interest in the transactions contemplated by the Service Agreement, no shareholders of RoadShow are required to abstain from voting on the transactions contemplated by the Service Agreement. KMB Resources Limited, a wholly owned subsidiary of Transport International and the intermediate controlling shareholder of RoadShow holding approximately 73.01% of the issued share capital of RoadShow, has approved in writing the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management fee for the three years ending 31 December 2010 as described in this announcement. Accordingly, RoadShow has applied to the Stock Exchange for a waiver of the requirement for a general meeting of shareholders to approve the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management fee pursuant to Rule 14A.43 of the Listing Rules. If the Stock Exchange grants the waiver under Rule 14A.43 of the Listing Rules, RoadShow does not need to convene a general meeting of shareholders to approve the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management fee for the three years ending 31 December 2010.

A circular of RoadShow containing, among other things, further details of the Service Agreement, the recommendation from its independent non-executive directors and the letter of advice from its independent financial adviser to its independent non-executive directors and shareholders will be despatched to the shareholders of RoadShow as soon as practicable in accordance with the Listing Rules.

## **(1) BACKGROUND**

On 1 March 2001, KMB and Bus Focus entered into the 2001 Licence Agreement, pursuant to which KMB had agreed to grant to Bus Focus an exclusive licence to conduct media sales agency and management business on the Selected Bus Shelters. On 1 March 2001, Bus Focus and JTL entered into the 2001 Service Agreement, pursuant to which Bus Focus had agreed to appoint JTL exclusively to provide the media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters. Both the 2001 Licence Agreement and the 2001 Service Agreement expired on 31 July 2007.

KMB was granted the Franchise to operate a public bus service for a term commencing from 1 August 2007 to 1 July 2017. Since the expiry of the term of the 2001 Licence Agreement and the 2001 Service Agreement on 31 July 2007, KMB and Bus Focus, and Bus Focus and JTL have been negotiating in relation to the renewal of the 2001 Licence Agreement and the 2001 Service Agreement respectively. Announcements disclosing, among other things, the negotiation in relation to the renewal of the 2001 Service Agreement and the provision of bus shelter media sales agency services by JTL to Bus Focus since 1 August 2007 were made by RoadShow on 19 March 2008 and 9 July 2008.

On 12 November 2008, KMB and Bus Focus entered into the Licence Agreement pursuant to which KMB agreed to grant an exclusive licence to Bus Focus to conduct the media sales agency and management business on the Selected Bus Shelters. On 12 November 2008, Bus Focus and JTL entered into the Service Agreement pursuant to which Bus Focus agreed to appoint JTL exclusively to provide the media sales agency services and maintenance and operational services in respect of Selected Bus Shelters.

## **(2) THE LICENCE AGREEMENT**

### **Date**

12 November 2008

### **Parties**

- (1) KMB
- (2) Bus Focus

### **Subject Matter**

KMB has granted to Bus Focus an exclusive licence to conduct the media sales agency and management business in respect of the Selected Bus Shelters. Bus Focus may sublicense its right to conduct such business.

Bus Focus has granted a sublicense to KMB of its right to use the intellectual property rights in the KMB Shelter Designs for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only, which right has been granted by JTL to Bus Focus under the Service Agreement.

## **Condition**

The Licence Agreement is conditional on the approval of the shareholders of RoadShow pursuant to 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 a later date as may be agreed by the parties in writing), the Licence Agreement will lapse.

## **Term**

Conditional on the approval of the shareholders of RoadShow referred to in the paragraph headed “Condition” in this section (2) above, the term of the Licence Agreement shall commence as effective on 1 August 2008 until 31 July 2012 (both dates inclusive).

Upon the fulfillment of all financial obligations of Bus Focus under the Licence Agreement, including the payment of royalty fee referred to in the paragraph headed “Consideration” in this section (2) below and the provision of the Bus Focus Bank Guarantee(s) referred to in the paragraph headed “Other major terms” in this section (2) below, the term of the Licence Agreement shall, conditional upon the approval by the shareholders of RoadShow of the extension as and if required by the Listing Rules, be extended for the Renewal Period commencing on 1 August 2012 until 30 June 2017 (both dates inclusive). The extension of the term for the Renewal Period shall be governed by the same terms and conditions of the Licence Agreement, insofar as they are applicable subject to the mutual agreement between KMB and Bus Focus of the rates of payments (including the royalty fee and the guaranteed minimum royalty fee) with reference to the market rates of the Selected Bus Shelters and the guaranteed amounts under the Bus Focus Bank Guarantee(s) for the Renewal Period.

