The following is a brief summary of the key laws and regulations in Singapore, the PRC and Hong Kong that currently may materially affect the Group and its operations. The principal objective of this summary is to provide potential [REDACTED] with an overview of the key laws and regulations applicable to the Group. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential [REDACTED]. [REDACTED] should note that the following summary is based on the laws and regulations in force as at the date of this document, which may be subject to change.

A. SINGAPORE REGULATORY OVERVIEW

Overview of Laws and Regulations in Singapore

The section summarises the principal laws, rules and regulations in Singapore that are relevant to our business.

Laws and regulations relating to motor vehicles

Road Traffic Act and Parking Places Act

The Road Traffic Act 1961 of Singapore ("**RTA**") sets out regulations relating to road traffic and other regulations concerning the use of vehicles and the user of roads. Section 10 of the RTA provides that, except as otherwise provided by the RTA and the rules made under the RTA, no person shall keep or use a vehicle unless it has been registered under the RTA and its registration under the RTA has not been cancelled.

Section 10B of the RTA provides that no heavy vehicle shall be registered under the RTA unless the person applying for the registration of the heavy vehicle satisfies the Registrar of Vehicles that a vehicle parking certificate or any other document in respect of the parking of the heavy vehicle for the period for which the heavy vehicle is to be licensed has been issued by the relevant authority to that person under the Parking Places Act 1974 of Singapore ("**Parking Places Act**").

A "heavy vehicle" is defined under Section 2 of the Parking Places Act as:

(a) any heavy goods vehicle or concrete mixer, the maximum laden weight of which exceeds 5,000 kilograms;

(b) any bus with a seating capacity of more than 15 persons, not inclusive of the driver;

(c) any trailer, container trailer, low loader or flat-bed trailer, the maximum laden weight of which exceeds 5,000 kilograms; and

(d) any mobile crane or recovery vehicle, the unladen weight of which exceeds 2,500 kilograms.

Regulation 4 of the Parking Places (Parking of Heavy Vehicles) Rules ("**PPR**") of Singapore provides that every person who is the registered owner of, or who has purchased, a heavy vehicle shall:

(a) procure a designated parking space for the parking of the heavy vehicle; or

(b) if the registered owner owns or has purchased 2 or more trailers, may procure one designated parking space for the parking of not more than 3 such trailers; or

(c) if the registered owner owns or has purchased 2 or more 20-foot trailers, may procure one designated space for the parking of not more than 6 such trailers.

Regulation 4(4) of the PPR provides that, upon compliance with the foregoing (as the case may be), every person who is the registered owner of, or who has purchased, a heavy vehicle shall apply for a vehicle parking certificate in respect of the heavy vehicle.

Regulation 6 of the PPR provides that every vehicle parking certificate shall, subject to the cessation of the validity of the vehicle parking certificate under Regulation 8 of the PPR, be valid for the period for which the person to whom it is issued has procured a designated parking space for the parking of his heavy vehicle.

As at 31 May 2026 (being the latest practicable date for this information), our Group owns the following types of heavy vehicles in Singapore:

(a) 18 units of prime movers; and

(b) 22 units of 45' trailers.

Environmental Protection and Management Act

The Environmental Protection and Management Act 1999 of Singapore ("**EPMA**") sets out regulations relating to environmental pollution control to provide for the protection and management of the environment and resource conservation.

Regulation 4(2) of the Environmental Protection and Management (Vehicular Emissions) Regulations ("**EPMR**") read with the Second Schedule of the EPMR provides that every diesel driven motor vehicle (other than a motor cycle or scooter) to be registered in Singapore on or after 1 January 2024 shall conform to any of the standards for exhaust emission specified in the Second Schedule for the class of motor vehicle to which that motor vehicle belongs.

Motor Vehicles (Third-Party Risks and Compensation) Act

The Motor Vehicles (Third-Party Risks and Compensation) Act 1960 of Singapore ("**MVA**") regulates third-party risks arising out of the use of motor vehicles and for the payment of compensation in respect of death or bodily injuries arising out of the use of motor vehicles.

Section 3 of the MVA provides that it shall be unlawful for a person to use or cause or permit any other person to use a motor vehicle in Singapore unless there is in force in relation to the use of the motor vehicle by that person or that other person (as the case may be) a policy of insurance or a security in respect of third-party risks that complies with the requirements of the MVA.

Section 4(1) of the MVA provides that in order to comply with the requirements of the MVA, a policy of insurance must, subject to Section 4(4) of the MVA, be issued by an insurer who at the time the policy is issued is lawfully carrying on motor insurance business in Singapore and the policy insures such person, persons or classes of persons that may be specified in the policy in respect of any liability which may be incurred by him, her or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the motor vehicle in Singapore.

Laws and regulations relating to discharge of trade effluent

Sewerage and Drainage Act

We are required to comply with the provisions of the Sewerage and Drainage Act 1999 of Singapore ("**SDA**"), which provides that a person must not discharge, or cause or permit to be discharged, any trade effluent into any public sewerage system or any drain-line or sewer communicating with a public sewerage system except with the prior written approval of the Public Utilities Board of Singapore and in accordance with the conditions of that approval (if any) and any regulations under the SDA providing for the control of such discharge.

Laws and regulations relating to workplace safety and health

Workplace Safety and Health Act

The Workplace Safety and Health Act 2006 of Singapore ("**WSHA**") provides that it shall be the duty of every employer to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of the employer's employees at work. These measures include:

(a) providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work;

(b) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;

(c) ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things (i) in their workplace; or (ii) near their workplace and under the control of the employer;

(d) developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and

(e) ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

More specific duties imposed by the relevant regulatory body, the Ministry of Manpower of Singapore ("**MOM**"), on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations of Singapore.

Any person who breaches the above duty under the WSHA shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S$500,000, and if the contravention continues after the conviction, the body corporate shall (subject to Section 52 of the WSHA) be guilty of a further offence and shall be liable to a fine not exceeding S$5,000 for every day or part thereof during which the offence continues after conviction. For repeat offenders, where a person has on at least one (1) previous occasion been convicted of an offence under the WSHA (but not including the regulations) that causes the death of any person; and is subsequently convicted of the same offence that causes the death of another person, the court may, in addition to any imprisonment if prescribed, punish the person, in the case of a body corporate, with a fine not exceeding S$1 million and, in the case of a continuing offence, with a further fine not exceeding S$5,000 for every day or part thereof during which the offence continues after conviction.

Compliance with the Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health Duties may be used as a mitigating factor for the Court's consideration in the event of the commission of an offence under the WSHA.

The WSHA provides that if the Commissioner for Workplace Safety and Health ("**CWSH**") is satisfied that:

(a) any workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;

(b) any person has contravened any duty imposed by the WSHA; or

(c) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work,

the CWSH may serve a remedial order or a stop-work order in respect of a workplace on:

(a) any person who is in control of the workplace, or the work or process carried out in the workplace;

(b) any person whose duty under the WSHA is to ensure the safety, health and welfare of any person at work in the workplace; or

(c) any person who poses or is likely to pose a risk to the safety, health and welfare of any person at work in the workplace.

The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, among others, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

Laws and regulations relating to work injury compensation

Work Injury Compensation Act

The Work Injury Compensation Act 2019 of Singapore ("**WICA**") applies to all employees engaged under a contract of service with an employer, save for the classes of individuals not covered under the Third Schedule of the WICA. The WICA provides for the payment of compensation to employees for injury suffered arising out of and in the course of their employment and sets out, among other things, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

Generally, the WICA provides that the employer shall be liable to pay compensation in accordance with the provisions of the WICA if personal injury by accident arising out of and in the course of employment is caused to an employee, as defined in the WICA. On 1 December 2025, the WICA was updated to expand the list of occupational diseases covered in the Second Schedule of the WICA to a total of 38 diseases. Under Section 10(1) of the WICA, where the employee contracts an occupational disease listed in the Second Schedule while or after being employed in a specified occupation, and suffers incapacity or death as a result, the employer is liable to compensate the employee as if the disease were a work injury (subject to the limitation period for the occupational disease as set out in the Second Schedule of the WICA).

Pursuant to Section 24(1) of WICA read with Regulation 3 of the Work Injury Compensation (Insurance) Regulations 2020 ("**WIC(I)R**"), employers are required to maintain work injury compensation insurance for all employees, excluding the classes of employees as prescribed in the Second Schedule of the WIC(I)R. Examples of such excluded employees include employees who are employed otherwise than by way of manual labour and whose salary within the meaning of the Employment Act 1968 of Singapore received from the employer exceeds S$2,600 a month.

Laws and regulations relating to fire safety

Fire Safety Act

We must comply with the Fire Safety Act 1993 of Singapore which provides for regulations relating to fire safety and matters connected therewith, including the storage of flammable materials and substances. Our storage premises must be equipped with the necessary fire prevention measures, such as heat activated sprinklers, and have sufficient fire safety measures in place.

