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OVERVIEW

During the Track Record Period, the business activities of our Group are principally carried out in Macau, Hong Kong and the PRC and are therefore principally subject to the relevant laws and regulations in Macau, Hong Kong and the PRC.

This section sets out a summary of certain aspects of the laws and regulations in Macau, Hong Kong and the PRC which are material to our operations and business. Information contained in this section should not be construed as a comprehensive statement of all laws and regulations applicable to our Group.

MACAU

Regulatory regime in relation to our business operation in Macau

Travel agent

MGTO is the principal regulatory authority for the tourism business.

The relevant legal framework in respect of travel agent is regulated by Decree Law No. 48/98/M.

Under the Decree Law No. 48/98/M, travel agents are considered to be commercial companies registered in Macau which, under the terms of this law, are entitled to carry out their own businesses. The activities of the travel agents shall be as follows:

- a) handling travel documents, especially visas;
- b) organisation and sales of tourist trips;
- c) sales of tickets and reservation of seats in any means of transport, as well as the luggage check-in in relation to the ticket sales;
- d) reservation of services in hotels and similar establishments, as well as in any tourist attractions;
- e) sales of services from similar travel agents within or outside the Macao Special Administrative Region as an intermediary; and
- f) provision of reception, transfer and assistance services to tourists.

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And the following services are considered as supplementary services to the travel agents' own activities:

- a) car rental in accordance with the respective legislation;
- b) reservations and sales of tickets for shows or other public events;
- c) apply for insurance in authorised companies to cover risks derived from the tourist activity; and
- d) dissemination of tourist promotion materials, as well as the sales of travel guides and similar publications.

Travel agents are prohibited from operating any other businesses or providing any other services, other than the operation of the above-mentioned activities and supplementary services and the company shall solely operate travel agent activities.

The operating company which will carry out the travel agent business shall be established in Macau, with the minimum amount of share capital of MOP1,500,000.00. For each branch the company establishes an additional capital of MOP300,000.00 is required.

Travel agents and branches shall exercise their activity in autonomous premises with independent access, and which are exclusively for such exercise. The premises for operating travel agents and branches shall be intended for commerce, service, office or independent profession and the premises of travel agents and branches shall have a minimum gross floor area of 40 square meters and 20 square meters, respectively, a designated area for serving clients and appropriate equipment for the exercise of its activities.

Travel agents are also permitted to open service counters in Macau International Airport, ferry terminals, stations, train stations and border posts.

On the other hand, travel agent should have at least one technical director who must comply with the following requirements:

- a) resides in Macau;
- b) written and spoken knowledge of two languages, one of which should be Chinese or Portuguese;
- c) professional training course offered by Macau higher education institution specialising in tourism, or recognised by such institute; and
- d) no less than 3 years professional experience in the tourism industry.

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The qualification of technical director is assessed and examined by a committee which is composed of at least two representatives of the Institute for Tourism Studies and one representative of MGTO.

Furthermore, the travel agent is obliged to offer a bank guarantee of MOP500,000 and to apply for professional liability insurance with the insured amount of not less than MOP700,000 since it has to guarantee that it undertakes the responsibility for its business affairs in the interests of customers.

In regard to the operation of travel agents, agents and their branches should operate at least from 10 am to 1 pm and 3 pm to 6 pm, except on Saturdays, Sundays and public holidays unless with a justified explanation.

Lastly, the licence of a travel agent is valid for one year and must be renewed every year. The renewal should be made at least 30 days' prior to the expiry date of the licence. Late renewal is subject to additional charges.

Self-drive rent-a-car service

The operation of the rental services of motor vehicles without a driver depends on authorisation to be granted by order of the Chief Executive of Macau, upon the advice of the Director of MGTO and the Higher Traffic Council and is regulated by the Decree Law no. 52/84/M.

Authorisation to operate the car rental industry without drivers is only granted, in accordance with Decree Law no. 52/84/M, to companies proposing to operate in Macau the fixed minimum number of vehicles, covering:

- light passenger vehicles (at least 25 vehicles); or
- motorcycles (minimum of 12 vehicles); or
- special-purpose light vehicles approved for this purpose (only those who operate the rental services of both light passenger vehicles and motorcycles are allowed to operate the rental services of special-purpose light vehicle).