Transport International and RoadShow will comply with the relevant requirements of the Listing Rules when the term of the Licence Agreement is extended as aforesaid for the Renewal Period.

Since (i) the media sales agency and management business on the Selected Bus Shelters as contemplated under the Licence Agreement is one of the core businesses of the RoadShow Group and (ii) the longer term of the Licence Agreement would enhance the RoadShow Group’s market position in the near future and ensure a stable revenue source generated by media sales agency and management business on the Selected Bus Shelters, the directors of RoadShow (excluding its independent non-executive directors whose view will be given in the circular to be despatched to the shareholders of RoadShow after taking into account of the advice of its independent financial adviser) consider that the term of Licence Agreement, which is more than 3 years, is necessary for the purpose of for the businesses of the RoadShow Group.

## **Consideration**

The royalty fee payable by Bus Focus to KMB for the term of the Licence Agreement, to be determined on an annual basis, is equal to the stipulated percentage of the net advertising rental, or a guaranteed minimum royalty fee, whichever is the greater.

According to the Licence Agreement, the net advertising rental means the amount of rental accrued by Bus Focus derived from the panels for the display of advertisements at the Selected Bus Shelters less (i) firstly, any trade discounts and agency commission; and (ii) secondly, a sum equal to 50% of such rental after deducting (i), being an agreed amount as deductible operating expenses of the business. The stipulated percentage of the net advertising rental is 60% of the net advertising rental of HK\$25,000,000 or below, plus 50% of any excess of the net advertising rental over HK\$25,000,000. The stipulated percentage has been determined with reference to the relevant rates of royalty fees charged by different bus operators for licences obtained by the RoadShow Group in relation to the advertising broadcast business through the multi-media broadcasting system on buses.

The guaranteed minimum royalty fees for each year ending 31 July during the term of the Licence Agreement commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive) are HK\$11,517,480, HK\$11,684,400, HK\$11,851,320 and HK\$12,018,240 respectively. The guaranteed minimum royalty fee is equal to 50% of the presumed net advertising rental for the relevant year. The presumed net advertising rental is the aggregate amount of the monthly guaranteed rentals (as guaranteed by JTL under the Service Agreement referred to in the paragraph headed "Consideration" in section (3) below) for that year, less a sum equal to 50% of such aggregate monthly guaranteed rentals being the presumed amount of deductible items.

Bus Focus shall submit to KMB annual statements during the term of the Licence Agreement by the accountant appointed by Bus Focus with the consent of KMB, showing the amount of net advertising rental and the amount of royalty fee payable by Bus Focus pursuant to the above stipulated percentage. If the amount of royalty fee payable by Bus Focus as shown in the annual statement is greater than the guaranteed minimum royalty fee for the relevant year, such excess of royalty fee not yet paid shall be paid by Bus Focus to KMB.

## **Historical figures**

The royalty fee paid and/or payable by Bus Focus to KMB for each of the 3 years ended 31 December 2007 and the 7-month period ended 31 July 2008 under the 2001 Licence Agreement and/or the Licence Agreement are approximately HK\$7.0 million, HK\$7.7 million, HK\$8.0 million and HK\$4.7 million respectively.

## Proposed annual caps

The directors of RoadShow have considered and proposed the following annual caps in respect of the royalty fee under the Licence Agreement:

	For the year ending 31 December		
	2008	2009	2010
Royalty fee	HK\$11,500,000	HK\$15,000,000	HK\$15,000,000

The above proposed annual caps for royalty fee for the two years ending 31 December 2009 and 2010 have been determined based on the above stipulated percentage of the presumed net advertising rental. The presumed net advertising rental is the aggregate amount of the monthly guaranteed rentals (as guaranteed by JTL under the Service Agreement referred to in the paragraph headed “Consideration” in section (3) below) for that year, less a sum equal to 50% of such aggregate monthly guaranteed rentals being the presumed amount of deductible items. The above proposed annual cap for royalty fee for the year ending 31 December 2008 consists of (i) the royalty fee payable by Bus Focus to KMB in respect of the period from 1 January 2008 to 31 July 2008 (part of the Transitional Period (as defined in the paragraph headed “Other major terms” in this section (2) below)), which, pursuant to the Licence Agreement, is determined in accordance with the terms of the 2001 Licence Agreement; and (ii) the proposed royalty fee in respect of the period from 1 August 2008 to 31 December 2008, which has been determined based on the stipulated percentage of the presumed net advertising rental as mentioned above.