Laws and regulations relating to environmental protection and management

Environmental Protection and Management Act

The EPMA, as regulated by the National Environment Agency, sets out the regulations relating to environmental pollution control and the provision of protection and management of the environment and resource conservation. Section 24(1) of the EPMA provides that every person storing, using or otherwise dealing with any hazardous substance and every agent, servant or employee of such person must do so in such a manner as not to threaten the health or safety of any person, or to cause pollution of the environment. Any person who contravenes the above requirement shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S$2,000 for every day or part thereof during which the offence continues after conviction.

In addition, the Environmental Protection and Management (Hazardous Substances) Regulations (the "**EPM(HS)R**"), provides, *inter alia*, that a person shall not use, keep or have in his possession or under his control any hazardous substance specified in the Schedule of the EPM(HS)R unless he is authorised to store such hazardous substance. Any person who contravenes this provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$30,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S$1,000 for every day or part thereof during which the offence continues after conviction. A person shall be authorised to store hazardous substances where, *inter alia*, he is issued with a permit to store and use such hazardous substances. It shall not be lawful for any person to store or use any hazardous substance specified in the Schedule of the EPM(HS)R unless the storage or use of the hazardous substance is effected in accordance with the provisions of the permit and with any condition specified therein.

Laws and regulations relating to employment

Employment Act

The Employment Act 1968 of Singapore ("**EA**") sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA.

Part 4 of the EA sets out the requirements for rest days, hours of work and other conditions of service for workmen who are in receipt of a salary not exceeding S$4,500 a month and employees (other than a workman or a person employed in a managerial or an executive position) who receive salaries not exceeding S$2,600 a month. Generally, pursuant to Section 38(1) of the EA, an employee must not be required to work more than 6 consecutive hours without a period of leisure; and more than 8 hours in one day or more than 44 hours in one week, subject to certain exceptions. Section 38(8) of the EA provides that an employee must not under any circumstances work for more than 12 hours in any one day except in specified circumstances as follows: in the case of accident, actual or threatened; work, the performance of which is essential to the life of the community; work essential for defence or security; urgent work to be done to machinery or plant; or an interruption of work which it was impossible to foresee. Further, Section 38(5) of the EA provides that an employee must not be permitted to work overtime for more than 72 hours a month.

Section 41A of the EA provides that the Commissioner for Labour (the "**Commissioner**") may, after considering the operational needs of the employer and the health and safety of the employee or class of employees, by written order exempt an employee or any class of employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer must display the order or a copy thereof conspicuously in the place where the employee or class of employees are employed.

Employment of Foreign Manpower Act

The Employment of Foreign Manpower Act 1990 of Singapore ("**EFMA**") sets out the provisions relating to the employment of foreign manpower.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM, which allows the foreign employee to work for him in accordance with the conditions of the foreign employee's work pass. According to the MOM, employers can apply for a "Work Permit" to employ semi-skilled or unskilled foreign workers with a minimum qualifying salary of S$2,000 payable to Work Permit holders hired in the manufacturing and services sectors performing occupations in the non-traditional source occupation list. Employers can apply for a "S Pass" to employ foreign mid-level skilled workers, if the minimum qualifying salary is met. For renewals of S Passes expiring from 1 September 2025 to 31 August 2026, the minimum qualifying salary for all sectors except financial services is S$3,150 (increases progressively with age from age 23, up to S$4,650 at age 45 and above) and for financial services, S$3,650 (increases progressively with age from age 23, up to S$5,650 at age 45 and above). For new S Pass applications submitted from 1 September 2025 and renewals of S Passes expiring from 1 September 2026, the minimum qualifying salary will be raised to S$3,300 (increases progressively with age from age 23, up to $4,800 at age 45 and above) for all sectors except financial services, and S$3,800 (increases progressively with age from age 23, up to $5,650 at age 45 and above) for the financial services sector. The minimum qualifying salary for new S Pass applications submitted from 1 January 2027 and renewals of S Passes expiring from 1 January 2028 will be raised to S$3,600 (increases progressively with age from age 23, up to $5,100 at age 45 and above) for all sectors except financial services, and S$4,000 (increases progressively with age from age 23, up to $5,650 at age 45 and above) for the financial services sector.

Employers can apply for an "Employment Pass" to employ foreign professionals if the minimum qualifying salary is met. For new Employment Pass applications and renewals, the minimum qualifying salary is as follows: (i) for all sectors except financial services: at least S$5,600 (increases progressively with age from age 23, up to S$10,700 at age 45 and above); and (ii) for financial services sector, at least S$6,200 (increases progressively with age from age 23, up to S$11,800 at age 45 and above). The minimum qualifying salary for Employment Pass will increase to S$6,000 and S$6,600 for all sectors except financial services and for the financial services sector respectively, from 1 January 2027 for new applications and from 1 January 2028 for renewal applications.

The Fair Consideration Framework ("**FCF**") sets out requirements for all employers in Singapore to consider the workforce in Singapore fairly for job opportunities. According to the MOM, save for employers that are exempted from the advertising requirement, employers submitting Employment Pass and S Pass applications must first advertise on MyCareersFuture, an online government-initiated job portal and consider all candidates fairly. The MOM sets out certain advertising requirements, which includes the duration and accuracy of the advertisement. Failure to comply with the MOM's advertising requirements may lead to the MOM rejecting Employment Pass and S Pass applications and potential work pass application debarments.

Further, unless exempted, the Complementarity Assessment Framework ("**COMPASS**") will apply to all Employment Pass applications (i.e. both new and renewal). The COMPASS is a points-based framework that considers both individual and firm-related attributes to holistically evaluate an Employment Pass applicant's complementarity to Singapore's workforce. The foundational criteria considered includes the candidate's salary and qualifications, as well as the diversity and support for local employment in the candidate's firm, while the bonus criteria considered includes skills bonus and strategic economic priorities bonus. Candidates will require a minimum of 40 points to pass the COMPASS. The thresholds, benchmarks and qualifying details of some of the COMPASS criteria were revised on 1 January 2026, to include increased salary benchmarks applying to new Employment Pass applications form 1 January 2026 and to renewals of Employment Passes expiring from 1 July 2026, revised lists of qualifications recognized, and a revised Shortage Occupation List ("**SOL**") to qualify for the skills bonus. Candidates are exempted from COMPASS if they have a fixed monthly salary of at least $22,500, are applying as an overseas intra-corporate transferee, or are filling the role for 1 month or less.

In addition, the "Personalised Employment Pass" allows high-earning foreign professionals greater job flexibility to hold a job in any sector, to not re-apply for a new pass if the employee changes jobs, and to stay in Singapore for a continuous period of up to 6 months without a job to search for new employment. In general, applicable candidates include overseas foreign professionals and existing Employment Pass holders (other than those under the sponsorship scheme) with a last drawn fixed monthly salary of at least S$22,500. For overseas foreign professionals, the last drawn fixed monthly salary must be within 6 months prior to application. There are also certain salary requirements to be fulfilled for the employee to keep the Personalised Employment Pass for the three-year validity period.

It should be noted that the Overseas Networks & Expertise Pass was introduced in 2023 to target top talents and allow pass holders to concurrently start, operate and work for multiple companies in Singapore at any one time. In general, candidates must satisfy the minimum salary criteria of at least S$30,000 in fixed monthly salary (or its equivalent in foreign currency) for 12 consecutive months leading up to the date of application, or that they will earn at least S$30,000 in fixed monthly salary under their prospective employer based in Singapore. The overseas employer and prospective Singapore employer must be an established company i.e. a company with market capitalisation of at least US$500 million or annual revenue of at least US$200 million. Individuals with outstanding achievements in certain sectors (e.g., academia and research, arts and culture and sports) can apply without meeting the salary criterion. The benefits of this Overseas Networks & Expertise Pass are that it is a personalised pass and therefore provides the individual with greater employment flexibility as the individual would not need to reapply for a new pass upon changing jobs, and the Overseas Networks & Expertise Pass holder's spouse who holds a Dependant's Pass or Long-Term Visit Pass will be legally allowed to work in Singapore with a Letter of Consent (and does not need to apply for a work pass separately). Such pass holders will not be subject to the COMPASS and employers who wish to hire them are not subject to the FCF job advertising requirement. In 2027, a new track under the Overseas Networks & Expertise Pass will be introduced for candidates who are top talents in the artificial intelligence and technology area (the "**ONE Pass (AI and Tech)**"). For the ONE Pass (AI and Tech), candidates' current or last held employment will need to be in a tech company, tech division within a company, or a tech venture capital firm and the company must have valuation/market capitalisation of at least US$500 million, annual revenue of at least US$200 million, or at least US$500 million in assets under management. Tech companies that raised funding of at least US$30 million will also be eligible. To be eligible for the ONE Pass (AI and Tech), the candidate must: (a) meet the S$30,000 salary requirement, but this can be a combination of fixed monthly salary of at least S$22,500 and vested non-cash components (e.g. employee share options), subject to MOM assessment; and (b) have at least five (5) cumulative years of experience in a founder/C-suite or technical (e.g. senior software engineer) role, which must be clocked within the past 10 years from date of application for the pass.