The operation of the rental services of motor vehicles without driver requires a company incorporated in Macau with a minimum share capital of MOP100,000.

The headquarters and branches of companies operating the car rental industry shall always have independent facilities where they will carry out their own activities.

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The company shall submit, among other documents, the plan with the indication of the equipment, of the facilities where the activities will be operated, document proving the layout of the parking space for motor vehicles when they are not rented and also the plan of the place with the indication of the spaces designated for the parking of the vehicles when they are not rented.

After the authorisation is granted, the company shall only operate their business after approval of the facilities in the survey to be performed by MGTO. The company, upon receipt of notification of the authorised application, shall request the inspection of the premises of the car rental industry without driver within 6 months.

In regard to the operation of self-drive rent-a-car services, only vehicles licensed for this purpose by the Macau government can be used and vehicles with more than five years old, counted from the date of their registration, cannot be used in the rental service without drivers. Such limit of five years can be extended for one year at a time, up to a maximum of five years, upon authorisation of the Macau government, after inspection of the respective vehicles.

Further, the contract for the rent-a-car services shall be numbered, in written form and in triplicate for MGTO's filing purpose and the contract shall include its general conditions, namely those relating to the price and deposit, provision of agreed additional services and the date and place of the commencement of the rental and delivery of the vehicle in the agreed terms.

The fee charged for the rental of vehicles without drivers shall be in Macau Patacas and shall result from the cumulative of the following elements:

- a) rental rate, for each day or less than one day;
- b) mileage rate, for each kilometre travelled; and
- c) remuneration corresponding to the provision of auxiliary services.

A daily rate without kilometric limitation is also allowed by mutual agreement of the clients and the company. The fee mentioned above shall include the civil liability insurance costs, the expenses with engine lubricants, tires and inner tubes and repair of non-imputable faults to the lessee.

As an additional service, a contract of car rental may be concluded with the hiring of a driver for the sole purpose of driving the vehicle rented. Such driving service shall be provided by professional drivers who are employed by the company or individuals who are contracted by the intermediary of the company. Such driving services will also be considered as the services provided by the company itself.

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Cross-border passenger transportation

The operation of cross-border passenger transportation services in Macau is regulated under the Administrative Regulation No. 4/2004 (Intercity Passenger Road Transport). According to the regulation, all the applications of cross-border passenger road transport services must be submitted to the Land, Public Works and Transport Bureau (DSSOPT) for approval. The company shall engage in the relevant business only after obtaining the license to carry out the business of intercity passenger road transport, and those who violate the rules will be subject to administrative penalties.

The provision of intercity passenger road transport services between the Macao SAR and other regions of the People's Republic of China shall be subject to the prior authorisation of the competent authorities of the respective regions and shall also comply with the operating conditions agreed between the Macao SAR and other regions of the People's Republic of China, based on the needs on the safety and management of intercity passenger road transport.

The company engaged in cross-border passenger road transport services must be a public company with limited liability established in Macao. In order to ensure that the company has sufficient management resources, the registered capital of the company cannot be less than MOP\$5,000,000. During the operation, the reserves of the company shall be 10% of the total value of all vehicles held by it, and the amount shall not be less than MOP\$50,000. To apply for such a license, in addition to submitting detailed information of the company, the applicant must also specify the routes, timetables, pick-up and drop-off locations, charges, number of vehicles and types of vehicles traveling in Macao.

The administrators, managers or any other persons-in-charge of the management of the applicant shall not have any legal prohibition for the exercise of commercial activities and conviction of certain kinds of crimes, which are deemed as impediments of suitability of the applicant. Furthermore, the applicant shall also have at least one manager with the academic background or practical skills necessary to carry out the business of road transport of passengers.

The license is valid for three years and can be renewed upon its expiration.

Labour matter

The labour regime in Macau is based on 27th of July 1998 — Law No. 4/98/M (Framework Law on Employment Policy and Worker's Rights) which prescribes general principles and directions of Labour legislations.

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18th of August — Law No. 7/2008 (Labour Relation Law), which became effective on 1 January 2009 and replaced the “old Labour law” — 3rd of April 1989 — Decree-Law No. 24/89/M (Labour Relations, Juridical System), provides the basic requirements and conditions for all types of Labour relations with certain exceptions. In general, requirements and conditions stipulated in such law cannot be waived by mutual agreement. All working conditions of whatever type of Labour relation should not be worse than the basic conditions stipulated in such law.

