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A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 7 January 2011. The principal place of business of our Company in Hong Kong is at Unit 4407, 44/F, COSCO Tower, 183 Queen's Road Central, Hong Kong and has been registered as a non-Hong Kong company under Part XI of the Companies Ordinance since 11 August 2011. In connection with such registration, our Company has appointed Mr. Cao Wei or Mr. Lau Kwok Fai Patrick as the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it operates subject to Cayman Islands law, and to its constitution which comprises a Memorandum of Association and the Articles. A summary of various provisions of our Company's constitution and certain relevant aspects of the Companies Law is set out in Appendix IV to this document.

2. Changes in the share capital of our Company

The authorised capital of our Company as at the date of its incorporation was US\$100 divided into 100 ordinary shares of US\$1 each, of which one fully-paid share was issued and allotted to the subscriber. On 7 January 2011, such fully-paid share was transferred to ERG Greater China at US\$1, and 99 shares, credited as fully paid, were issued and allotted to the subscriber, ERG Greater China at US\$1 each.

On 1 June 2011, written resolutions of the sole Shareholder was passed pursuant to which the authorised share capital of our Company was increased to US\$50,000 divided into 50,000 shares of US\$1 each. On 21 June 2011, 100 shares of our Company were transferred from ERG Greater China to ERG Greater China BVI at nil consideration. On 6 July 2011, our Company issued and allotted 8,481 shares, credited as fully paid, to ERG Greater China BVI.

On 6 July 2011, our Company issued and allotted 1,419 shares, credited as fully paid, to BII HK, pursuant to the subscription agreement entered into amongst BII HK, our Company and ERG Greater China in respect of the subscription of 14.19% or 20% equity interest of our Company dated 23 May 2011.

On 6 July 2011, our Company issued and allotted 698 shares, credited as fully paid, to Guotai Junan, pursuant to the subscription agreement entered into amongst Guotai Junan, our Company and ERG Greater China in respect of the subscription of 6.53% equity interest of our Company dated 31 May 2011.

On 25 November 2011, written resolutions of our Shareholders were passed to approve (i) an increase in the authorised share capital in the amount of HK\$20,000,000 by the creation of 2,000,000,000 Shares; (ii) the issue of 10,698 Shares to the then Shareholders in proportion of one Share for each share of US\$1 held; (iii) the repurchases of the existing 10,698 shares of US\$1 each at par; (iv) the diminution of the authorised but unissued share capital of our Company by the cancellation of 50,000 authorised but unissued shares of US\$1 each; and (v) following the cancellation of the shares described in (iv) above, the authorised share capital of our Company is HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each.

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Our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

4. Written resolutions of all our Shareholders passed on [●] 2012

On [●] 2012, written resolutions of all our Shareholders were passed pursuant to which our Company approved and adopted the Articles.

5. Subsidiaries

The Company's subsidiaries are referred to in the Accountants' Report, the text of which is set forth in Appendix I to this document.

The following alterations in the share capital of the Company's subsidiaries have taken place within the two years immediately preceding the date of this document.