Pursuant to Section 11 of the EFMA read with paragraph 3(1) of the Employment of Foreign Manpower (Levy) Order 2011 ("**EFMO**"), a levy shall be imposed on every employer at the appropriate rate specified in the EFMO in respect of each of his foreign employees who are either S Pass holders or Work Permit holders.

Regulation 4(3) of the Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**") read with Part III and Part IV of the Fourth Schedule of the EFMR require employers of Work Permit holders who are not domestic workers to, among other things:

(a) provide safe working conditions;

(b) provide acceptable accommodation consistent with any written law, directive, guideline, circular or other similar instrument issued by any competent authority;

(c) bear medical expenses incurred by the foreign employee for any medical examination required by the Controller of Work Passes ("**Controller**"); and

(d) purchase and maintain medical insurance for the foreign employee's in-patient care and day surgery, and costs of treatment, services and items received by the foreign employee as an out-patient arising from any day surgery or in-patient care, with coverage of at least S$60,000 per 12-month period of the foreign employee's employment (or such shorter period where the foreign employee's period of employment is less than 12 months), except as the Controller may otherwise provide by notification in writing.

Regulation 5(3)(a) of the EFMR read with Part I and Part II of the Fifth Schedule of EFMR also requires employers of S Pass holders, among other things, to:

(a) bear medical expenses incurred by the foreign employee for any medical examination required by the Controller; and

(b) purchase and maintain medical insurance for the foreign employee's in-patient care and day surgery, and costs of treatment, services and items received by the foreign employee as an out-patient arising from any day surgery or in-patient care, with coverage of at least S$60,000 per 12-month period of the foreign employee's employment (or such shorter period where the foreign employee's period of employment is less than 12 months), except as the Controller may otherwise provide by notification in writing.

Regulation 12(1)(b)(i) of the EFMR provides that the Controller may require such security as he thinks necessary to be furnished by or on behalf of an employer of the work pass holder or any group or class of work pass holders for the purpose of ensuring compliance with any undertaking given by or requirement imposed upon the employer or sponsor of the work pass holder or any group or class of work pass holders, as the case may be.

Regulation 12(3) of the EFMR provides that where a security is furnished, the work pass holder, the employer or sponsor of the work pass holder or any group or class of work pass holders, as the case may be, shall comply with the conditions specified in the security.

In addition to the EFMA, an employer of foreign workers is also required to comply with the provisions in the EA, the Immigration Act 1959 of Singapore ("**Immigration Act**") and the regulations issued pursuant to the Immigration Act.

MOM regulates the number of foreign workers a company may employ with a Work Permit or a S Pass in Singapore. To determine the company's Work Permit and S Pass quota entitlement (i.e. the maximum ratio of foreign workers to the total workforce that an employer can employ), an employer must first declare its business activity to MOM. After evaluating the business activity declared by the employer, the MOM will categorise the business activity into the most relevant sector as stipulated in the sector-specific rules and the quota entitlement varies across sectors. The Local Qualifying Salary ("**LQS**") is used to determine the number of local employees who can be used to calculate the aforementioned quota entitlement. A Singapore citizen or Singapore permanent resident employee employed under a contract of service, including the company's director, is counted as 1 local worker if they earn the LQS of at least S$1,600 per month, or 0.5 local worker if they earn half the LQS of at least

S$800 to below S$1,600 per month. The LQS will be raised from S$1,600 to S$1,800 from 1 July 2026. In addition, an employer is also required to pay a monthly levy for each Work Permit and S Pass holder the employer employs. The levy rate for S Passes is standardised at a flat rate of S$650 a month per S Pass holder while the levy rate for Work Permits varies across sectors, the foreign worker's source country or region, the foreign worker's qualifications and the number of existing Work Permit or S Pass holders already employed by the employer. The monthly levy rate for Work Permit holders currently ranges from S$200 to S$950 and the monthly levy rate will be increased and adjusted across the different sectors and skill levels in 2028. Additionally, employers hiring foreign employees on a Work Permit, S Pass or Employment Pass must comply with the Progressive Wage Mode ("**PWM**"), which requires that employers must pay at least the PWM wage to eligible Singapore citizen and Singapore permanent resident employees based on their job level, and must also pay LQS for all other local employees. The PWM is currently applicable to the following sectors and occupations: cleaning sector (including in-house cleaners), security (including in-house security officers), landscape sector (including in-house landscape maintenance employees), lift and escalator sector, retail sector, food services sector, waste management sector and persons employed as administrators and drivers.

Further, the Central Provident Fund ("**CPF**") system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to Section 7 of the Central Provident Fund Act 1953 of Singapore ("**CPF Act**"), an employer is obliged to make CPF contributions for all employees (as defined under Section 2 of the CPF Act) who are Singapore citizens or permanent residents who are employed in Singapore by an employer. CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates (as set out at the First Schedule of the CPF Act) which is dependent on, *inter alia*, the amount of monthly wages and the age of the employee. Where an employee earns more than S$500 in Total Wages (the total amount of ordinary wages and any additional wages payable to him or her in a calendar month) per month, an employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover the employee's share of CPF contributions by deducting it from their wages when the contributions are paid for that month. The ordinary wage ceiling and the CPF contribution rates for employees aged above 55 to 65 were increased from 1 January 2026 to keep pace with rising wages and strengthen employee retirement adequacy respectively and will be further increased in 2027.

B. PRC LAWS AND REGULATIONS

Overview of Laws and Regulations in the PRC

The section summarises the principal PRC laws, rules and regulations that are relevant to our business.

Regulations Relating to International Freight Forwarding Business

According to the Regulations of the PRC on the Administration of the International Freight Forwarding Industry (中華人民共和國國際貨物運輸代理業管理規定) issued by the Ministry of Foreign Trade & Economic Cooperation (the "**MOFTEC**") on 29 June 1995 and effective therefrom, and the Implementation Rules of the Regulations of the PRC on the Administration of the International Freight Forwarding Industry (For Trial Implementation) (中華人民共和國國際貨物運輸代理業管理規定實施細

則(試行)) issued by the MOFTEC on 26 January 1998 and effective therefrom, and amended by the Ministry of Commerce (the "**MOFCOM**") on 1 January 2004, international freight forwarders refer to those traders entrusted by consignors and consignees of exports and imports to conduct international freight forwarding and related businesses for their clients in their own names or in the name of the consignors and collect service renumerations. International freight forwarders must obtain the status of a legal body as an enterprise of the PRC and shall meet the following conditions: (i) having engaged professional personnel required for providing international freight forwarding services; (ii) having fixed site(s) for business and necessary facility(ies); (iii) having stable market of import and export resources.

The filing of international freight forwarders in the PRC is governed by the (Interim) Measures on Filings of International Freight Forwarders (國際貨運代理企業備案(暫行)辦法) issued by the MOFCOM on 2 March 2005 and effective from 1 April 2005, and amended on 18 August 2016, which provided that all the international freight forwarding agencies and their branches (the "**International Freight Forwarders**") duly registered with the state administration of industry and commerce shall file records with the MOFCOM or the authorities designated by the MOFCOM. The MOFCOM is the competent authority for the filing of International Freight Forwarders. Qualified local departments of commerce are designated by the MOFCOM to handle the filing of International Freight Forwarders within their respective jurisdictions; however, such designated local departments of commerce shall not further designate other institutions to handle the filings. Further, the International Freight Forwarders shall undergo the relevant formalities for international freight forwarding services with the competent authorities within 30 days upon receipt of and with the Filing Form of International Freight Forwarders affixed with a filing seal.

Regulations Relating to Customs Declaration

Pursuant to the Customs Law of the PRC (中華人民共和國海關法) promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on 22 January 1987 and effective from 1 July 1987, and amended on 8 July 2000, 29 June 2013, 28 December 2013, 7 November 2016, 4 November 2017 and 29 April 2021, respectively, the customs of the PRC shall be responsible for the supervision and administration of entry into and exit from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise may be imposed fines by the customs.

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (中華人民共和國海關報關單位備案管理規定) issued by the General Administration of Customs of the PRC (the "**GACC**") on 19 November 2021 and effective from 1 January 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed.

According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of ''Integrating Multiple Certificates into One'' (關於報關單位備案全面納入「多證合一」改革的公告) jointly issued by the GACC and the State Administration for Market Regulation (the ''**SAMR**'') on 20 December 2021 and effective from 1 January 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of ''Integrating Multiple Certificates into One'' and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國對外貿易法》的決定) issued by the SCNPC on 30 December 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby, namely the filing of foreign trade dealers.