The above annual caps are subject to the approval of the independent shareholders of RoadShow.

## Other major terms

Within 14 business days after the Licence Agreement becomes unconditional, Bus Focus shall provide KMB with the Bus Focus Bank Guarantee(s) as security for the due payment of the royalty fee and all other sums payable by Bus Focus to KMB under the Licence Agreement and the due performance and observance by Bus Focus of all terms and conditions in the Licence Agreement. The guaranteed amounts under the Bus Focus Bank Guarantee(s), which shall be in the sum of HK\$5,758,740, HK\$5,842,200, HK\$5,925,660 and HK\$6,009,120 for each respective year ending 31 July during the term from 1 August 2008 until 31 July 2012 (both dates inclusive), representing the amount of half of the guaranteed minimum royalty fees for that year of term, have been determined by the parties after arm’s length negotiation and on normal commercial terms. The Bus Focus Bank Guarantee(s) shall also cover the period from 1 August 2012 to 31 October 2012 (i.e. the three months’ period after the expiry of the term ending 31 July 2012) and the guaranteed amount during such period shall be in the sum of HK\$6,009,120.

KMB confirms and ratifies Bus Focus's right to conduct the media sales agency and management business at the Selected Bus Shelters for the period from 1 August 2007 to 31 July 2008 (both dates inclusive) (the "**Transitional Period**"). Such conducting of the media sales agency and management business and the payment of the royalty fee in respect of the Transitional Period shall be governed by the same terms and conditions of the 2001 Licence Agreement. For RoadShow, as the applicable percentage ratios for the royalty fee payable by Bus Focus to KMB are (i) less than 2.5% for the period from 1 August 2007 to 31 December 2007; and (ii) less than 25% for the period from 1 January 2008 to 31 July 2008 and the royalty fee for such period is less than HK\$10 million, the transactions under the Licence Agreement in respect of the Transitional Period are only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements pursuant to Rule 14A.34. An announcement was made by RoadShow on 9 July 2008 disclosing, among other things, the applicable percentage ratios for the royalty fee on an annual basis during the Transitional Period (up to 31 May 2008) which were calculated on the presumption that the Licence Agreement would be renewed on the same terms as the 2001 Licence Agreement and taking into account of the relevant historical figures.

Bus Focus confirms and ratifies the right of KMB to use the intellectual property rights in the KMB Shelter Designs, for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only, for the Transitional Period, which right shall be governed by the same terms and conditions of the 2001 Licence Agreement.

### **(3) THE SERVICE AGREEMENT**

#### **Date**

12 November 2008

#### **Parties**

- (1) Bus Focus
- (2) JTL

#### **Subject Matter**

Bus Focus has appointed JTL exclusively to provide the media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters.

JTL has granted to Bus Focus an exclusive royalty-free right to use the intellectual property rights in the KMB Shelter Designs for the purpose of the Selected Bus Shelters and the Non-Selected Bus Shelters only and JTL has agreed that Bus Focus shall have the right to sublicense such right to KMB only.

## **Condition**

The Service Agreement is conditional upon the obtaining of the approval by the shareholders of RoadShow of the Licence Agreement and the Service Agreement pursuant to the requirements of the Listing Rules.

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

## **Term**

Conditional on the approval of the shareholders of RoadShow referred to in the paragraph headed “Condition” in this section (3) above, the term of the Service Agreement shall commence as effective on 1 August 2008 until 31 July 2012 (both dates inclusive).