- (a) On 11 February 2011, Great Legend was incorporated in the BVI with an authorised capital of US\$50,000 divided into 50,000 shares of US\$1 each, and 50,000 shares, credited as fully paid at par, was issued and allotted to the Company.
- (b) On 29 October 2010, Beijing City Railway was incorporated in Hong Kong with an authorised capital of HK\$10,000 divided into 10,000 shares of HK\$1 each. At the time of incorporation, Beijing City Railway allotted and issued, credited as fully paid at par, one share of HK\$1 in its share capital to Acota Services Limited. On 26 November 2010, Acota Services Limited transferred its one share to Mr. Cao for a consideration of HK\$1. On 25 March 2011, Mr. Cao transferred his one share to Great Legend for a consideration of HK\$1. On the same day, Beijing City Railway allotted and issued and credited as fully paid at par, 9,999 shares of HK\$1 each in its share capital to Great Legend.
- (c) On 17 July 1984, ERG HK was incorporated in Hong Kong with an authorised capital of HK\$10,000 divided into 1,000 ordinary shares of HK\$10 each. As at the commencement of the Track Record Period, Swan Nominees Limited was issued and allotted and credited as fully paid at par, 1 share of HK\$10 in the share capital of ERG HK, to be held on trust for Vix Holdings. On the same day, Vix Holdings was issued and allotted and credited as fully paid at par, 999 shares of HK\$10 each in the share capital of ERG HK. On 16 November 2009, Swan Nominees Limited transferred its one share to Vix Technology for a consideration of HK\$10. On the same day, Vix Holdings transferred its 999 shares to Vix Technology for a consideration of HK\$25,234,487.85. On 30 March 2010, Vix Technology transferred its 1,000 shares to ERG Greater China for a consideration of HK\$4,000,000. On 27 June 2011, ERG Greater China transferred its 1,000 shares to Beijing City Railway at nil consideration.
- (d) On 1 September 2006, ERG BJ was established in the PRC with a registered capital of RMB10,000,000. The registered capital of ERG BJ was increased to RMB12,550,000 in March 2009. As at the commencement of the Track Record Period, ERG Greater China held 100% of the equity interest in ERG BJ. On 11 May 2011, ERG Greater China transferred its 100% equity interest to Beijing City Railway.

Save as set out in this paragraph, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this document.

6. Reorganisation

Certain steps have been completed for the purpose of our Reorganisation. A detailed description of such steps and the shareholding and corporate structure of the Group are set forth in the section headed "Reorganisation" in this document.

7. Repurchase by our Company of its own securities

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B. SHARE OPTION SCHEME

Summary of the terms of the Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme approved and adopted pursuant to the written resolutions of all our Shareholders passed on [8 December] 2011. The following summary does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide our Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined in paragraph 2 below) and for such other purposes as the Board may approve from time to time.

2. Who may join

The Board may, at its discretion, invite:

- (a) any employee or proposed employee (whether full-time or part-time) of any member of the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity");
- (b) any executive or non-executive director including independent non-executive directors or any employees (whether full-time or part-time) of any member of our Group or any Invested Entity; and
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any shareholder of any member of the Group or any Invested Entity; or

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- (f) any other group or classes of participants from time to time determined by the Directors as having contributed or may contribute by way of joint ventures, business alliances or other business arrangements to the development and growth of our Group,

(together, the "Participants" and each a "Participant"), to take up options ("Share Options") to subscribe for Shares at a price determined in accordance with paragraph 6 below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

3. Conditions

The Share Option Scheme is conditional upon [●].

As at the date of this document, no Share Option has been granted or agreed to be granted by our Company under the Share Option Scheme.

4. Duration and Administration

- (a) Subject to the fulfilment of the conditions in paragraph 3 above and the alteration of the Share Option Scheme in paragraph 14, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from [●], after which period no further Share Options will be issued but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect, and Share Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.
- (b) The Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Share Option Scheme) shall be final and binding on all parties.
- (c) Subject to compliance with the requirements of [●] and the provisions of the Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Share Option Scheme; (ii) to determine the persons who will be awarded Share Options under the Share Option Scheme and the number of Shares to be issued under the Share Option; (iii) to determine the price per Share at which a Grantee (as defined below) may subscribe for Shares on the exercise of a Share Option (the "Subscription Price"); (iv) to make such appropriate and equitable adjustments to the terms of Share Options granted under the Share Option Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Share Option Scheme.