Regulations Relating to Containers

According to the Administrative Measures for Inspection and Quarantine of Inbound and Outbound Containers (進出境集裝箱檢驗檢疫管理辦法), issued by the GACC on 11 January 2000 and effective from 1 February 2000, and amended on 28 April 2018 and 9 March 2023, respectively, before or during the entry into or exit from the PRC of the containers (referring to those as specified by the International Organization for Standardization, including filled and empty entry containers, exit containers and transit containers, the same as below), or where the containers are in transit, the carrier, the owner or the agents of such containers shall submit application of inspection to the customs, and the customs shall conduct inspection and quarantine on the containers in accordance with the relevant regulations.

Regulations Relating to Road Freight Transport and Stations

Pursuant to the Regulations on Road Transport of the PRC (中華人民共和國道路運輸條例) issued by the State Council on 30 April 2004 and effective from 1 July 2004, and amended on 9 November 2012, 6 February 2016, 2 March 2019, 29 March 2022, 20 July 2023 and 30 January 2026, respectively, the competent departments of transport of the State Council are in charge of the administration of road transport nationwide; the competent departments of transport of local governments at the county level and above are responsible for the administration of road transport within their respective jurisdictions. Entities applying for the business of freight transport, upon completion of the relevant registration formalities with the market supervision and administration departments according to the laws, shall make application to the competent departments of transport, then the competent departments of transport will review such applications and issue the approval for road transport operations to the applicants, and the vehicle operating certificates to the vehicles of the applicants to be put into operation. Where the entities conduct normal freight transport business with normal freight vehicles of a total weight of 4,500 kg or less, the approval for road transport operations and vehicle operating certificates are not required.

According to the Administrative Provisions on Road Freight Transport and Stations (道路貨物運輸及站場管理規定) issued by the Ministry of Transport on 16 June 2005 and effective from 1 August 2005, and was amended on 23 July 2008, 20 April 2009, 14 March 2012, 11 April 2016, 20 June 2019, 26 September 2022, 10 November 2023 and 6 February 2026, respectively, a road freight transport business operator shall, within the approved scope as specified in the approval for road transport operations, conduct its freight transport business, and shall not transfer or rent such approval; a road freight transport operator shall require its engaged drivers to take the vehicle operating certificates along with the vehicles and such vehicle operating certificates shall not be transferred, rent, altered or forged.

Further, under the Administrative Provisions on Road Freight Transport and Stations, "road freight transport stations" refer to comprehensive freight transport stations, less-than-truck-load transport stations, container transit stations, logistics centers and other business sites that provide compensated services to the public relying on their sites and facilities and perform such functions as storage, preservation, cargo load arrangement, information service, loading and unloading. Entities applying for the business of freight transport stations, upon completion of the relevant registration formalities with the market supervision and administration departments according to the laws, shall, no later than 15 days after commencement of business operations of freight transport stations, file for records with the competent departments of transport.

Regulations Relating to the Ports

Pursuant to the Law on Ports of the PRC (中華人民共和國港口法) promulgated by the SCNPC on 28 June 2003 and effective from 1 January 2004, and amended on 24 April 2015, 11 April 2017 and 29 December 2018, respectively and the Administrative Measures on Port Operations (港口經營管理規定) issued by the Ministry of Transport on 6 November 2009 and effective from 1 March 2010, and amended on 23 December 2014, 19 April 2016, 31 July 2018, 9 April 2019, 28 November 2019 and 20 December 2020, respectively, "port operations" include the operation of the wharfs and other port facilities, the operation of port passenger transport services, the loading, unloading, lightering and storage of goods within the port area and the operation of port tugs; entities applying for port operations shall apply to the administrative departments of the ports in writing for the permit for port operations. The administrative departments of the ports will review such applications and issue the port operations certificates. A port operations certificate shall be valid for three years. A port operator shall conduct its port operations within the scope as approved by the administrative departments of the ports.

Other Significant PRC Regulations Affecting Our Business in the PRC

Regulations Relating to the Company Law and Foreign Investment

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**") which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25,1999, August 28, 2004, October 27, 2005 and December 28, 2013, October 26, 2018, December 29,2023 respectively and the latest revision of which was implemented on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the NPC on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), promulgated by the State Council on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The Foreign Investment Law and the Implementation Regulations for Foreign Investment Law are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. The organization form and structure, and the operating rules of foreign-funded enterprises are subject to the provisions of the Company Law, the Partnership Enterprise Law of the PRC and other applicable laws.

The administrative system for foreign investment is pre-entry national treatment and negative list in the PRC. Pre-entry national treatment refers to the treatment accorded to the Foreign Investors and their investments at the stage of the entry of investments which shall be no less favorable than that accorded to domestic investors and their investments. Negative list refers to the special administrative measures taken for the entry of foreign investment in the specific sectors stipulated by the PRC government. National treatment will be accorded by the PRC government to the foreign investments not included in the negative list.

The National Development and Reform Commission (the "**NDRC**") and the MOFCOM jointly issued the Special Administrative Measures (Negative List) for the Entry of Foreign Investment (2024 version) (外商投資准入特別管理措施(負面清單) (2024年版)) (the "**Negative List**") on 6 September 2024, which became effective on 1 November 2024, constituting the special administrative measures for the entry of foreign investment in the restricted or prohibited industries for foreign investment. The Negative List provided the special administrative measures for the entry of foreign investment, such as the requirements on equity and senior management personnel. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. Domestic enterprises engaged in businesses in the prohibited industries for foreign investment as listed in the Negative List shall be subject to the review and approval by the relevant competent authorities for the issuance of shares and listing on the foreign stock markets. The Foreign Investors shall not participate in the operation and management of the enterprises, and their equity ratio shall be governed with reference to the relevant regulations on the management of overseas investors investing in domestic securities.

The Measures on Reporting of Foreign Investment Information (外商投資信息報告辦法) was jointly issued by the MOFCOM and the SAMR on 30 December 2019, which became effective on 1 January 2020. According to the Measures on Reporting of Foreign Investment Information, if a foreign investor carries out investment activities directly or indirectly within the territory of the PRC, the Foreign Investors or the foreign-invested enterprise shall report to the competent authorities of commerce the investment information pursuant to such measures. When a foreign-invested enterprise submits the annual report, it shall report the basic information of the enterprise, information of investors and the actual controller, and operation, assets and liabilities information of the enterprise, and where the special administrative measures for the entry of foreign investment are involved, it shall as well report the information of the relevant industry approvals obtained.

Regulations Relating to Intellectual Property Rights

(i) Trademarks

Pursuant to the Trademark Law of the PRC (中華人民共和國商標法) promulgated by the SCNPC on 23 August 1982 and amended on 22 February 1993, 27 October 2001 and 30 August 2013, and last amended on 23 April 2019 and effective from 1 November 2019 and the Implementation Regulations of the Trademark Law of the PRC (中華人民共和國商標法實施條例) issued by the State Council on 3 August 2002 which became effective on 15 September 2002, and revised on 29 April 2014 which became effective on 1 May 2014, the validity period of registered trademarks is 10 years, commencing from the date of approval of registration. A trademark registrant intending to continue to use the registered trademark upon expiry of its validity period shall go through the formalities of renewal within 12 months before the expiry according to the relevant provisions. If failing to do so, the trademark registrant may be granted a six-month grace period. The validity period of each renewal is 10 years, commencing from the day after the expiry date of the last validity period of the registered trademark. If the formalities of renewal are not undergone within the grace period, the registration of the trademark will be cancelled.

(ii) Domain Names

Domain names are protected by the Administrative Measures of Internet Domain Names (互聯網域名管理辦法) issued by the Ministry of Industry and Information Technology (the "**MIIT**") on 24 August 2017 and effective from 1 November 2017 and the Implementing Rules on Registration of China Country Code Top-level Domain Names (國家頂級域名註冊實施細則) issued by China Internet Network Information Center on 18 June 2019 and effective therefrom. The MIIT is the regulatory body responsible for the administration of PRC internet domain names. The China Internet Network Information Center is responsible for the administration of registration of China country code top-level domain names. Domain name registrations are processed by the domain name registration service agencies established pursuant to the relevant provisions. The applicants become domain name holders upon successful registration.

Regulations Relating to Foreign Exchange

The principal law governing the foreign currency exchange in the PRC is the Foreign Exchange Administration Regulations of the PRC (中華人民共和國外匯管理條例) (the "**Foreign Exchange Administration Regulations**"), which was issued by the State Council on 29 January 1996 and became effective on 1 April 1996, and amended on 14 January 1997 and 5 August 2008 respectively. Pursuant to the Foreign Exchange Administration Regulations, international payments in foreign currencies and transfer of foreign currencies under the current account are not restricted by the government. However, foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the State Administration of Foreign Exchange of the PRC (the "**SAFE**") or its local counterparts and other relevant PRC governmental authorities.