Upon the fulfillment of all financial obligations of JTL under the Service Agreement, including the payment of monthly Shortfall referred to in the paragraph headed “Consideration” in this section (3) below and the provision of the JTL Bank Guarantee(s) referred to in the paragraph headed “Other major terms” in this section (3) below, the term of the Service Agreement shall, conditional upon the renewal or extension of the Licence Agreement for the Renewal Period and the approval of the extension of the Licence Agreement and the Service Agreement for the Renewal Period by the shareholders of RoadShow as and if required by the Listing Rules, be extended for the Renewal Period commencing on 1 August 2012 until 30 June 2017 (both dates inclusive). The extension of the term for the Renewal Period shall be governed by the same terms and conditions of the Service Agreement, insofar as they are applicable subject to the mutual agreement between Bus Focus and JTL of the rates of payments (including the management fee, monthly Shortfall (as defined in the paragraph headed “Consideration” in this section (3) below) and guaranteed rentals) with reference to the market rates of the Selected Bus Shelters and the guaranteed amounts under the JTL Bank Guarantee(s) for the Renewal Period.

Transport International and RoadShow will comply with the relevant requirements of the Listing Rules when the term of the Service Agreement is extended as aforesaid for the Renewal Period.

The directors of Transport International (including its independent non-executive directors) consider that the term of Service Agreement, which is more than 3 years, is necessary for the purpose of matching and being aligned with the period for the Licence Agreement.

Since the term of the Licence Agreement is longer than 3 years, the directors of RoadShow (excluding its independent non-executive directors whose view will be given in the circular to be despatched to the shareholders of RoadShow after taking into account of the advice of its independent financial adviser) consider that the term of Service Agreement, which is more than 3 years, is necessary for the purpose of matching and being aligned with the period for the Licence Agreement in order to ensure the provision of stable media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters during the entire term of the Licence Agreement.



## Consideration

If the actual advertising rental accrued by Bus Focus derived from the panels in relation to the Advertising Contracts is less than the guaranteed rental in any calendar month, JTL shall pay to Bus Focus the shortfall (the “**Shortfall**”). The monthly guaranteed rentals for each year ending 31 July during the term from 1 August 2008 until 31 July 2012 (both dates inclusive) are HK\$3,839,160, HK\$3,894,800, HK\$3,950,440 and HK\$4,006,080 respectively. The monthly guaranteed rental is derived by multiplying the target number of panels at the Selected Bus Shelters to be rented by the outside advertisers (which is the same as the target number of panels in the 2001 Service Agreement for the year 2007) by the guaranteed rental for each panel (which has been determined with reference to the guaranteed rental for each panel in the 2001 Service Agreement taking into account of a slight increment for inflation for each year).

The management fee payable by Bus Focus to JTL in each calendar month shall be an amount which equals to 35.6% of the sum of the monthly advertising rental derived from the panels in relation to the Advertising Contracts plus the Shortfall (if any) in the relevant calendar month during the period from 1 August 2008 to 31 July 2012. The above calculation of management fee has been determined by Bus Focus and JTL with reference to the market rates of management fee for similar services as contemplated under the Service Agreement, including without limitation, the rate of service fee payable by a subsidiary of Transport International to a subsidiary of RoadShow regarding the media sales management and administrative services for transit vehicle exterior advertising.

Bus Focus shall submit to JTL annual statements during the term of the Service Agreement as audited by the accountant jointly appointed by Bus Focus and JTL, showing, among others, the amount of advertising rental and Shortfall. If there is any difference between the figures or calculations as shown in the monthly unaudited statements agreed between Bus Focus and JTL and those as shown in the annual audited statements, the annual audited statements shall be conclusive and the relevant party shall make the necessary adjustment by paying or returning the relevant amount of Shortfall or management fee to the other party.

For the purpose of upgrading the existing panels for the display of advertisements at the Selected Bus Shelters, JTL may install premier panels to replace the existing panels. The costs of removing the existing panels and manufacturing and installing the premier panels shall be solely borne by JTL and the premier panels installed shall remain the property of JTL. If the Service Agreement is not extended for the Renewal Period pursuant to the Service Agreement for any reason, Bus Focus shall compensate JTL for the capital investment of JTL (i.e. a maximum of 200 units of new premier panels at the Selected Bus Shelters of HK\$75,000 each). Bus Focus shall not be liable for the capital investment of JTL within the term of the Service Agreement if the Service Agreement is not extended for the Renewal Period due to the fact that JTL has failed to fulfill its obligations under the Service Agreement. As (i) the upgrading of the panels is expected to achieve a higher revenue of Bus Focus from the media sales agency and management business in respect of the Selected Bus Shelters; (ii) the costs of the installation of the premier panels are to be borne by JTL solely; and (iii) Bus Focus need not compensate JTL if the Service Agreement is extended for

the Renewal Period, the directors of RoadShow (excluding its independent non-executive directors whose view will be given in the circular to be despatched to the shareholders of RoadShow after taking into account the advice of its independent financial adviser) consider that the above compensation arrangement and amount is fair and reasonable.