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5. *Grant of Share Options*

- (a) On and subject to the terms of the Share Option Scheme, the Board shall be entitled at any time, within 10 years commencing from [●] to make an offer of the grant of a Share Option by the Board (the "Offer") to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine (subject to paragraphs 9 and 10) at the Subscription Price. In determining the basis of eligibility of each Participant, the Board would mainly take into account the experience of the Participant in our Group's business, the length of service of the Participant has exerted and made towards the success of our Group and/or the amount of potential efforts and contributions the Participant is likely to be able to give or make towards the success of our Group in the future.
- (c) An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine (the "Offer Letter") specifying the number of Shares under the Share Option and the Share Option Period and requiring the Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An Offer must be made on a business day and shall remain open for acceptance by the Participant to whom an Offer is made for a period (the "Acceptance Period") from the date on which an Offer is made (the "Offer Date") to such date as the Board may determine and specify in the Offer Letter (both days inclusive), provided that no such Offer shall be open for acceptance after the expiry of ten (10) years commencing from [●] or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.
- (d) A Grantee shall not be required to hold the Share Option for a minimum period or to achieve, meet or exceed any performance targets before that particular Grantee can exercise the Share Option granted. However, when granting Offer to any Participant, the Board may, among other terms, impose such terms in relation to the minimum period of the relevant Share Option to be held and/or the performance targets to be achieved before the exercise of such relevant Share Option, as the Board may determine in its absolute discretion.
- (e) A Share Option shall be deemed to have been accepted by any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Share Option in consequence of the death of the original Participant (the "Grantee") and the Share Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter (as defined in sub-paragraph 5.3 above) comprising acceptance of the Share Option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the granting thereof is received by our Company within the period as stipulated in sub-paragraph 5(c) above. Such remittance shall in no circumstances be refundable.

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- (f) Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by our Company as mentioned in sub-paragraph 5(d) above. To the extent that the Offer is not accepted within the Acceptance Period, it will be deemed to have been irrevocably declined.
- (g) Subject to the provisions of the Share Option Scheme and the [●], the Board may when making the Offer impose any conditions, restrictions or limitations in relation to the Share Option as it may at its absolute discretion think fit.

6. *Subscription Price*

Subject to any adjustments made pursuant to paragraph 11 below, the Subscription Price in respect of each Share issued pursuant to the exercise of the Share Options granted hereunder shall be a price solely determined by the Board at the time of the grant of the relevant Share Option and notified to a Participant and shall be at least the highest of:

- (a) [●]
- (b) [●]; and
- (c) the nominal value of a Share.

Without prejudice to the generality of the foregoing, the Board may grant Share Options in respect of which the Subscription Price is fixed at different prices for certain periods during the Option Period.

7. *Exercise of Share Options*

- (a) A Share Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (whether legal or beneficial) in favour of any third party over or in relation to any Share Option or enter into agreement to do so. Any breach of the foregoing of a Grantee shall render all outstanding Share Options of such Grantee automatically cancelled on the date which the Grantee commits the foregoing breach.
- (b) Unless otherwise determined by the Board and specified in the Offer Letter (as defined in sub-paragraph 5(c) above) at the time of the Offer, there is neither any performance targets that need to be achieved by the Grantee before a Share Option can be exercised nor any minimum period for which a Share Option must be held before the Share Option can be exercised. A Share Option may be exercised in whole or in part in the manner as set out in the Offer Letter, this sub-paragraph and sub-paragraph 7(c) below by the Grantee (or his personal representative(s)) giving notice in writing to our Company stating that the Share Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must

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be accompanied by a remittance for the full amount of the total Subscription Price for the Shares in respect of which the notice is given. Subject to paragraph 12, within 28 days after receipt of the notice and the remittances and where appropriate, receipt of the auditors for the time being of the [Company's certificate] pursuant to paragraph 11 below, our Company shall allot the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and issue to the Grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.