Pursuant to the Regulation of Settlement, Sale and Payment of Foreign Exchange (結匯、售匯及付匯管理規定) issued by the People's Bank of China on 20 June 1996 which became effective on 1 July 1996, foreign-invested enterprises may only buy, sell or remit foreign currencies at banks authorized to conduct foreign exchange business after providing valid commercial supporting documents and, in the case of transactions under the capital account, obtaining approvals from the SAFE or its local counterpart.

On 30 March 2015, the SAFE issued the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (the "**SAFE Circular 19**"), which became effective on 1 June 2015, and was amended on 30 December 2019 and 23 March 2023, respectively. Pursuant to the SAFE Circular 19, the foreign exchange capital, for which the monetary contribution has been confirmed by the foreign exchange authorities (or for which the monetary contribution has been credited into account by banks) in the capital account of a foreign-invested enterprise may be settled at banks under the actual operation needs of enterprise. Meanwhile, the use of such Renminbi shall be subject to the restrictions as set out in the SAFE Circular 19, such that it cannot be directly or indirectly used for payment beyond the business scope of the enterprises or as prohibited by the laws and regulations, for securities investments unless otherwise provided by the laws and regulations, for offering Renminbi entrusted loans (unless permitted by the business scope), repaying inter-enterprise borrowings (including advances by a third party) or repaying the Renminbi bank loans that have been sub-lent to a third party, or paying the expenses related to the purchase of real estate not for self-use, except for the foreign-invested real estate enterprises.

On 9 June 2016, the SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) (the "**SAFE Circular 16**") which became effective therefrom, and was amended on 4 December 2023. Where the previous provisions, such as the SAFE Circular 19, are not consistent with the SAFE Circular 16, the SAFE Circular 16 shall prevail. The SAFE Circular 16 unified the discretional foreign exchange settlement for all the domestic institutions. Furthermore, the foreign exchange proceeds under the capital account of a domestic institution shall be used within the business scope of the domestic institution and under the principles of authenticity and self-use. The SAFE Circular 16 reaffirmed that the foreign exchange proceeds under the capital account of and the Renminbi funds obtained from foreign exchange settlement by a domestic institution may be used for expenditures under the current account within its business scope or the expenditures under the capital account permitted by the laws and regulations. The foreign exchange proceeds under the capital account of and the Renminbi funds obtained from foreign exchange settlement by a domestic institution (i) shall not be used directly or indirectly for expenditures beyond the business scope of the domestic institution or as prohibited by the laws and regulations, (ii) unless otherwise provided, shall not be used directly or indirectly for securities investments or other investments and wealth management (except for wealth management products and structured deposits with risk rating results of not higher than Grade II), (iii) shall not be used for offering loans to non-affiliated enterprises, unless expressly permitted by the business scope or (iv) shall not be used for the purchase of non-self-use real estate (except for the enterprises engaging in real estate development and leasing).

According to the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知) issued by the SAFE on 10 April 2020 which took effect therefrom, the reform to facilitate the payments of proceeds under the capital accounts shall be promoted nationwide by the SAFE. Provided that the use of funds is true and compliant, and in compliance with the current administrative provisions on the use of the proceeds under the capital accounts, enterprises satisfying the requirements are not required to provide the banks with supporting documents to prove authenticity for each transaction beforehand when making domestic payments with the proceeds under the capital accounts, such as the capital funds and the proceeds of foreign debt or overseas listing.

Distribution of Dividends

On 26 January 2017, the SAFE issued the Notice on Promoting the Reform of Foreign Exchange Administration and Improving the Review of Authenticity and Compliance (關於進一步推進外匯管理改革完善真實合規性審核的通知) which provided that when processing the outward remittance of profits of a domestic institution equivalent to more than 50,000 US dollars, the bank shall, in light of the principle of genuine transaction, review the profit distribution resolution made by the board of directors (or by the partners), original tax filing form and audited financial statements relating to the outward remittance of profits, and chop on the original tax filing form to endorse the amount and date of the outward remittance. The domestic institution shall make up for its losses in the previous years according to the laws before remitting the profits.

Regulations Relating to Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "**EIT Law**") promulgated by the SCNPC on 16 March 2007, which became effective from 1 January 2008, and last amended on 29 December 2018, enterprises shall be classified into resident enterprises and non-resident enterprises. The income tax rate of resident enterprises is 25%, while the income tax rate of non-resident enterprises is 20%. According to the EIT Law and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例) (the "**Implementation Regulations for EIT Law**") issued by the State Council on 6 December 2007, which became effective from 1 January 2008, and last amended on 6 December 2024, enterprise income tax shall be payable by a resident enterprise for the income derived from or accruing in or outside the PRC. Enterprise income tax shall be payable by a non-resident enterprise with office or premises within the territory of the PRC for the income derived from or accruing in the PRC by its office or premises, and the income derived from or accruing outside the PRC for which its office or premises has a de facto relationship. Where the non-resident enterprise has no office or premises within the territory of the PRC or the income derived or accrued has no de facto relationship with its office or premises, enterprise income tax shall be payable by the non-resident enterprise for the income derived from or accruing in the PRC at a reduced rate of 10%.

Regulations Relating to Value-Added Tax

On 25 December 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (中華人民共和國增值稅法), which will come into effect on January 1, 2026, entities and individuals (including individual businesses) that sell goods, services, intangible assets, immovable property, or import goods within the territory of the PRC are Value-added Tax taxpayers and shall pay Value-added Tax in accordance with this Law.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (關於全面推開營業稅改征增值稅試點的通知) jointly issued by the Ministry of Finance and SAT on 23 March 2016 and effective from 1 May 2016, and as amended on 11 July 2017 and 20 March 2019, respectively, direct or indirect international freight forwarding business services provided by the Taxpayers are exempt from value-added tax.

Labour, Social Insurance and Housing Provident Funds

The Labour Law of the PRC (中華人民共和國勞動法) promulgated on 5 July 1994 and last amended on 29 December 2018 and the Labour Contract Law of the PRC (中華人民共和國勞動合同法) promulgated on 29 June 2007, effective from 1 January 2008, and amended on 28 December 2012 and effective from 1 July 2013, by the SCNPC, together provided the relationship between the employers and the employees as well as specific provisions on the terms and conditions of the labour contracts.

The Law on Social Insurance (《中華人民共和國社會保險法》) (the "**Social Insurance Law**"), which was promulgated on 28 October 2010 and came into effect on 1 July 2011, and was amended on 29 December 2018 regulates that all employees are required to participate in basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance, which must be contributed by both the employers and the employees. Where an employer fails to make social insurance contributions in full and on time, the social insurance contribution collection agencies shall order it to make all or outstanding contributions within a specified period and impose a late payment fee at the rate of 0.05% per day from the date on which the contribution becomes due. If such employer fails to make the overdue contributions within such time limit, the relevant administrative department may impose a fine equivalent to one to three times of the overdue amount. According to the Provisional Regulations on the Collection and Payment of Social Insurance Premium (《社會保險費徵繳暫行條例》), which was came into effect on 22 January 1999 and amended on 24 March 2019, the Regulations on Work Injury Insurance (《工傷保險條例》) implemented on 1 January 2004 and amended on 20 December 2010, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated on 22 January 1999 and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) implemented on 1 January 1995, enterprises in China must provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and must pay or withhold relevant social insurance premiums for or on behalf of employees.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋 (二)》) (the "**Interpretation II**"), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims. As advised by our PRC Legal Advisers (Grandall), the promulgation of the Interpretation (II) will not affect the risk assessment and regulatory position of (PRC) TJ Keyun. The Interpretation II primarily serves as a further clarification of the existing legal requirements relating to social insurance contributions, and is consistent with the principles and obligations already set out under the Labor Contract Law of the PRC and other applicable PRC laws and regulations. According to Article 5 of the Provisional Regulation for the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) (the "**Regulation for the Collection and Payment of Social Insurance**") issued by the State Council in 2019, and Article 48 of the Regulation on the Provision of Social Insurance Services (社會保險經辦條例) (the "**Social Insurance Provision**") issued by the State Council in 2023, the administrative department of human resources and social security is responsible for supervising and regulating compliance by social insurance service institutions, employers, and individuals with respect to social insurance laws, regulations, and rules. Our PRC Legal Advisers (Grandall) advises that the Tianjin Binhai New Area Human Resources and Social Security Bureau (the "**Tianjin Binhai Social Security Bureau**") is the competent authority responsible for supervising and regulating the social insurance compliance of (PRC) TJ Keyun, as (PRC) TJ Keyun resides in Tianjin Binhai New Area, and such authority is competent to provide legal assurance of its records of violation and administrative penalty.