### Historical figures

The Shortfall paid and/or payable by JTL to Bus Focus for each of the 3 years ended 31 December 2007 and the 7-month period ended 31 July 2008 under the 2001 Service Agreement and/or the Service Agreement are approximately HK\$0.6 million, HK\$8.6 million, HK\$11.9 million and HK\$4.1 million respectively.

The management fee paid and/or payable by Bus Focus to JTL for each of the 3 years ended 31 December 2007 and the 7-month period ended 31 July 2008 under the 2001 Service Agreement and/or the Service Agreement are approximately HK\$10.7 million, HK\$11.8 million, HK\$12.5 million and HK\$7.3 million respectively.

### Proposed annual caps

The directors of Transport International and the directors of RoadShow have considered and proposed the following annual caps in respect of the Shortfall and the management fee under the Service Agreement:

	<b>For the year ending 31 December</b>		
	<b>2008</b>	<b>2009</b>	<b>2010</b>
Shortfall	HK\$23,400,000	HK\$46,400,000	HK\$47,100,000
Management fee	HK\$15,500,000	HK\$18,000,000	HK\$18,000,000

The above proposed annual caps for the Shortfall for the two years ending 31 December 2009 and 2010 have been determined based on the terms of the Service Agreement and on the assumption that no advertising rental would be derived from the panels in relation to the Advertising Contracts and therefore JTL would have to pay the maximum amount of guaranteed rental to Bus Focus. The above proposed annual cap for the Shortfall for the year ending 31 December 2008 consists of (i) the shortfall payable by JTL to Bus Focus in respect of the period from 1 January 2008 to 31 July 2008 (part of the Transitional Period), which, pursuant to the Service Agreement, is determined according to the terms of the 2001 Service Agreement; and (ii) the proposed shortfall in respect of the period from 1 August 2008 to 31 December 2008, which has been determined based on the terms of the Service Agreement and on the assumption that no advertising rental would be derived from the panels and therefore JTL would have to pay the maximum amount guaranteed rental in respect of such period.

The above proposed annual caps for the management fee for the two years ending 31 December 2009 and 2010 have been determined based on the terms of the Service Agreement and with reference to the advertising rentals as guaranteed by JTL referred to in the paragraph headed “Consideration” in this section (3) above. The above proposed annual cap for the management fee for the year ending 31 December 2008 consists of (i) the management fee payable by Bus Focus to JTL in respect of the period from 1 January 2008 to 31 July 2008 (part of the Transitional Period), which, pursuant to the Service Agreement, is determined according to the terms of the 2001 Service Agreement; and (ii) the proposed management fee in respect of the period from 1 August 2008 to 31 December 2008, which has been determined based on the terms of the Service Agreement and with reference to the advertising rentals as guaranteed by JTL referred to in the paragraph headed “Consideration” in this section (3) above.

The above annual caps are subject to the approval of the independent shareholders of RoadShow.

### **Other major terms**

On signing of the Service Agreement, JTL shall provide Bus Focus with the JTL Bank Guarantee(s) as security for the due payment of the monthly Shortfall and all other sums payable by JTL to Bus Focus under the Service Agreement and the due performance and observance by JTL of all terms and conditions in the Service Agreement. The guaranteed amounts under the JTL Bank Guarantee(s), which shall be in the sum of HK\$5,758,740, HK\$5,842,200, HK\$5,925,660 and HK\$6,009,120 for each respective year ending 31 July during the term from 1 August 2008 until 31 July 2012 (both dates inclusive), representing the amount of half of the guaranteed minimum royalty fees under the Licence Agreement for that year of term, have been determined by the parties after arm’s length negotiation and on normal commercial terms. The JTL Bank Guarantee(s) shall also cover the period from 1 August 2012 to 31 October 2012 (i.e. the three months’ period after the expiry of the term ending 31 July 2012) and the guaranteed amount during such period shall be in the sum of HK\$6,009,120.