- (c) Subject to paragraph 3 and as hereinafter provided and subject to the terms and conditions upon which such Share Option was granted, a Share Option may be exercised by the Grantee at any time during the a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which a Share Option may be exercised and in any event, such period shall not be longer than 10 years from the Offer Date ("Option Period") provided that:
 - (i) in the event of the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, appointment or engagement on one or more of the grounds specified in sub-paragraph 8(e) below, the Share Option granted to such grantee shall lapse on the date of cessation (to the extent which has become exercisable and has not already been exercised) and will not be exercisable unless the Board otherwise determines to grant an extension at the discretion of the Board in which event the Grantee may exercise the Share Option in accordance with the provisions of paragraph 7(b) within such period of extension and up to a maximum entitlement directed at the discretion of the Board on the date of grant of extension (to the extent that it has not already been exercised and subject to other terms and conditions decided at the discretion of the Board). For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the expiration of the period of one month following the date on which the Grantee ceases to be a Participant, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director of, as consultant, professional or other advisers to the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the relevant company shall be conclusive;
 - (ii) in the event the Grantee dies before exercising the Share Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, appointment or engagement under sub-paragraph 8.5 below arises, the personal representative(s) of the Grantee shall be entitled within a period of 6 months or such longer period as the Board may determine from the date of death, to exercise the Share Option up to the entitlement of such Grantee at the date of death (to the extent which has become exercisable and has not already been exercised) or, if appropriate, make an election pursuant to sub-paragraphs 7(c)(iii), (iv) or (v) below;

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- (iii) if a general offer by way of take-over (other than by way of scheme of arrangement pursuant to sub-paragraph 7(c)(iv) below) is made to all the holders of 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 (the "Dissenting Shareholders")) and if such offer becomes or is declared unconditional and the offeror is entitled to and does give notice pursuant to the Companies Law to acquire Shares held by the Dissenting Shareholders prior to the expiry of the relevant Option Period, the Grantee (or his personal representative(s)) may by notice in writing to our Company within 21 days of the notice of the offeror exercise the Share Option (to the extent which has become exercisable on the date of the notice of the offeror and not already exercised) to its full extent or to the extent specified in such notice;

- (iv) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by our Company, after which it shall lapse) exercise the Share Option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice;

- (v) other than a general offer or a scheme of arrangement contemplated in sub-paragraphs (iii) and (iv), if a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the Court, exercise any of his Share Options (to the extent which has become exercisable and has not already been exercised) whether in full or in part, but the exercise of a Share 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 Share Options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Share Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and

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(vi) in the event of a notice is given by our Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it dispatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees. The Grantees (or their legal personal representative(s)) may subject to the provisions of all applicable laws, by notice in writing to our Company (such notice to be received by our Company not later than 2 business days prior to the proposed general meeting) exercise the Share Option (to the extent that it has become exercisable and has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(d) [●]

(e) The Shares to be allotted and issued upon the exercise of a Share Option will be subject to all the provisions of the Memorandum of Association and the Articles of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of particular Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the day when the name of Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

8. *Lapse of Share Options*

A Share Option shall lapse automatically and not be exercisable (to the extent that it has not already been exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in the above sub-paragraphs 7(c)(i),(ii) or (iii), where applicable;
- (c) subject to the scheme of arrangement as referred to in sub-paragraph 7(c)(iv) becoming effective, the expiry of the period referred to in the above sub-paragraph 7(c)(iv);
- (d) subject to the compromise or arrangement referred to in sub-paragraph 7.3(e) becoming effective, the expiry of the period referred to in sub-paragraph 7.3(e);

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- (e) subject to the expiry of the period of extension (if any) referred to in sub-paragraph 7(c)(i), the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, appointment or engagement on one or more of the following grounds, namely, that he has been guilty of misconduct or has been in breach of material term of the relevant employment contract or service contract, or has stopped payment to creditors generally or been unable to pay his debts within the meaning of any applicable legislation relating to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served with a petition for bankruptcy, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of the relevant subsidiary, as the case may be) on any other ground on which any employer or any engaging party would be entitled to terminate his employment, directorship, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment contract or service contract with our Company or the relevant subsidiary (as the case may be). A resolution of the board of directors or governing body of the relevant company or Substantial Shareholder of our Company (as the case may be) to the effect that the employment, directorship, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8.5 shall be conclusive;
- (f) the close of 2 business days prior to the general meeting of our Company held for the purpose of approving the voluntary winding-up of our Company or the date of the commencement of the winding-up of our Company;
- (g) the date on which the Grantee commits a breach of sub-paragraph 7.1 above;
- (h) the date on which the Share Option is cancelled by the Board as provided in paragraph 15 below; or
- (i) the non-fulfilment of any condition referred to in paragraph 3 on or before the date stated therein.