The employer shall comply with the conditions required under 22nd of May — Decree Law No. 37/89/M (approval of general regulation of working safety and hygiene of office, service and commercial establishment) in order to provide a safe and clean working condition for its employees, failing of which will result in fines and cautious measures to be imposed on the employer pursuant to 18th of February 1991 — Decree Law No. 13/91/M (determination of sanctions for the non-compliance of general regulation of working safety and hygiene of office, service and commercial establishments).

The statutory requirements stipulated under 18th of October — Decree Law No. 58/93/M (approval of social security regime), revoked by Administrative Regulation No. 24/2015 (approval of Labour Credits Guarantee Fund) and partially revoked by Administrative Regulation No. 6/2007, Law No. 21/2009, Law No. 4/2010 and Law No. 10/2015, and 4th of August — Decree Law No. 40/95/M (approval of legal regime of reparation of damages caused by industrial accidents and occupational diseases), stipulate that an employer is obliged to participate and contribute to the mandatory social security funds and to obtain compulsory industrial accident insurance for its employees in Macau in accordance with the relevant applicable legislations, failing of which will result in an administrative fine to be imposed on the employer as legal sanction.

In the event an industrial accident, the employer shall notify the Labour Affairs Bureau of Macau within 24 hours of the accident, or the time that they acknowledge the accident and also notify the insurer within the period as regulated under the insurance policy. Failing of notification to the Labour Affairs Bureau of Macau will result an administrative fine from MOP2,500 to MOP12,500 to be imposed on the employer.

All employees must either be permanent or non-permanent Macau residents or holders of work permits in the case of foreign workers. The hiring of a non-resident worker shall comply with the 15th of October — Law No. 21/2009 (Law of Hiring non-resident workers), and the employer is required to obtain the work permit in the case of foreign worker. Except for certain limited situations stated under 14th of June — Administrative Regulation No. 17/2004 (Regulation on Prohibition of Illegal Work), workers other than Macau residents or holders of work permits will be considered as illegal workers in Macau and employers will be criminally liable under 2nd of August — Law No. 6/2004 (Law of Illegal Immigration and Expulsion) and subject to an administrative fine according to the above-mentioned administrative regulation.

According to the Law No. 7/2015 (Minimum wage for cleaning and security workers in the property administration business), minimum wage is only applicable to the labour relation established with workers who carry out cleaning and security work in the property administration activity and it does not apply to the employees of our Group.

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The regulatory authorities which are responsible for Labour safety, social security and insurance matters are the Labour Affairs Bureau of Macau, the Social Security Fund of Macau and the Monetary Authority of Macau, respectively.

Insurance matter

In Macau, a company must obtain compulsory industrial accident insurance for all its employees who are employed under the company in Macau in accordance with the relevant applicable legislations, failing of which will result in an administrative fine to be imposed on the company as the employer as legal sanction.

A company being a travel agent, shall purchase professional indemnity insurance which shall cover: (a) personal, property and non-pecuniary damage caused to clients or third parties by actions or omissions of the legal representatives of the agent and the persons employed by them and for whom the agent is civilly responsible; (b) the additional costs borne by clients as a result of failure to provide the agreed services or insufficient or defective service, and such insurance coverage shall not be less than MOP700,000.

Furthermore, our Group shall also purchase an insurance policy in the minimum amount set by Decree Law no. 57/94/M to cover the civil liability for damages resulting from any traffic accident for the vehicles which are used for the operation during the Track Record Period.

As per information obtained from the insurance company, it is not required to specify the name of each driver for each vehicle.

Taxation

Under the Macau Laws, a company registered in Macau should comply with the tax regime of Macau. According to the business nature of a company, the Profits Tax and the Industrial Tax are payable by a company and a company also have the responsibility for the declaration of the Professional Tax of their staffs generally under the Law no. 2/78/M.

A company shall declare the annual profits of last year to the Financial Services Bureau from April to June for Group A, and from February to March for Group B and the Financial Services Bureau will assess the profit tax payable by each of company accordingly. Under the law no. 21/78/M (Profits Tax), and the Law No. 9/2014 as amended by Law no. 5/2015, Law no. 15/2015, Law no. 11/2016 and Law no. 16/2017 (Budget laws of year 2015, 2016, 2017 and 2018), the profits tax of the first MOP600,000 is exempted and the balance will be calculated by the rate from 12% that exceeds this amount for years 2015 to 2018.