The provision of the media sales agency services and maintenance and operational services in respect of the Selected Bus Shelters by JTL to Bus Focus during the Transitional Period and the payment of the management fee by Bus Focus to JTL and the payment of the Shortfall by JTL to Bus Focus in respect of the Transitional Period shall be governed by the same terms and conditions of the 2001 Service Agreement. For RoadShow, as (a) the applicable percentage ratios for the Shortfall for each of (i) the period from 1 August 2007 to 31 December 2007; and (ii) the period from 1 January 2008 to 31 July 2008 are less than 2.5%; and (b) the applicable percentage ratios for the management fee for each of (i) the period from 1 August 2007 to 31 December 2007; and (ii) the period from 1 January 2008 to 31 July 2008 are less than 25%, and the management fee for the respective period is less than HK\$10 million, the transactions under the Service Agreement in respect of the Transitional Period are only subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements pursuant to Rule 14A.34. An announcement was made by RoadShow on 9 July 2008 disclosing, among other things, the applicable percentage ratios for the Shortfall and management fee on an annual basis during the Transitional Period (up to 31 May 2008) which were calculated on the presumption that the Service Agreement would be renewed on the same terms as the 2001 Service Agreement and taking into account of the relevant historical figures.

JTL confirms and ratifies the right of Bus Focus to use the intellectual property rights in the KMB Shelter Designs, exclusively for the purpose of the Selected Bus Shelters and Non-Selected Bus Shelters only, and the right of Bus Focus to sublicense to KMB only the aforesaid right granted by JTL, for the Transitional Period. Such right of Bus Focus shall be governed by the same terms and conditions of the 2001 Service Agreement.

**(4) DESCRIPTION OF THE CONNECTED RELATIONSHIP**

KMB is an indirect wholly owned subsidiary of Transport International, the ultimate controlling shareholder of RoadShow, and is therefore a connected person of RoadShow within the meaning of the Listing Rules. Bus Focus is indirectly owned by RoadShow through RMHL as to 60% and directly owned by Immense Prestige Limited (“IPL”) as to 40%. Bus Focus is therefore an indirectly non-wholly owned subsidiary of RoadShow and Transport International. As IPL is a wholly owned subsidiary of JTIL, JTIL is a substantial shareholder of Bus Focus. JTL is a wholly owned subsidiary of JTIL and is therefore a connected person of Transport International and RoadShow within the meaning of the Listing Rules.

**(5) LISTING RULES REQUIREMENTS AND COMPLIANCE**

For Transport International, the transactions contemplated by the Licence Agreement constitute intra-group transactions pursuant to Rule 14A.31(1) of the Listing Rules and are therefore exempt from all the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Due to the connected relationship mentioned above and based on the applicable percentage ratios, the transactions contemplated by the Service Agreement constitute continuing connected transactions for Transport International which are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For RoadShow, due to the connected relationship mentioned above and based on the applicable percentage ratios, the transactions contemplated by the Licence Agreement and the Service Agreement constitute continuing connected transactions for RoadShow which are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Special General Meeting will be convened by RoadShow to approve the transactions under the Licence Agreement. As no shareholders of RoadShow have any interest in the transactions contemplated by the Service Agreement, no shareholders of RoadShow are required to abstain from voting on the transactions contemplated by the Service Agreement. KMB Resources Limited, a wholly owned subsidiary of Transport International and the intermediate controlling shareholder of RoadShow holding approximately 73.01% of the issued share capital of RoadShow, has approved in writing the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management fee for the three years ending 31 December 2010 as described in this announcement. Accordingly, RoadShow has applied to the Stock Exchange for a waiver of the requirement for a general meeting of shareholders to approve the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management fee pursuant to Rule 14A.43 of the Listing Rules. If the Stock Exchange grants the waiver under Rule 14A.43 of the Listing Rules, RoadShow does not need to

convene a general meeting of shareholders to approve the transactions contemplated by the Service Agreement and the proposed annual caps for the Shortfall and management for the three years ending 31 December 2010 as described in this announcement.

A circular of RoadShow containing, among other things, further details of the Licence Agreement and the Service Agreement, the recommendation from its independent non-executive directors, the letter of advice from its independent financial adviser to its independent non-executive directors and shareholders and a notice of the Special General Meeting to approve the transactions contemplated under the Licence Agreement, will be despatched to the shareholders of RoadShow as soon as practicable in accordance with the Listing Rules.