Our Company shall owe no liability to any Grantee for the lapse of any Share Option under this paragraph 8.

9. *Maximum number of shares available for subscription*

- (a) Subject to sub-paragraph (b) below:
 - (i) The total number of Shares, which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of our Company shall not in aggregate exceed 10% of the total number of Shares on the [●] ("Scheme Mandate Limit"), unless our Company obtains an approval from its shareholders pursuant to sub-paragraph 9(a)(ii) below. The Share Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit.

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- (ii) Subject to sub-paragraph 9(a)(i) above, our Company may seek approval of its shareholders in general meeting for refreshing the Scheme Mandate Limit set out in sub-paragraph 9(a)(i) above such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh the Scheme Mandate Limit ("Refreshed Scheme Mandate Limit"). Share Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit. In such a case, our Company must send a circular to its shareholders containing the information and disclaimer as required under [●].

- (iii) Subject to sub-paragraph 9(a)(i) above, our Company may seek separate approval by its shareholders in general meeting for granting Share Options beyond the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit (as the case may be) provided the Share Options in excess of the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit are granted only to Participants specifically identified by our Company before such approval is sought. In such a case, our Company shall send a circular to its shareholders containing, among other terms, a generic description of the specified Participant(s) who may be granted such Share Options, the number of Shares subject to the Share Options to be granted, the terms of the Share Options to be granted, the purpose of granting Share Options to the specified Participant(s), an explanation as to how these Share Options serve such purpose and such other information as required under [●].

- (b) Notwithstanding any provision in paragraph 9(a) above and subject to paragraph 11, the limit on the number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of the Shares in issue from time to time ("Overall Scheme Limit"). No share options may be granted under the Share Option Scheme and any other share option schemes of our Company if this will result in the Overall Scheme Limit being exceeded.

10. Maximum entitlement of Shares of each Participant

- (a) (i) Subject to sub-paragraphs 10(a)(ii) below, the total number of Shares issued and to be issued upon exercise of the Share Options granted to each Participant (including both exercised and outstanding Share Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

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- (ii) Notwithstanding sub-paragraph 10(a)(i), where any further grant of Share Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of our Company (including exercised, cancelled and outstanding Share Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the shareholders of our Company in general meeting with such Participant and his associates abstaining from voting. The number and terms of the Share Options to be granted to such Participant shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price. In such a case, our Company shall send a circular to its shareholders containing, among other terms, the identity of such Participant, the number and the terms of the Share Options to be granted (and options previously granted to such Participant) and such other information as required under the [●].

- (iii) In addition to the above paragraph 9 and sub-paragraphs 10(a)(i) and 10(a)(ii), any grant of Share Options to a Participant who is a director, chief executive or Substantial Shareholder of our Company or their respective associates must be approved by the independent non-executive directors of our Company (excluding independent non-executive director who is a Grantee).

- (iv) In addition to the above paragraph 9 and sub-paragraphs 10(a)(i) and 10(a)(ii), where the Board proposes to grant any Share Option to a Participant who is a Substantial Shareholder or an independent non-executive director of our Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the proposed Offer Date of such grant (the "Relevant Date"):
 - (aa) representing in aggregate more than 0.1% of the total number of Shares in issue on the Relevant Date; and

 - (bb) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Relevant Date in excess of HK\$5,000,000, such proposed grant of Share Options must be approved by the shareholders of our Company in general meeting. In such a case, our Company shall send a circular to its shareholders containing all those terms as required under the [●]. The Participants concerned and all connected persons (as defined in the [●]) of our Company must abstain from voting in favour of the resolution at such general meeting and/or such other requirements prescribed under the [●] from time to time. Any vote taken at the meeting to approve the grant of such Share Options must be taken on a poll.