In accordance with the Implementation Plan for Allowing Market Entities to Use Public Credit Reports in Place of Certificates of No Violations (天津市關於推行市場主體以公共信用報告取代無違法違規證明的實施方案), effective September 1, 2023, and the Implementation Plan for Further Promoting the Use of Public Credit Reports in Place of Certificates of No Violations (天津市關於深入推行以公共信用報告取代無違法違規證明的實施方案), released on June 7, 2024 (collectively referred to as the "**Implementation Plan for Promoting the Use of Public Credit Reports**"), business entities registered in Tianjin may utilize public credit reports to certify their compliance status regarding any violation records, including those related to social insurance.

The Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Collection of Social Security Contribution (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) (the "**Urgent Notice on Stabilization the Collection of Social Insurance Contribution**") issued by the Ministry of Human Resources and Social Security of the PRC, which prohibits governmental authorities from organizing collective settlement of historical shortfall in social insurance contributions by enterprises.

According to the Social Insurance Law, the authority responsible for collecting social insurance contributions is also responsible for ordering employers to make up any contribution arrears if they fail to pay social insurance premiums in full and on time. Pursuant to Article 6 of the Regulation for the Collection and Payment of Social Insurance, and the announcement regarding the Optimization and Adjustment of the Social Insurance Contribution Declaration and Payment Process (關於優化調整社會保險費申報繳納流程的公告) (the "**Optimization and Adjustment of Payment Process Announcement**") issued by the Tianjin Social Security Bureau (天津市人力資源與社會保障局), the Tianjin Taxation Bureau (國稅局天津市稅務局) and three other authorities, effective from January 1, 2024, local taxation bureaus will serve as the collection agency for social insurance premiums in Tianjin City. Based on these laws and regulations, our PRC Legal Advisers (Grandall) is of the view that the taxation authority in charge of (PRC) TJ Keyun is responsible for collecting social insurance contributions for (PRC) TJ Keyun and has the authority to pursue any historical arrears. As such, the PRC Legal Advisers (Grandall) confirms that the taxation authority is competent to provide the regulatory assurance that it generally would not seek to recover historical arrears from companies within its jurisdiction, which aligns with the requirement under the Urgent Notice on Stabilization the Collection of Social Insurance Contribution and is deemed appropriate.

In accordance with the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》)(the "**Housing Provident Fund Regulations**") which was promulgated by the State Council in 1999 and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employee's housing provident funds. Employer and employee are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Regulations Relating to Property Leasing

Pursuant to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法) issued by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and effective from 1 February 2011, within 30 days after execution of the house leasing agreement, the parties to the house leasing shall perform the house leasing registration with the competent departments of construction (real estate) where the leased house is located.

Regulations Relating to Overseas Listing

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) issued by the CSRC on 17 February 2023 and effective from 31 March 2023, in the case of direct overseas offering and listing by domestic enterprises, the issuer shall file for records with the CSRC; in the case of indirect overseas offering and listing by domestic enterprises, the issuer shall designate a main domestic operating entity as the domestic responsible person and file for records with the CSRC. An overseas offering and listing conducted by an issuer that satisfies the following conditions shall be determined an indirect overseas offering and listing by a domestic enterprise: (i) any indicator of the domestic enterprise's operating revenue, total profits, total assets or net assets in the most recent fiscal year accounts for over 50% of the relevant data in the audited consolidated financial statements of the issuer for the same period; and (ii) the main stages of business activities of the issuer are carried out in the PRC, or the main premises of business are located in the PRC, or the majority of the senior management personnel in charge of business management are Chinese citizens or have a habitual residence in the PRC. The determination of indirect overseas offering and listing by domestic enterprises shall follow the principle of substance over form.

C. HONG KONG LAWS AND REGULATIONS

Overview of Laws and Regulations in Hong Kong

The section summarises the principal Hong Kong laws, rules and regulations that are relevant to our business.

Laws and regulations relating to operations

Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong) (the "FIUO")

This ordinance governs all factories and industrial undertakings operating in Hong Kong. It imposes duties on proprietors of and persons employed at industrial undertakings, including cargo and container handling undertakings, factories and other industrial workplaces, to ensure health and safety at work in such undertakings. A proprietor in relation to any industrial undertaking includes the person having the management or control of the business carried on in such industrial undertaking, as well as the occupier of any industrial undertaking and the agent of such occupier.

Every proprietor of an industrial undertaking must ensure the health and safety at work of all persons employed by the proprietor so far as is reasonably practicable. Contravention of such duty willfully and without reasonable excuse is an offence and is liable, on summary conviction, to a fine of HK$3,000,000 and to imprisonment for 6 months, or, on conviction on indictment, to a fine of HK$10,000,000 and to imprisonment for 2 years.

Factories and Industrial Undertakings (Cargo and Container Handling) Regulations (Cap. 59K of the Laws of Hong Kong)

These regulations are a subsidiary legislation under FIUO and lay down certain safety requirements regarding cargo and container handling, including loading, unloading or handling of cargo or goods at a dock, quay or wharf. Such safety regulations include providing electrical equipment, maintenance of fork-lift trucks, provision of first-aid facilities and precautions for every person working on top of a container. Contravention would lead to fines ranging from HK$25,000 to HK$100,000.

Factories and Industrial Undertakings (Loadshifting Machinery) Regulations (Cap. 59AG of the Laws of Hong Kong)

These regulations are another subsidiary legislation under the FIUO and regulates the use and operation of loadshifting machines. A loadshifting machine includes fork-lift trucks used in industrial undertakings. A responsible person must ensure that the loadshifting machine must be operated by a person aged 18 or above and holds a valid certificate applicable to the type of loadshifting machine. Furthermore, the responsible person has to provide each employee instructed to operate the loadshifting machine a training course or if an employee fails to obtain a certificate, additional training courses. Contravention without reasonable excuse is an offence and is liable to a fine of HK$100,000.

Laws and regulations relating to environmental protection

Air Pollution Control (Non-Road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong)

This regulation regulates and controls emissions of non-road mobile machinery ("**NRMM**"), such as gantry cranes, lifting platforms, container loaders and reach stackers. All NRMMs, including non-road vehicles and regulated machines, except those which are exempted, must comply with the prescribed emission standards and from 1 September 2015 onwards, all regulated machines sold or leased for use in Hong Kong must be approved or exempted with a proper label in a prescribed format issued by the Environmental Protection Department (the "**EPD**"), only approved or exempted NRMMs with a proper label are allowed to be used in specified activities and locations including container terminals. Any person who uses or causes to be used a regulated machine without approval from the EPD is liable to a fine of up to HK$200,000 and imprisonment for up to 6 months and a person who uses or causes to be used a regulated machine without a label is liable to a fine of up to HK$50,000 and imprisonment for up to 3 months.

Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)

This ordinance controls the effluent discharged from all types of industrial, manufacturing, commercial, institutional and construction activities into public sewers, rainwater drains, river courses or water bodies. For any industry/trade generating wastewater discharge (except domestic sewage that is discharged into communal foul sewers or unpolluted water to storm drains), it is subject to licensing controls by the Director of Environmental Protection.

All discharges, other than domestic sewage to a communal sewer or unpolluted water to a communal drain, must be covered by an effluent discharge licence. The licence specifies the permitted physical, chemical and microbial quality of the effluent, and the general guidelines are that the effluent does not damage sewers or pollute inland or inshore marine waters.

Pursuant to this ordinance, unless licensed under this ordinance, a person who discharges any waste or polluting matter into the waters or discharges any matter other than domestic sewage and unpolluted water, into a communal sewer or communal drain in a water control zone commits an offence and is liable to imprisonment for 6 months and (i) for a first offence, a fine of HK$200,000; (ii) for a second or subsequent offence, a fine of HK$400,000, and in addition, if the offence is a continuing offence, to a fine of HK$10,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

Environmental Impact Assessment Ordinance (Cap. 499 of the Laws of Hong Kong)

This ordinance was introduced to avoid, minimise and control the adverse environmental impacts from designated projects as specified in Schedule 2 to the Environmental Impact Assessment Ordinance (for example, public utility facilities, certain large-scale industrial activities, community facilities, etc.) through the application of the environmental impact assessment process and the environmental permit system prior to their construction and operation (and decommissioning, if applicable), unless exempted otherwise.

A person commits an offence if he constructs or operates a designated project listed in Part I of Schedule 2 of this ordinance (which includes roads, railways and depots, container terminal, public cargo working area, container backup area, container storage, container handling or container packing area etc.) or decommissions a designated project listed in Part II of Schedule 2 to this ordinance without an environmental permit for the project; or contrary to the conditions, if any, set out in the permit. The offender is liable (i) on a first conviction on indictment to a fine of HK$2,000,000 and to imprisonment for 6 months; (ii) on a second or subsequent conviction on indictment to a fine of HK$5,000,000 and to imprisonment for 2 years; (iii) on a first summary conviction to a fine of HK$100,000 and to imprisonment for 6 months; and (iv) on a second or subsequent summary conviction to a fine of HK$1,000,000 and to imprisonment for one year, and in any case where the offence is of a continuing nature, the court or magistrate may impose a fine of HK$10,000 for each day on which he is satisfied the offence continued.