The industrial tax is fixed and calculated according to the business nature of each company and due for the operation. However, all the industrial tax is exempted by the Macau government in years 2014, 2015, 2016, 2017 and 2018. Macau Government will decide whether the exemption will be continued through the budget law of the forthcoming years.

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HONG KONG

Business Registration Ordinance

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every person, whether a company or an individual, who carries on a business in Hong Kong to apply for business registration certificate from the Inland Revenue Department of Hong Kong within one month from the date of commencement of the business, and to display the valid business registration certificate at the place of business. Any person who fails to apply for business registration or display a valid business registration certificate at the place of business shall be guilty of an offence, and shall be liable to a fine at level 2 (currently at HK\$5,000) and to imprisonment for one year.

Employees' Compensation Ordinance

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the "ECO") establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Under section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all their employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO.

An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK\$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK\$100,000) and to imprisonment for one year.

Laws and regulations in relation to our planned business in future

Our Group planned to introduce the point-to-point cross-border transportation services between Hong Kong and Macau via the HZMB. As at 30 June 2019, the Transport Bureau of Macau has granted 40 permits, each of which allows one vehicle to cross the HZMB, out of which our Group has been granted three permits. As at the Latest Practicable Date, we have submitted an application to the relevant Macau authority for the provision of point-to-point cross-border transportation services between Macau and Hong Kong. We have been liaising closely with different government authorities in Hong Kong in relation to the application for the provision of point-to-point cross-border transportation services between Macau and Hong Kong.

As advised by the Hong Kong Legal Counsel, the said point-to-point cross-border transportation services are governed by the Road Traffic Ordinance (Chapter 374 of the Laws of Hong Kong) (the "**Road Traffic Ordinance**") and Road Traffic (Public Service Vehicles) Regulations (Chapter 374D of the Laws of Hong Kong) ("**RT(PSV)R**") and the owner of the vehicle in connection with the said

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service is required to obtain a hire car permit from the Commissioner for Transport under Regulation 14 of RT(PSV)R. In addition, a closed road permit for cross boundary vehicles should also be obtained under Regulation 49 of the Road Traffic (Registration and Licensing of Vehicles) Regulations (Chapter 374E of the Laws of Hong Kong). In accordance with Sections 52(3) of the Road Traffic Ordinance, no private car is allowed to carry passengers for hire or reward unless a hire car permit is in force in respect of the vehicle. Any person contravening these provisions commits an offence and is liable in the case of first conviction to a fine of HK\$5,000 and to imprisonment for 3 months, and in the case of a second or subsequent conviction to a fine of HK\$10,000 and to imprisonment for 6 months. Subject to other requirements which may be imposed by the Hong Kong government, we plan to commence our point-to-point cross-border transportation services between Macau and Hong Kong in the fourth quarter of 2019. Details of which are set out in the paragraph headed “Business — Products and services — (iv) Point-to-point cross-border transportation services” in this prospectus. Our Directors confirmed that our Group will consult our legal advisers to comply with the relevant procedures or requirements to be imposed by the Hong Kong government in order to complete any registration or obtain any approval prior to the commencement of such services. For details of the relevant Macau laws and regulations, please refer to paragraph headed “Macau — Regulatory regime in relation to our business operation in Macau - Cross-border passenger transportation” in this section.

THE PRC

PRC Laws and Regulations on Foreign Investment

The Catalogue of Industries for Guiding Foreign Investment

Investment in the PRC conducted by foreign investors and foreign-invested enterprises is subject to certain regulations regarding the industry participated.

On 30 June 2019, the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019 Version) (《外商投資准入特別管理措施(負面清單)(2019年版)》) (the “**Negative List**”) and the Catalogue of Industries for Encouraging Foreign Investment (2019 Version) (《鼓勵外商投資產業目錄(2019年版)》) were jointly promulgated by the National Development and Reform Commission and the Ministry of Commerce (the “**MOFCOM**”) and became effective on 30 July 2019.

Under the Negative List, tourism industry and related consultation services are not subject to special administrative measures for the access of foreign investment.