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The Participant and all other connected persons of our Company may vote against the resolution at the general meeting provided that such intention to do so has been stated in the circular. Any such party may change his mind as to whether to abstain or vote against the resolution, in which case our Company shall, if it becomes aware of the change before the date of the general meeting, immediately despatch a circular to the shareholders of our Company or publish an announcement notifying the shareholders of our Company of the change and, if known, the reason for such change. Where the circular is despatched or the announcement is published less than 14 days before the date originally scheduled for the general meeting, the meeting shall be adjourned before considering the relevant meeting, the meeting shall be adjourned before considering the relevant resolution to a date that is at least 14 days from the date of despatch of the circular or publication of the announcement by the chairman.

- (b) Subject to the above sub-paragraphs 9(a), 9(b) and 10(a), in the event of any alteration in the capital structure of our Company whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of our Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in the above sub-paragraphs 9(a), 9(b) and 10(a) will be adjusted in such manner as an independent financial adviser or the auditors for the time being of our Company (acting as experts and not as arbitrators) shall confirm to the directors of our Company in writing to be fair and reasonable.

11. Reorganisation of capital structure

In the event of any alteration in the capital structure of our Company whilst any Share Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision, consolidation, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange excluding any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in respect of a transaction to which our Company is a party at any time after the date on which dealings in the Shares first commence on the Stock Exchange, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Share Option so far as unexercised; and/or
- (ii) the Subscription Price;

as an independent financial adviser or the auditors for the time being of our Company shall at the request of the Board certify in writing to the directors of our Company, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the [●] and the notes thereto and any interpretation and/or guidance on that Rule and the notes issued by the Stock Exchange from time to time and shall give a Grantee as nearly as possible the same proportion of the issued share capital of our Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and/or to the advantage in

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respect of the Grantee without specific prior shareholders' approval. The capacity of the independent financial adviser or the auditors for the time being of our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the Grantees. The costs of the independent financial adviser or the auditors for the time being of our Company shall be given to the Grantee by our Company.

12. Share capital

The exercise of any Share Option shall be subject to the shareholders of our Company in a general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of our Company to meet subsisting requirements on the exercise of Share Options.

13. Alteration of the Share Option Scheme

- (a) The provisions of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme as to:
 - (i) the definitions of "Grantee", "Option Period" and "Participant" in sub-paragraphs 2(f), 5(d) and 7(c);
 - (ii) the provisions of the above paragraphs and sub-paragraphs 4(a), 5(a), 5(b), 5(c), 6, 7, 8, 9, 10, 11 and this paragraph 14; and
 - (iii) all such other matters set out in Rule 17.03 of the [●],

shall not be altered to the advantage of the Participants except with the prior approval of our Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Grantees as would be required of our Shareholders under the Articles for the time being for a variation of the rights attached to the Shares.

- (b) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the Share Options granted must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (c) The amended terms of the Share Option Scheme or the Share Options must still comply with the relevant requirements of Chapter 23 of the [●] and the guidelines issued by the Stock Exchange from time to time.
- (d) Any change to the authority of the directors of our Company or scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting.

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14. Cancellation of the Share Options granted

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Share Option granted but not exercised. Where our Company cancels Share Options and makes an Offer of the grant of new Share Options to the same Share Option holder, the Offer of the grant of such new Share Options may only be made, under the Share Option Scheme with available Share Options (to the extent not yet granted and excluding the cancelled Share Options) within the limit approved by the shareholders of our Company as mentioned in the above paragraph 9.

15. Termination of the Share Option Scheme

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Share Options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

C. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business of our Group) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) the instrument of transfer together with the relevant bought and sold notes both dated 26 November 2010 signed by Acota Services Limited and Mr. Cao in relation to the transfer of 1 share in Beijing City Railway from Acota Services Limited to Mr. Cao at a consideration of HK\$1.00;
- (b) the instrument of transfer together with the relevant bought and sold notes both dated 1 March 2011 signed by Mr. Cao and Great Legend in relation to the transfer of 1 share in Beijing City Railway from Mr. Cao to Great Legend at a consideration of HK\$1.00;
- (c) the sale and purchase agreement between ERG Greater China and Beijing City Railway dated 22 March 2011 signed by ERG Greater China and Beijing City Railway in relation to the transfer of the entire equity interest in ERG BJ from ERG Greater China to Beijing City Railway at nil consideration;
- (d) the shareholder's agreement between Vix East Asia, More Legend, Landcity and ERG Greater China BVI dated 16 June 2011 in relation to the management and operations of ERG Greater China BVI;
- (e) the termination agreement between Vix Holdings, BETIT Australia and ERG Greater China dated 16 June 2011 in relation to the termination of the Joint Venture Agreement, governing the establishment and management of ERG Greater China;
- (f) the sale and purchase agreement between ERG Greater China and ERG Greater China BVI dated 21 June 2011 signed by ERG Greater China and ERG Greater China BVI in relation to the transfer of the entire equity interest in the Company at nil consideration;

