
RELATIONSHIP WITH ERG GREATER CHINA BVI AND THE VIX GROUP

RELATIONSHIP WITH ERG GREATER CHINA BVI

Immediately following the completion of the [●], ERG Greater China BVI will remain as our largest Shareholder and is expected to hold approximately [●]% of our Shares (assuming the [●] is not exercised) and [●]% of our Shares (assuming the [●] is exercised in full, without taking into account any exercise of options granted and/or to be granted under the Share Option Scheme).

As at the Latest Practicable Date, ERG Greater China BVI was held as to 56% by More Legend, 30% by Vix East Asia and 14% by Landcity. As at the Latest Practicable Date, More Legend was held as to 75% by Mr. Cao and as to 25% by Ms. Wang, the spouse of Mr. Cao. Mr. Cao, as our executive Director and a director to all of our subsidiaries and as a majority shareholder of More Legend, is a connected person to our Company. Ms. Wang, as a Substantial Shareholder of More Legend and as the spouse of Mr. Cao, is also our connected person. As of the Latest Practicable Date, Vix East Asia was held as to 100% by Vix Holdings and Landcity was held as to 100% by Sino Choice Trust, whose beneficiaries are Mr. Chen and Ms. Jiang. Mr. Chen, as our executive Director and a director to all of our subsidiaries and as a beneficiary to Sino Choice Trust, a Substantial Shareholder of ERG Greater China BVI, is a connected person to our Company. Ms. Jiang, as a beneficiary to Sino Choice Trust, a Substantial Shareholder of ERG Greater China BVI and as spouse of Mr. Chen, is also our connected person.

Mr. Cao and Ms. Wang, through More Legend, are and will continue to be, after [●], our Controlling Shareholders as defined under the [●]. Each of our Controlling Shareholders and our Directors have confirmed that none of them has any direct or indirect interest in any businesses or companies that are engaged in any business activities that compete or may compete with our business activities.

RELATIONSHIP WITH THE VIX GROUP

ERG Greater China BVI is also held as to 30% by Vix East Asia. As at the Latest Practicable Date, Vix East Asia was held as to 100% by Vix Holdings and was part of the Vix Group. At the inception of each of ERG HK and ERG BJ, Vix Holdings was interested in their entire equity interest and members of the Vix Group have been working together with ERG HK and ERG BJ in various projects. All the projects (other than maintenance agreements) which ERG HK participated in were tenders won by the Vix Group.

The Vix Group comprises Vix Transportation and its subsidiaries. Vix Transportation is an Australian-based company. The Vix Group is a world leading provider of auto fare collection technology, including payment processing, smart technology and associated hardware. The Vix Group has operations in Australia, the United States, Thailand and China.

Each of ERG HK and ERG BJ has entered into Licensing Agreements with Vix IP pursuant to which each of ERG HK and ERG BJ was granted a non-exclusive and non-transferable license to use certain licensor technology in the Greater China region. Additional information on the Licensing Agreements are set out in the section headed "[●]" in this document. Further, during the Track Record Period, members of the Vix Group also subcontracted to us various aspects of the projects obtained by them in Hong Kong because our staff in Hong Kong possessed the necessary technical expertise and experience and staff and operation costs are typically lower in Hong Kong than in Australia.

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Vix Group's non-competition undertaking

Vix Transportation has given an irrevocable undertaking ("**Vix Undertaking**") in favour of our Group on [●] pursuant to which Vix Transportation, as covenantor, irrevocably undertakes to the Company that Vix Transportation shall not and shall procure that no holding company, subsidiary or subsidiary of a holding company of Vix Transportation and any company in which Vix Transportation or a holding company, subsidiary or subsidiary of a holding company of Vix Transportation and any company in which Vix Transportation or its affiliates has a controlling interest or shareholding ("**Vix Affiliate**"), engage in any business or activity which competes or may compete with the Business (as defined below) of our Group. To protect our Group from any potential competition, Vix Transportation and any Vix Affiliate has, among other matters, irrevocably and unconditionally undertaken with our Group on a joint and several basis that at any time during the Relevant Period (as defined below), each Vix Transportation and/or any Vix Affiliate shall, and shall procure that their respective associates (other than our Group) shall, save for the Exempted Business (as defined below):

- (i) not, directly or indirectly, whether or not for compensation, in any manner or capacity, engage in (whether as principal, agent and whether undertaken directly or through any body corporate, partnership, joint venture or other contractual or other arrangement) or otherwise be concerned with or interested in (whether as trustee, principal, agent, shareholder, director, unit holder or in any other capacity) any business or activity similar to or which will or may compete with the Business (as defined below) currently and from time to time engaged by our Group in the Greater China region;
- (ii) not, directly or indirectly, at any time, induce or attempt to induce any director, manager or employee of the Group to terminate his or her employment with the Group, whether or not such act of that person would constitute a breach of that person's contract of employment; and
- (iii) not, directly or indirectly, solicit or persuade any person who has dealt with our Group or is in the process of negotiating with our Group in relation to the Business (as defined below) to cease from dealing with our Group or to reduce the amount of business which the person would normally do with our Group.