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Regulations on Wholly Foreign-owned Enterprise

The establishment, operation and management of corporate entities in the PRC are basically governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on 29 December 1993, became effective on 1 July 1994, and was subsequently amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013 and 26 October 2018. The Company Law applies to both PRC domestic companies and foreign-invested companies, but for matters otherwise prescribed by laws in relation to foreign investment, such provisions shall prevail.

The foreign exchange matters, accounting practices, taxation, labour and other relevant matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) (the “**WFOE Law**”) which was promulgated by the SCNPC and came into effect on 12 April 1986, and was subsequently amended on 31 October 2000 and 3 September 2016, and the Implementation Rules of the WFOE law of the PRC (《中華人民共和國外資企業法實施細則》) which was promulgated and came into effect on 12 December 1990, and was subsequently amended on 12 April 2001 and 19 February 2014. Pursuant to the latest amendment of the WFOE Law, the establishment and change of a WFOE which does not involve the implementation of special administrative measures for the access of foreign investment prescribed by the PRC government shall be subject to record-filing management.

The Provisional Measures on Record-filing Administration over the Establishment and Change of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) (the “**Measures**”) was promulgated by the MOFCOM and came into effect on 8 October 2016, and was subsequently amended on 30 July 2017 and 30 June 2018. Pursuant to the Measures, a WFOE not subject to special market entry administrative measures shall file with the MOFCOM for its establishment or any change by submitting application documents online via the Foreign Investment Comprehensive Management System when filing application for establishment registration with the relevant administration for industry and commerce or market regulation, or within thirty days after the occurrence of any change to the WFOE, instead of obtaining the pre-approval for its establishment or changes.

PRC Laws and Regulations on Labour Protection

Labour Contract Law

According to the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, taking effect on 1 January 2008 and amended on 28 December 2012, as well as the Implementation Regulations of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and taking effect on 18 September 2008, a written labour contract shall be concluded to establish an employment relationship. An employer shall pay an employee two times his salary for each month in the circumstances that the employer fails to enter into a written labour contract with the employee for more than a month but less than a year; where such period exceeds one year, the parties are deemed to have entered into a unfixed-term labour contract on the date when the employee has worked for the employer for one full year. An employee

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may have his labour contract terminated by giving a written notification to the employer 30 days in advance or by fulfilling the statutory conditions. An employer may legally terminate a labour contract and dismiss an employee after reaching agreement upon due negotiations with the employee or by fulfilling the statutory conditions.

Social Insurance

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on 28 October 2010 and came into effect on 1 July 2011 and was amended on 29 December 2018, requires that employers in the PRC shall pay social insurance premiums, including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, for their employees. If an employer fails to make full payment of social insurance premiums in accordance with relevant laws and regulations, the social insurance premium collection institution shall order it to make the payment within a prescribed time limit and impose a daily fine equivalent to 0.05% of the overdue payment from the date on which the payment is overdue. If payment is still not made within the prescribed time limit, the relevant administrative department shall impose a fine ranging from one to three times the amount of the overdue payment.

Housing Provident Fund

According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》) promulgated and implemented by the State Council on 3 April 1999, and amended on 24 March 2002 and 24 March 2019, a newly established enterprise in the PRC shall make housing provident fund deposit registration with the housing provident fund management centre within 30 days of its establishment, and then open housing provident fund accounts for its employees. When employing new staff, the employer shall undertake housing provident fund deposit registration at the housing provident fund management centre within 30 days from the date of employment and then go through the formalities of opening or transferring the housing provident fund accounts for the staff. The monthly amount of housing provident fund deposited by each the employee and the employer shall not be less than 5% of the monthly average salary of the employee in the previous year. If an employer fails to make full payment of housing provident fund for its employees in accordance with relevant laws and regulations, the housing provident fund management centre shall order it to make the payment within a prescribed time limit. If payment is still not made within the prescribed time limit, an application may be made to the people's court for compulsory enforcement.

Laws and regulations in relation to our planned business in future

Based on the existing rules and regulations, there are no specific PRC rules or regulations which govern the planned point-to-point cross-border transportation services between Hong Kong and Macau through the HZMB. In the event that any PRC rules and regulations (if any) which are applicable to our point-to-point cross-border transportation services have been issued, our Group will comply with relevant rules and regulations prior to the commencement of the services.