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- (g) the instrument of transfer together with the relevant bought and sold notes both dated 16 November 2009 signed by Vix Holdings and Vix Technology in relation to the transfer of 999 shares in ERG HK from Vix Holdings to Vix Technology at a consideration of HK\$25,234,487.85;
- (h) the instrument of transfer dated 16 November 2009 signed by Swan Nominees Limited and Vix Technology in relation to the transfer of 1 share in ERG HK from Swan Nominees Limited to Vix Technology at nil consideration;
- (i) the instrument of transfer together with the relevant bought and sold notes both dated 30 March 2010 signed by Vix Technology and ERG Greater China in relation to the transfer of the entire equity interest in ERG HK from Vix Technology to ERG Greater China at a consideration of HK\$4,000,000;
- (j) the instrument of transfer dated 27 June 2011 signed by ERG Greater China and Beijing City Railway in relation to the transfer of the entire equity interest in ERG HK from ERG Greater China to Beijing City Railway at nil consideration;
- (k) the subscription agreement amongst BII HK, ERG Greater China BVI and the Company dated 23 May 2011 in respect of the sale of 14.19% equity interest in the Company at a consideration of HK\$19,511,300;
- (l) the supplemental subscription agreement amongst BII HK, ERG Greater China BVI and the Company dated 6 July 2011 in respect of the sale of 14.19% equity interest in the Company;
- (m) the side letter amongst BII HK, ERG Greater China BVI and the Company dated 6 July 2011;
- (n) the subscription agreement amongst Guotai Junan, ERG Greater China BVI and the Company dated 31 May 2011 in respect of the sale of 6.53% equity interest in the Company at a consideration of HK\$22,855,000;
- (o) the agreement relating to the management and operation of the Company signed amongst ERG Greater China BVI, Guotai Junan, BII HK, the Company, More Legend, Great Legend, Beijing City Railway, ERG HK, ERG BJ and BII ERG dated 6 July 2011;
- (p) the equity pledge agreement amongst BII HK, Beijing City Railway and ERG BJ dated 6 July 2011 in respect of the pledge of 70% equity interest in the registered capital of ERG BJ held by Beijing City Railway to BII HK;
- (q) the supplemental equity pledge agreement amongst BII HK, Beijing City Railway and ERG BJ dated 6 July 2011 in respect of the pledge of 44% equity interest in the registered capital of BII ERG held by ERG BJ to BII HK;
- (r) the entrustment agreement amongst Beijing City Railway, BII HK and the Company dated 6 July 2011 in respect of the entrustment of HK\$8 million by the Company to BII HK;