Laws and regulations relating to employment

Employment Ordinance (Cap. 57 of the Laws of Hong Kong)

This ordinance governs employment conditions and regulations in Hong Kong. It provides employment protections for employees and regulates their benefits. Employers must comply with the statutory requirements regarding, among others, wage, holidays, sickness allowances, maternity protection, paternity leave and termination requirements.

Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)

This ordinance imposes general health and safety requirements to ensure that employees are working at a safe and healthy environment. Each of the employers, employees and occupiers has his/her respective responsibilities in creating a health and safe workplace. Employers' responsibilities include:

(a) providing and maintaining plant and work systems that do not endanger safety or health;

(b) making arrangement for ensuring safety and health in connection with the use, handling, storage or transport of plant or substances;

(c) providing all necessary information, instruction, training, and supervision for ensuring safety and health;

(d) providing and maintaining safe access to and egress from the workplace, and

(e) providing and maintaining a safe and healthy work environment.

Occupiers should also be responsible to ensure the premises; means of access to and egress from the premises; and any plant or substance kept at the premises are safe and without risks to health to any person working on the premises. An employee on the other hand should make sure that he/she contributes to the safety and health of the workplace by taking care for the safety and health of other persons at the workplace and using any equipment or following any system or work practices provided by their employers.

Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)

This ordinance provides payment of compensation to employees who are injured during the course of their employment and establishes a no-fault, non-contributory employee compensation system for work injuries. An employer is liable to pay compensation in respect of injuries sustained by the employees as a result of an accident arising out of and in the course of employment; or in respect of occupational diseases specified in this ordinance suffered by the employees. An employer must also take out insurance policies for all employees to cover liabilities both under this ordinance and at common law for work injuries.

This ordinance also covers situations where subcontractor's employees are injured during the course of performing work which the subcontractor was contracted for. A principal contractor has to compensate the subcontractor's employees for the injuries sustained during work but such compensation is subject to indemnification from the subcontractor if he is liable. Non-compliance with the insurance provisions of this ordinance is an offence and could lead to a fine of HK$100,000 and imprisonment of 2 years if convicted upon indictment or to a fine of HK$100,000 and imprisonment of 1 year on summary conviction.

Mandatory Provident Fund (MPF) Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)

This ordinance regulates the MPF schemes, defined contribution retirement schemes for employees which are managed by authorised trustees. An employer must participate in an MPF scheme and make contributions for its employees that are aged between 18 and 64 years old who have been employed for at least 60 days. An employer and the employee are both under mandatory requirements to contribute 5% of the employee's relevant income into the employee's MPF account, subject to the minimum and maximum relevant income levels. Our Group shall observe and comply with the requirements imposed by this ordinance when employing any staff in Hong Kong.

Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)

This ordinance provides the prescribed minimum hourly wage rate for every employee employed under the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). As gazetted in January 2023, the statutory minimum wage rate has increased to HK$40.0 per hour with effect from 1 May 2023. Our Group will ensure that our employees in Hong Kong shall meet the minimum hourly wage rate threshold and abide by all statutory requirements under this ordinance.

D. TAXATION

The following summary of certain Hong Kong and Singapore tax consequences of the purchase, ownership and disposition of the Shares is based upon the laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to apply to all categories of prospective [REDACTED], some of whom may be subject to special rules, and is not intended to be and should not be taken to constitute legal or tax advice. Prospective [REDACTED] should consult their own tax advisers concerning the application of tax laws of Hong Kong to their particular situation as well as any consequences of the purchase, ownership and disposition of the Shares arising under the laws of any other taxing jurisdiction. Neither the Company nor any of the Relevant Persons assumes any responsibility for any tax consequences or liabilities that may arise from the subscription for, holding or disposal of the Shares.

The taxation of the Company and that of the Shareholders is described below. Where tax laws are discussed, these are merely an outline of the implications of such laws. Such laws and regulations may be interpreted differently. It should not be assumed that the relevant tax authorities or the Hong Kong courts will accept or agree with the explanations or conclusions that are set out below.

[REDACTED] should note that the following statements are based on advice received by the Company regarding taxation laws, regulations and practice in force as at the date of this document, which may be subject to change.

Hong Kong Taxation of the Company

Profits Tax

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), Hong Kong profits tax will be chargeable in respect of profits of the Company arising in or derived from Hong Kong at a maximum tax rate of 16.5%. Subject to certain conditions, a two-tiered profits tax regime may apply under which the first HK$2,000,000 of assessable profits of the Company will be taxed at half of the Hong Kong standard profits tax rate (i.e. 8.25%). Dividend income derived by the Company from subsidiaries which are subject to Hong Kong profits tax will be specifically tax-exempted. Dividend income derived by the Company from its overseas subsidiaries will generally be considered to be sourced outside of Hong Kong and will not be subject to Hong Kong profits tax.

Hong Kong Taxation of Shareholders

Tax on Dividends

No tax will be payable in Hong Kong in respect of dividends paid by the Company to its Shareholders.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or transfer of the Shares. Trading gains derived from dealings in the Shares by persons carrying on a trade, profession or business in Hong Kong may be subject to Hong Kong profits tax at a maximum tax rate of 15% for unincorporated bodies and 16.5% for corporations if arising in or derived from Hong Kong in connection with such trade, profession or business. Trading gains derived from the sale of Shares effected on the Stock Exchange will be deemed by the Hong Kong Inland Revenue Department as derived from or arising in Hong Kong for profits tax purposes. Shareholders are advised to seek advice from their own professional advisers as to their particular tax position.

Stamp Duty

The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if higher) the fair value of the Shares being sold or transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

Estate Duty

Hong Kong estate duty was abolished on 11 February 2006. No Hong Kong estate duty will be payable by Shareholders in relation to the Shares owned in the Company.

Singapore Taxation

Individual Income Tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore. Singapore citizens are regarded as tax residents by virtue of their citizenship where they normally reside in Singapore except for temporary absences.

Singapore adopts a territorial basis of taxation. Individual taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore, unless the income is specifically exempt by concession or domestic laws. All foreign-sourced income received in Singapore by a Singapore tax resident individual, except for income received through a partnership in Singapore, is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore (the "**Comptroller**") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates, ranging from 0% to 24% from the year of assessment 2024, with allowable deductions for applicable personal reliefs. Non-Singapore tax resident individuals are subject to tax on employment income at the higher of (i) a flat rate of 15% (with no deductions for allowable personal reliefs) or (ii) the progressive resident tax rates (with deductions for allowable personal reliefs). Taxation of other taxable Singapore sourced income will be subject to tax at the flat rate of 24% from the year of assessment 2024.

Corporate Income Tax

A corporate taxpayer is regarded as resident in Singapore for a particular year of assessment if the business is controlled and managed in Singapore in the preceding calendar year. The status of residency of a company may change from year to year. As a general rule, the control and management of a company's business is vested in its board of directors and hence the place of residence of the company is usually where the board meetings are held. Conversely, a company is a non-resident when the control and management of the company is not exercised in Singapore. The Inland Revenue Authority of Singapore ("**IRAS**") has issued guidance indicating that a board meeting which involves the use of virtual meeting technology will generally be regarded as having strategic decisions made in Singapore if either of the following conditions is met: (i) at least 50% of the directors with the authority to make strategic decisions are physically in Singapore during the meetings; or (ii) the chairman of the board is physically in Singapore during the meeting.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of foreign-sourced dividends, foreign branch profits and foreign-sourced service income received or deemed to be received in Singapore by Singapore tax resident companies are exempt from tax if certain prescribed conditions are met, including the following:

(a) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received;

(b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and

(c) the Comptroller is satisfied that the tax exemption would be beneficial to the Singapore tax resident company.

In the case of dividends paid by a company resident in a territory from which the dividends are received, the "subject to tax condition" in (a) above is considered met where tax is paid in that territory by such company in respect of its income out of which such dividends are paid or tax is paid on such dividends in that territory from which such dividends are received. Certain concessions and clarifications have also been announced by the IRAS with respect to such conditions.

A non-resident corporate taxpayer is subject to income tax on income that is accrued in or derived from Singapore. Foreign-sourced income derived by a non-resident corporate taxpayer that is not operating in or from Singapore can remit their foreign-sourced income to Singapore without being taxed on such income.