**(6) REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE LICENCE AGREEMENT AND THE SERVICE AGREEMENT**

The bus shelter media sales business has been generating revenue and profits for the RoadShow Group and KMB, and therefore Transport International. It is therefore favourable to both the RoadShow Group and KMB that KMB continues to grant Bus Focus a licence to conduct media sales agency and management business in respect of the Selected Bus Shelters and Bus Focus continues to sublicense its rights to use the intellectual rights in the KMB Shelter Designs to KMB. The cooperation between Bus Focus and KMB brings a strong favourable support to the RoadShow Group's and KMB's business activities. The combined strengths of Bus Focus and KMB in terms of resources and market share also enhance the competitiveness of the RoadShow Group and KMB.

JTL is engaged in outdoor media sales business and has a dominant position in handling bus shelter media sales in Hong Kong. In view of JTL's extensive expertise in media sales, it is beneficial to the RoadShow Group and Transport International that JTL continues to provide media sales agency services to Bus Focus. Moreover, as mentioned above, the bus shelter media sales business has been generating revenue and profits for both the RoadShow Group and KMB, and therefore Transport International. It is therefore beneficial to the RoadShow Group and Transport International for JTL to continue to grant Bus Focus a right to use the intellectual property rights in the KMB Shelter Designs pursuant to the Service Agreement, which Bus Focus, in turn, sublicenses to KMB. The combined strengths of Bus Focus and JTL in terms of resources and market share also enhance the competitiveness of the RoadShow Group, KMB, Transport International and JTL.

The directors of Transport International (including its independent non-executive directors) consider that the continuing connected transactions under the Service Agreement are conducted in the ordinary and normal course of business of Transport International and are at arm's length and on normal commercial terms and the terms of the Service Agreement are fair and reasonable and in the interest of Transport International and its shareholders as a whole.

The directors of RoadShow (excluding its independent non-executive directors whose view will be given in the circular to be despatched to the shareholders of RoadShow after taking into account the advice of its independent financial adviser) consider that the continuing connected transactions under the Licence Agreement and the Service Agreement are conducted in the ordinary and normal course of business of RoadShow and are at arm's length and on normal commercial terms. In view of the fact that (i) the 2001 Licence Agreement and the 2001 Service Agreement were entered into between the parties more than 7 years ago and prior to the listing of the shares of RoadShow

on the Stock Exchange, and market condition has changed subsequently; and (ii) the fees payable by Bus Focus under the Licence Agreement and Service Agreement have been determined with reference to other advertising business carried out by the RoadShow Group as mentioned in this announcement above, the directors of RoadShow (excluding its independent non-executive directors whose view will be given in the circular to be despatched to the shareholders of RoadShow after taking into account the advice of its independent financial adviser) consider that, notwithstanding that the percentages of fees payable by Bus Focus under the Licence Agreement and Service Agreement are higher than those in the 2001 Licence Agreement and 2001 Service Agreement, the terms of the Licence Agreement and the Service Agreement are fair and reasonable and in the interest of RoadShow and its shareholders as a whole.

## **(7) 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.

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

JTL is engaged in marketing and sales of on-street furniture advertising.

## **DEFINITIONS**

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

“2001 Licence Agreement”	the licence agreement dated 1 March 2001 entered into between KMB and Bus Focus in relation to, among others, the grant of an exclusive licence to conduct media sales agency and management business on the Selected Bus Shelters by KMB to Bus Focus
“2001 Services Agreement”	the service agreement dated 1 March 2001 entered into between Bus Focus and JTL in relation to, among others, the provision of media sales agency services and maintenance and operational services in respect of Selected Bus Shelters by JTL to Bus Focus
“Advertising Contracts”	the contracts between Bus Focus and the outside advertisers for the purpose of advertising, sponsorship or commercial promotion at the Selected Bus Shelters
“Bus Focus”	Bus Focus Limited, a company incorporated in the British Virgin Islands and indirectly owned as to 60% by RoadShow and 40% by JTIL