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- (s) supplemental subscription agreement amongst BII HK, More Legend Limited and the Company dated 31 October 2011 in respect of the sale of 14.19% equity interest in the Company;
- (t) supplemental subscription agreement amongst Guotai Junan, More Legend Limited and the Company dated 31 October 2011 in respect of the sale 6.53% equity interest in the Company;
- (u) the entrustment agreement amongst Beijing City Railway, BII HK and the Company dated 23 December 2011 in respect of the entrustment of HK\$19,151,300 by the Company to BII HK;
- (v) [●]
- (w) the Deed of Indemnity dated [●] 2011 and executed by ERG Greater China BVI, More Legend, Mr. Cao and Ms. Wang in favour of our Company, under which ERG Greater China BVI, More Legend, Mr. Cao and Ms. Wang have given certain indemnities in favour of our Group containing the indemnities referred to in the section headed “Other Information – Estate duty and tax indemnity” in this Appendix V;
- (x) [the Deed of Non-competition dated [●] 2010 and executed by ERG Greater China BVI, More Legend, Mr. Cao and Ms. Wang, as our Controlling Shareholders, in favour of our Company, particulars of which are set out in the paragraph headed “Non-competition Undertaking” in the section headed “Relationship with ERG Greater China BVI and the Vix Group”] in this document;
- (y) the Deed of Non-competition dated [●] executed by Vix Transportation in favour of our Company, particulars of which are set out in the paragraph headed “Vix Group’s Non-competition Undertaking” in the section headed “Relationship with ERG Greater China BVI and the Vix Group” in this document; and
- (z) the Deed of Non-competition dated [●] executed by BII ERG in favour of our Company, particulars of which are set out in the paragraph headed “Competition” in the section headed “Business” this document.

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D. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Interest in suppliers and customers of our Group

As at the Latest Practicable Date, so far as our Directors were aware, no Director or their respective associates or shareholder (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company had any interest in the five largest suppliers or customers of our Group.

2. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in note 20 of section C of the Accountants' Report set out in Appendix I.

E. OTHER INFORMATION

1. Estate duty and tax indemnity

ERG Greater China BVI, More Legend, Mr. Cao and Ms. Wang (the "Indemnifiers") have pursuant to the Deed of Indemnity, given indemnities on a joint and several basis in favour of our Company (for itself and as trustee as its subsidiaries) in connection with, among others, any taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or alleged to have been earned, accrued or received on or before the date on which the [●] becomes unconditional (the "Effective Date").

The Indemnifiers will however, not be liable under the Deed of Indemnity for taxation where:

- (a) to the extent (if any) to which provision or allowance has been made for such taxation liabilities and claims in the audited combined accounts of the members of our Group for the Track Record Period (the "Accounts");
- (b) to such taxation liabilities and claims falling on any of the members of our Group in respect of their current accounting periods or any accounting period commencing on or after [1 December] [2012] unless liability for such taxation liabilities and claims would not have arisen but for some act or omission of, or transaction voluntarily effected by, any of the members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) with the prior written consent or agreement or acquiescence of the Indemnifiers other than any such act, omission or transaction (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after [30 November 2011] or (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before [30 November 2011] or pursuant to any statement of intention made in this document; or

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- (c) to the extent of any provision or reserve made for such taxation liabilities and claims in the Accounts which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability in respect of such taxation liabilities and claims shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to this paragraph to reduce the Indemnifiers' liability in respect of such taxation liabilities and claims shall not be available in respect of any such liability arising thereafter and for the avoidance of doubt, such over-provision or excess reserve shall only be applied to reduce the liability of the Indemnifiers under the Deed of Indemnity and none of the members of our Group shall in any circumstances be liable to pay the Indemnifiers any such excess; or
- (d) to the extent that any taxation liabilities and claims arises or is incurred as a result of the imposition of such taxation liabilities and claims as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the Effective Date or to the extent that such taxation liabilities and claims arises and is increased by an increase in rates of such taxation liabilities and claims after the Effective Date with retrospective effect.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries under the laws of the Cayman Islands, the BVI, Hong Kong or the PRC, being jurisdictions in which one or more of the companies comprising our Group are incorporated.

2. Litigation

Save as disclosed in the paragraph headed "Legal proceedings" in the section headed "Business" in this document, no member of our Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.

4. Preliminary expenses

[●]

5. Promoter

Our Company has no promoter. Save as disclosed in this document, within the two years preceding the date of this document, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the [●] or the related transactions described in this document.

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11. Miscellaneous

Save as disclosed in this document:

- (a) [within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of its subsidiaries;]
- (b) [no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued;]
- (c) [no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;]
- (e) no company within our Group is presently listed on any stock exchange or traded on any trading system; and

12. Bilingual document

The English language and Chinese language versions of this document are being published separately.