The Vix Group also undertakes to grant to our Group a first right of refusal pursuant to which the Vix Group shall make reasonable enquiry by serving a written notice to our Group and upon receiving a written confirmation from our Group within 20 days of the date of such notice that our Group has not and will not, bid or provide a proposal for an opportunity in the scope of our Group's Business (as defined below), the Vix Group shall be entitled to provide a bid or proposal for such opportunity. Should our Group bid or provide a bid or proposal for such opportunity, our Group shall provide a written reply to the Vix Group within 20 days of such written notice to indicate this intention.

The Vix Group irrevocably undertakes to our Company that it will refer all enquiries and actual or potential business opportunities in relation to the Business (as defined below) received by it and/or companies under its control and it will provide or procure the companies under its control to provide sufficient information to enable our Company or the relevant member of our Group to reach an informed view and assessment on such business opportunities.

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The Vix Group also irrevocably undertakes to our Company, so long as the Vix Group holds, directly or indirectly, a passive interest of no less than 12.5% equity interest in our Company, that the Vix Group or any Vix Affiliate shall not license to any third parties other than our Group and BII ERG in the Greater China region, the licensed technology as licensed under the Licensing Agreements.

BII ERG has given an irrevocable undertaking in favour of our Group that, so long as our Shares remain listed on the Stock Exchange, BII ERG or its subsidiaries, shall not (i) directly or indirectly, by any association, partnership, cooperation, joint venture or other contractual relationship participate in business which will or may compete with our Group's business of application solutions are used at the network level of a public transport system; and (ii) directly or indirectly hold shares of any company or enterprise located at anywhere in the world the business of which will or may compete with the business of ERG BJ or our Group directly or indirectly. Further, BII ERG also undertakes to grant our Group a first right of refusal in the event BII ERG receives enquiries in respect of all actual or potential business opportunity in relation to any network level or line level business in the PRC, BII ERG shall inform our Group and provide us with sufficient information. BII ERG shall only participate in the business opportunity upon confirmation from our Group that our Group will not bid, provide or participate in such business opportunity.

For the above purpose:

- (A) the "Relevant Period" means the period commencing from the [●] and shall expire on the earliest of the dates below upon serving a written notice of termination by any party:
 - (i) the date on which our Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange; or
 - (ii) our Group ceases to engage in the Business (as defined below); or
 - (iii) the date upon which Vix Transportation or any Vix Affiliate ceases to have 10% or more of the shareholding interest in the Company and the representative of the Vix Group ceases to be director of the Company or its Subsidiaries, and the obligations of the Vix Group under the Vix Undertaking shall be deemed discharged;
- (B) the "Business" means any activity consisting of or relating to the design and implementation of application solutions and provision of technical and maintenance services for the networking and centralised controlling functions of public transport systems in the Greater China region (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement) from time to time our Group engages;
- (C) the "Exempted Business" means:
 - (a) Vix Transportation or a Vix Affiliate taking a passive interest in a company of less than 12.5% equity interest, by way of debt, equity or otherwise, in companies or businesses that compete in the area of auto fare collection hardware and software;

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- (b) the fields of telecommunications and real-time passenger information systems that Vix Transportation or a Vix Affiliate is engaged in, or industries other than passenger auto fare collection hardware and software.

The Vix Undertaking applies to our Group's Business in the Greater China region. Our Group is currently not engaged in the fields of telecommunications and real-time passenger information systems that Vix Transportation or a Vix Affiliate is engaged in.