“Bus Focus Bank Guarantee(s)”	The bank guarantee(s) by a licensed bank in Hong Kong in favour of KMB as security for the due payment of the royalty fee and all other sums payable by Bus Focus to KMB under the Licence Agreement and the due performance and observance by Bus Focus of all terms and conditions in the Licence Agreement
“Franchise”	the franchise granted to KMB to operate a public bus service for a term commencing from 1 August 2007 until 1 July 2017
“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
“JTIL”	JCDecaux Texon International Limited (formerly known as Texon International Limited), a company incorporated in Hong Kong
“JTL”	JCDecaux Texon Limited (formerly known as Texon Media Limited), a company incorporated in Hong Kong and a wholly owned subsidiary of JTIL
“JTL Bank Guarantee(s)”	the bank guarantee(s) by a licensed bank in Hong Kong in favour of Bus Focus as security for the due payment of the monthly Shortfall and all other sums payable by JTL to Bus Focus under the Service Agreement and the due performance and observance by JTL of all terms and conditions in the Service Agreement
“KMB”	The Kowloon Motor Bus Company (1933) Limited, which is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Transport International
“KMB Shelter Designs”	the design, layout and setting of the bus shelters owned by KMB
“Licence Agreement”	the licence agreement dated 12 November 2008 entered into between KMB and Bus Focus in relation to, among others, the grant of an exclusive licence to conduct media sales agency and management business on the Selected Bus Shelters by KMB to Bus Focus for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Selected Bus Shelters”	the bus shelters owned by KMB other than the Selected Bus Shelters
“Renewal Period”	the period from 1 August 2012 until 30 June 2017 (both dates inclusive)

“RMHL”	RoadShow Media Holdings Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of RoadShow
“RoadShow”	RoadShow Holdings Limited, a company incorporated in Bermuda, whose shares are listed on the Main Board of the Stock Exchange
“RoadShow Group”	RoadShow and its subsidiaries
“Selected Bus Shelters”	the selected bus shelters owned by KMB
“Service Agreement”	the service agreement dated 12 November 2008 entered into between Bus Focus and JTL in relation to, among others, the provision of media sales agency services and maintenance and operational services in respect of Selected Bus Shelters by JTL to Bus Focus for a term commencing as effective on 1 August 2008 until 31 July 2012 (both dates inclusive)
“Special General Meeting”	the special general meeting of RoadShow to be held to approve, among others, the continuing connected transactions contemplated by the Licence Agreement
“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, which is the ultimate holding company of RoadShow

By Order of the Board  
**Transport International Holdings Limited**  
**Lana Woo**  
*Company Secretary*

By Order of the Board  
**RoadShow Holdings Limited**  
**Man Miu Sheung**  
*Company Secretary*

Hong Kong, 13 November 2008



*As at the date of this announcement, the Directors of Transport International Holdings Limited are The Hon. Sir Sze-yuen CHUNG, GBM, GBE, JP as Chairman and Independent Non-executive Director; Dr. Norman LEUNG Nai Pang, GBS, JP as Deputy Chairman and Independent Non-executive Director; Dr. KUNG Ziang Mien, James, GBS, OBE (with Mr. KUNG Lin Cheng, Leo as alternate), Dr. Eric LI Ka Cheung, GBS, OBE, JP and Mr. SIU Kwing-chue, Gordon, GBS, CBE, JP as Independent Non-executive Directors; Mr. Edmond HO Tat Man as Managing Director; Mr. Charles LUI Chung Yuen, M.H. as Executive Director; Mr. KWOK Ping-luen, Raymond, JP (with Mr. YUNG Wing Chung as alternate), Mr. KWOK Ping-sheung, Walter, JP (with Ms. WONG On Ning, Orlena as alternate), Mr. NG Siu Chan (with Ms. Winnie NG as alternate), Mr. William LOUEY Lai Kuen, Mr. John CHAN Cho Chak, GBS, JP, Ms. Winnie NG, Mr. George CHIEN Yuan Hwei and Mr. John Anthony MILLER, SBS, OBE as Non-executive Directors.*

*As at the date of this announcement, the Directors of RoadShow Holdings Limited are Mr. John CHAN Cho Chak, GBS, JP as Chairman and Non-executive Director; Mr. Michael WONG Yick-kam and Ms. Winnie NG as Deputy Chairmen and Non-executive Directors; Dr. Carlye Wai-Ling TSUI, BBS, MBE, JP, Mr. HUI Ki On, GBS, CBE, QPM, CPM and Dr. Eric LI Ka Cheung, GBS, OBE, JP as Independent Non-executive Directors; Mr. MO Tik Sang as Managing Director; Mr. MAK Chun Keung, Mr. Anthony NG, Mr. John Anthony MILLER, SBS, OBE and Mr. Edmond HO Tat Man as Non-executive Directors.*