The corporate tax rate in Singapore is currently 17%. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$190,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income, after the tax exemption, will be fully taxable at the prevailing corporate tax rate. New companies will also, subject to certain conditions and exceptions, be eligible for an exemption of three-quarters of up to the first S$100,000, and one-half of up to the next S$100,000, of their normal chargeable income for each of the company's first three years of assessment. The aforementioned rates have applied with effect from the year of assessment 2020.

General Transfer Pricing Considerations

Under Singapore tax law, transactions between related parties have to comply with the arm's length principle. "Related party", in relation to a person (A), means any person:

(a) who directly or indirectly controls A;

(b) who is being controlled directly or indirectly by A; or

(c) who, together with A, is directly or indirectly under the control of a common person.

The arm's length principle requires a transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party. The underlying premise is that where market forces drive the terms and conditions agreed in an independent party transaction, the pricing of the transaction would reflect the true economic value of the contributions made by each party in that transaction.

The arm's length principle is provided for under Section 34D of the Income Tax Act 1947 of Singapore ("**ITA**"), in which the IRAS is empowered to make necessary adjustments to the taxable profits of the Singapore taxpayer to reflect the true price that would be derived on an arm's length basis by:

(a) increasing the amount of the income of the Singapore taxpayer for the year of assessment;

(b) reducing the amount of deduction that may be allowed to the Singapore taxpayer for the year of assessment; and/or

(c) reducing the amount of loss of the Singapore taxpayer for the year of assessment.

In addition, under Section 34E of the ITA, with effect from the year of assessment 2019, where the IRAS exercises its power to make necessary adjustments to the taxable profits of a Singapore taxpayer under Section 34D of the ITA, a surcharge equal to 5% of the amount of the increase or reduction (as the case may be) will be imposed.

Transfer Pricing Documentation

With effect from the year of assessment 2019, Singapore taxpayers are required to prepare transfer pricing documentation ("**TP Documentation**") under Section 34F of the ITA for their related party transactions undertaken in a basis period where:

(a) its gross revenue derived from their trade or business is more than S$10 million for that basis period; or

(b) it was required to prepare TP Documentation for the basis period immediately before the basis period concerned (i.e. taxpayers who were required to prepare TP Documentation for a previous basis period would continue to be required to do so for the subsequent basis period, and so on).

The purpose of TP Documentation is for Singapore taxpayers to show that the pricing of their transactions with related parties is arm's length.

However, it should be noted that there is an exemption to prepare TP Documentation where the related party transactions fall within the ambit of Rule 4 of the Income Tax (Transfer Pricing Documentation) Rules 2018, which provides for certain stipulated scenarios in which a taxpayer is exempt from having to prepare TP Documentation for its related party transactions.

Where a Singapore taxpayer (which is required to prepare TP Documentation), without reasonable excuse, fails to satisfy its obligations under Section 34F of the ITA, it shall be liable on conviction to a fine not exceeding S$10,000.

Dividend Distributions

The Company is a tax resident of Singapore. All Singapore-resident companies are currently under the one-tier corporate tax system ("**one-tier system**").

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that the company distributing the dividends is a tax resident of Singapore and under the one-tier system.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a Shareholder, regardless of whether the Shareholder is a company or an individual and whether or not the Shareholder is a Singapore tax resident.

Gains on Disposal of the Shares

Singapore does not currently impose taxes on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore. As the precise status of each [REDACTED] will vary from one another, each [REDACTED] should consult an independent tax adviser on the Singapore income tax and other tax consequences that will apply to their individual circumstances.

Subject to certain conditions being satisfied, Section 13W of the ITA provides for certainty on the non-taxability of gains derived by a company from the disposal of the Shares on or after 1 June 2012, if the divesting company holds a minimum shareholding of 20% of our Shares and these Shares have been held for a continuous minimum period of 24 months.

The above-mentioned "safe harbor rule" is not applicable under the following scenarios:

(a) The disposal of shares during the period from 1 June 2012 to 31 May 2022 of an unlisted investee company which is in the business of trading or holding Singapore immovable properties (other than the business of property development).

(b) The disposals of shares from 1 June 2022 of an unlisted investee company which is in the business of trading, holding, or developing immovable properties in Singapore or abroad, subject to certain exceptions.

(c) The disposal of shares by a divesting company in the insurance business industry (as referred to under Section 26 of the ITA).

(d) The disposal of shares by a partnership, limited partnership or limited liability partnership, where one or more of the partners is a company or are companies.

For disposal gains derived on or after 1 January 2026, the scope of eligible gains include gains from the disposal of preference shares that are accounted for as equity by the investee company under the applicable accounting principles, and the assessment of the shareholding threshold condition can be done on a group basis.

Holders of the Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 – Financial Instruments ("**SFRS(I) 9**"), as the case may be, may be required to recognise gains or losses in accordance with the provisions of FRS 109 or SFRS(I) 9. Such gains may be construed to be of an income nature and subject to Singapore income tax even though no sale or disposal of the Shares is made.

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Shareholders who may be subject to the above-mentioned tax treatment under Section 34AA of the ITA should consult their accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

There is no stamp duty payable on the subscription for and issuance of the Shares.

Where the Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration for, or market value of, the Shares, whichever is higher.

Stamp duty is borne by the purchaser or transferee unless there is an agreement to the contrary. Where the acquisition of the Shares is effected by physical instruments of transfer executed wholly outside Singapore and the said instruments of transfer are not received in Singapore, no stamp duty is payable on the acquisition of the Shares. However, stamp duty must be paid within 30 days of receipt of the instrument of transfer in Singapore if the physical instrument of transfer is executed outside Singapore and is received in Singapore. Where the instrument of transfer is executed in Singapore, Singapore stamp duty must be paid within 14 days of the execution of the instrument of transfer. Note that where electronic instruments are executed, the electronic instruments are treated as received in

Singapore under the following scenarios: (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

In the case of acquisition of the Shares on the Stock Exchange where there is only an acquisition of beneficial interest in the Shares as reflected through the designated [REDACTED] stock account, no stamp duty should be payable based on current legislation.

Estate Duty

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

Goods and Services Tax ("GST")

GST in Singapore is a broad-based consumption tax that is levied on import of goods into Singapore, supplies of overseas remote services and low-value goods to customers in Singapore as well as nearly all supplies of goods and services in Singapore, at the prevailing standard rate. GST applies irrespective of the fact that the sale was concluded online or physically. The GST-registered entity is required to charge and account for GST at the prevailing standard rate on all sales of goods and services in Singapore unless the sale can be zero-rated or exempted under the applicable GST law. The standard rate was increased to 9% from 1 January 2024.

The sale of the Shares by a GST-registered [REDACTED] belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered [REDACTED] in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the Shares are sold by a GST-registered [REDACTED] in the course or furtherance of a business carried on by such [REDACTED] contractually to a person belonging outside Singapore and for the direct benefit of either a person belonging outside Singapore who is outside Singapore at the time of sale or a GST-registered person belonging in Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by the GST-registered [REDACTED] in making such a supply in the course or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

[REDACTED] should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of the Shares.

Services consisting of arranging, brokering, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an [REDACTED] belonging in Singapore for GST purposes in connection with the [REDACTED] purchase, sale or holding of the Shares will be subject to GST at the prevailing standard rate. Similar services rendered by a GST-registered person contractually to an [REDACTED] belonging outside Singapore and for the direct benefit of either an [REDACTED] belonging outside Singapore who is outside Singapore at the time of provision of the service or a GST-registered [REDACTED] belonging in Singapore, should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%.

With the implementation of reverse charge, the "**directly benefit**" condition for zero-rating (i.e. GST at 0%) has been amended to allow the zero-rating of a supply of services to the extent that the services directly benefit a person belonging outside Singapore who is outside Singapore at the time of provision of the service or a GST-registered person in Singapore. Under the reverse charge regime, a GST-registered business that is not entitled to full input tax claims will be required to account for GST on all services that it procures from overseas suppliers and low-value goods ("**imported services and LVG**") except for certain services which are specifically exempt from reverse charge. A non GST-registered person whose total value of imported services and LVG which are within the scope of reverse charge for a 12-month period either exceeds S$1 million at the end of a calendar year or is expected to exceed S$1 million for the next 12 months, and is not entitled to full input tax claims if such person was GST-registered, may become liable for GST registration and be required to account for GST both on its taxable supplies and imported services and LVG subject to reverse charge.

Tax Treaties between Hong Kong and Singapore

There is no comprehensive double tax treaty entered into between Hong Kong and Singapore.

Relief from Taxation

Recipients of dividends or other Singapore income who are residents in other jurisdictions are advised to consult their own tax advisers on whether they may claim double taxation relief in accordance with any tax treaty (or under domestic legislation) if such income is taxed in their respective jurisdictions.

Effect of holding Shares through [REDACTED] or outside [REDACTED] on tax payable

The holding of the Shares through [REDACTED] or outside [REDACTED] should not give rise to any additional Singapore income tax implications.