The Vix Undertaking, however, does not prevent the Vix Group or a Vix Affiliate from (i) taking a passive interest meaning an equity interest in a company of less than 12.5% by way of debt, equity or otherwise, in companies or businesses that compete in the area of auto fare collection hardware and software and no representation on the board of directors in such company or business; and (ii) engaging in the fields of telecommunications, real-time passenger information systems that Vix Transportation or a Vix affiliate is engaged in, or industries other than passenger auto fare collection hardware and software. Further, in circumstances where our Company does not, or where the Vix Group believes that our Company has not and will not after making reasonable inquiry, bid for or provide a proposal for an opportunity pertaining to the scope in the area of passenger auto fare collection, the Vix Group or a Vix Affiliate is entitled to prove a bid or proposal for such opportunity. Our Board will decide whether our Group will bid or not bid for any business opportunity and/or transactions. The interested Director(s) will abstain from voting and the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. The basis of such decisions made at the relevant meeting of our Board shall be disclosed in the interim and annual reports in accordance with corporate governance measures.

NON-COMPETITION UNDERTAKINGS

Each of our Controlling Shareholders has confirmed that none of them is engaged in, or interested in any business (other than our Group) which, directly or indirectly, competes or may compete with the Business (as defined below) of our Group. To protect our Group from any potential competition, our Controlling Shareholders ("**Covenantors**") have given an irrevocable Non-competition undertaking ("**Non-competition Undertaking**") in favour of our Group on [●] pursuant to which each of our Controlling Shareholders has, among other matters, irrevocably and unconditionally undertaken with our Group on a joint and several basis that each of our Controlling Shareholders shall, and shall procure that their respective associates and/or companies controlled by him/her/it (other than our Group) shall, without the prior written consent of independent shareholders of the Company, directly or indirectly do any of the following:

- (i) not, directly or indirectly, carry on, invest in or be engaged in any business which will or may compete with the Business (as defined below) currently and from time to time engaged by our Group;
- (ii) not, at any time, induce or attempt to induce any director, manager or employee of our Group to terminate his or her employment with our Group for employment by them or their respective associates, whether or not such act of that person would constitute a breach of that person's contract of employment;
- (iii) not solicit any existing or then existing employee of our Group for employment by them or their respective associates (excluding our Group); and

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- (iv) not, without the consent from our Company, make use of any information pertaining to the Business (as defined below) of our Group which may have come to their knowledge in their capacity as the Controlling Shareholders and/or Directors for the purpose of competing with Business (as defined below).

Each of our Controlling Shareholders also irrevocably undertakes to our Group that he/she/it will refer all enquiries and actual or potential business opportunities in relation to the Business (as defined below) received by him/her/it and/or companies under his Control (as defined below) and he/she/it will provide or procure the companies under his/her/its control to provide sufficient information to enable our Company or the relevant member of our Group to reach an informed view and assessment on such business opportunities. Our Board will decide whether our Group will bid or not bid for any business opportunity and/or transactions. The interested Director(s) will abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. The basis of such decisions made at the relevant meeting of our Board shall be disclosed in the interim and annual reports in accordance with corporate governance measures.

For the above purpose:

- (A) The Deed of Non-competition shall remain effective until (a) its expiry on the date upon which the aggregate shareholding of the Covenantors and their associates in our Company is less than [30]% of the entire issued share capital of our Company and the Covenantors and their associates together is no longer regarded as a controlling shareholder (as defined in the [●]) of our Company, and the obligations of each of the Covenantors under the Non-competition Undertaking shall be deemed discharged; or (b) otherwise terminated upon occurrence of any of the following events:
 - (i) the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange; or
 - (ii) the principal business of our Group ceases to be the Business (as defined below).
- (B) the "Business" means any activity consisting of or relating to the design and implementation of application solutions for the networking and centralised controlling functions of public transport systems as described in this document (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement) from time to time our Group engages.
- (C) "Control" means the power of a person to secure:
 - (i) by means of the holding of shares or other securities or the possession of voting power in or in relation to the relevant body corporate or any other body corporate; or
 - (ii) by virtue of any powers conferred by the laws, memorandum and articles of association or other constitution document regulating the relevant body corporate or any other body corporate that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of such person.

The Non-competition Undertaking applies to our Group's Business.

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CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the conflict of interests arising from the competing business and to safeguard the interests of our Shareholders, including:

- (a) review by our independent non-executive Directors on an annual basis on the compliance with the Non-competition Undertaking by our Controlling Shareholders, the options, the pre-emptive rights or first rights of refusals provided by our Controlling Shareholders on their existing or future competing businesses;
- (b) undertakings by our Controlling Shareholders that they will provide to us all information necessary for the enforcement of the Non-competition Undertaking, and confirm to us on an annual basis as to whether he or she or it has complied with the above Non-competition Undertakings;
- (c) disclosure by us on decisions on matters reviewed by our independent non-executive Directors relating to the compliance and enforcement of the Non-competition Undertaking in our annual report; and
- (d) our Controlling Shareholders making an annual statement on compliance with the Non-competition Undertaking in our annual report, including the disclosure on how the Non-competition Undertaking was complied with and enforced, which is consistent with the principles of making voluntary disclosure in the corporate governance report of the annual report.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Save as the proposed transactions with our Company's connected persons as disclosed in the section headed "[●]" in this document, our Directors do not expect that there will be any significant transactions between our Controlling Shareholders and us upon the [●]. On this basis, we are capable of carrying on our business independent of and does not place undue reliance on our Controlling Shareholders taking into consideration the following factors:

Management independence

Our Board consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Cao, our Chief Executive Officer and executive Director, and Ms. Wang are our Controlling Shareholders.

Each of our executive Directors has entered into a service agreement with our Company for a term of three years. Hence, each of them is committed to devote substantial amount of their time for the service of our Group. Each of our Directors is fully aware of his fiduciary duties as a Director which requires, amongst other things, that he acts for the benefit and in our best interests and does not allow any conflict between his duties as a Director and his personal interest to exist. In the event that there is a potential conflict of interests arising out of any transaction to be entered into between us and our Directors or their respective associates, the interested Director(s) will abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum.

Our management team is responsible for all the essential management functions of our Group under the overall supervision of our Board. Members of our senior management are also independent from our Controlling Shareholders and their respective associates.

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Business independence

Our operations are independent of and not connected with any of our Controlling Shareholders. Our Directors and senior management are responsible for the conduct of our business. We have established our own organisational structure made up of functional departments, each with specific areas of responsibility. We have also established a set of internal controls to facilitate the effective operation of our business. Transactions with companies controlled by our Substantial Shareholders are governed by agreements entered into in the ordinary course of our business and on normal commercial terms. Save as the Licensing Agreements disclosed in the section headed “[●]” in this document, there are no continuing connected transactions between us and any connected persons. Our Directors are satisfied that we have been operating independently from our Controlling Shareholders and Substantial Shareholders during the Track Record Period and up to the Latest Practicable Date and will continue to operate independently.

Financial independence

During the Track Record Period and up to the Latest Practicable Date, we had our own finance department and independent accounting systems. Our Directors also believe that we are able to obtain financing independent from our Controlling Shareholders and that we employ a sufficient number of dedicated financial accounting personnel responsible for the financial audit of our accounts. We maintain independent bank accounts and independent tax registration.

NON-DISPOSAL RESTRICTIONS AND UNDERTAKINGS GIVEN BY OUR CONTROLLING SHAREHOLDERS AND OUR COMPANY

Each of our Controlling Shareholders has undertaken to and covenanted with the Company, [●], [●], [●] and [●] for a period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made in this document and ending on the date which is 12 months following the [●] that:

- (a) in the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholder is made in this document and ending on the date which is six months from the [●] (“**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which it/he is shown by this document to be the beneficial owner(s);
- (b) in the period of six months commencing on the date on which the First Six-Month Period expires (“**Second Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, our Controlling Shareholders would cease to be our Controlling Shareholders of our Company, i.e. they cease to control 30% or more of the voting power at general meetings of our Company;

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- (c) in the event that he or it pledges or charges any direct or indirect interests in these Shares under Rule 13.18(1) of the [●] or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the [●], at any time during the First Six-Month Period and the Second Six-Month Period, he or it shall inform our Company thereafter, disclosing the details specified in Rule 17.43(1) to (4) of the [●]; and
- (d) having pledged or charged any interest in these Shares, he or it must inform our Company immediately in the event that he or it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of Shares affected.

The Company has undertaken to and covenanted with the [●], the [●] and the [●] that, and each of the Controlling Shareholders and the executive Directors has undertaken to and covenanted with [●], the [●] and the [●] to procure that, save with the prior written consent of the [●] (such consent not to be unreasonably withheld or delayed) or save pursuant to the [●], the grant of the [●] and the [●] upon the exercise of the [●], the grant of options under the Share Option Scheme, any Shares which may fall to be issued pursuant to the exercise of any option which have been or may be granted under the Share Option Scheme, or otherwise than by way of scrip dividend schemes or similar arrangements in accordance with the memorandum and articles of association of the Company or any consolidation, sub-division or capital reduction of the Shares, the Company will not, within six months from [●] (a) save as permitted under the [●] (including but not limited to Rule 17.29 of the [●]) and the applicable laws, issue or agree to issue any Shares or any other securities of the Company or grant or agree to grant any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for, any Shares or any other securities of the Company, and (b) purchase any Shares or any other securities of the Company.