APPLICABLE PRC LAWS AND REGULATIONS

The following is an overview of major PRC laws and regulations that are particularly relevant to our Group's business.

Company Law

The establishment, operation and management of corporate entities in the PRC are governed by the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was promulgated on December 29, 1993 and amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, and October 26, 2018. In accordance with the PRC Company Law, companies are generally classified into two categories: limited liability companies and limited companies by shares. The PRC Company Law also applies to foreign-invested limited liability companies, unless otherwise provided by other relevant laws regarding foreign investment, which shall prevail.

The latest amendments to the PRC Company Law, which became effective on October 26, 2018, apply to the current situation where companies diversify their demands for share repurchase by increasing the repurchase of their shares, appropriately simplifying the decision-making procedures for share repurchase, increasing the maximum number of shares held by such companies, and extending the period during which these companies can hold the repurchased shares.

Foreign Investment

The Law of the People's Republic of China on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》), which was promulgated in April 12, 1986 and amended on October 31, 2000 and September 3, 2016, respectively, and subsequently repealed and replaced by the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) ("**Foreign Investment Law**"), forms the fundamental legal basis for the PRC government to regulate wholly foreign-owned enterprises. In accordance with the Foreign Investment Law, which took effect on January 1, 2020, the government shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. Any sector not included on the negative list shall be administered under the principle of equal treatment of domestic and foreign investment. Foreign investors in the industries and sectors that require permission according to the law to invest shall apply for the relevant permission procedures. The form of organization, institutional framework and standard of conduct of a foreign-funded enterprise shall be subject to the provisions of the PRC Company Law or the Partnership Enterprise Law of the PRC* (《中華人民共和國合夥企業法》).

The Rules for the Implementation of the Wholly Foreign-owned Enterprise Law of the People's Republic of China* (《中華人民共和國外資企業法實施細則》) was promulgated on December 12, 1990 and amended on April 12, 2001 and February 19, 2014, which was subsequently repealed and replaced by the Implementation Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》). The Implementation Regulations of the Foreign Investment Law of the People's Republic of China took effect on January 1, 2020, pursuant to which the governments and their appropriate departments shall, in accordance with the law, equally treat foreign-funded enterprises and wholly Chinese-funded enterprises in such aspects as policies governing government funding arrangements, land supply, tax reduction and exemption, qualification licensing, formulation of standards, project application, and human resources. Drafting of any laws, regulations, rules and normative documents relating to foreign investment should be subject to the opinions and suggestions from foreign-invested enterprises and relevant chambers of commerce and associations. Feedback on the adoption of opinions and suggestions that reflect issues concentrating on or involving significant rights and obligations of foreign-invested enterprises should be provided through appropriate means. The PRC government has formulated an Encouraging Foreign Investment Industries Catalogue (《鼓勵外商投資產業目錄》) in accordance with the requirements for national economic and social development, which took effect on January 27, 2021 and sets out the specific industries, sectors, and regions where foreign investors are encouraged and guided to invest.

Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》)

Special Administrative Measures (Negative List) for Foreign Investment Access ("**Negative List**") was promulgated by the National Development and Reform Commission and the Ministry of Commerce of the PRC on June 28, 2018 and became effective on July 28, 2018, which was subsequently amended on June 30, 2019, June 23, 2020 and December 27, 2021. The Negative List has listed special administrative measures for foreign investment access in a unified manner, including requirements on equity and senior executives. Any sector that is not included on Negative List should be administered under the principle of equal treatment domestic and foreign investment. In the course of discharging their duties in accordance with the law, the relevant competent authorities shall not process the matters in relation to licensing and business registration of foreign investors who intend to invest in such sectors which are included in the Negative List but do not meet the requirements of the Negative List, nor are such competent authorities permitted to approve projects involving investments in fixed assets. No foreign-invested partnerships are permitted to be established in sectors where there is an equity requirement for investments. Where domestic companies, enterprises or natural persons merge or acquire their domestic companies through a company legally established or controlled overseas thereby, they shall proceed with the relevant requirements set for foreign investments, offshore investments, and foreign exchange control. As advised by the PRC Legal Advisers, according to the Negative List 2021 edition issued by the National Development and Reform Commission and the Ministry of Commerce on December 27, 2021 and effective on January 1, 2022, there are no special administrative measures for foreign investment access under the Negative List in respect of ship management business with regard to Chinese flag vessels. In other words, the regulations and rules for the ship management business of Chinese flag vessels equally apply to domestic and foreign investors.

Merger and Acquisition of Domestic Enterprises by Foreign Investors

The Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**"), promulgated by six PRC ministries including the Ministry of Commerce ("**MOFCOM**"), the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission, the State Taxation Administration, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on August 8, 2006, effective from September 8, 2006, amended and became effective on June 22, 2009. Foreign investors must comply with the M&A Rules when they purchase equity interests of a domestic enterprise or subscribe the increased capital of a domestic enterprise, and thus changing of the nature of the domestic enterprise into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in China, purchase the assets of a domestic enterprise and operate the asset; or when the foreign investors purchase the assets of a domestic non-foreign invested enterprise by agreement, establish a foreign-invested enterprise by injecting such assets, and operate the assets. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or PRC citizens intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC citizens, such acquisition must be submitted to the MOFCOM for approval.

Labor and Employment

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on July 5, 1994 and came into effect on January 1, 1995, and was amended on August 27, 2009, and December 29, 2018, prescribes rights and obligations under the labor contract system, the circumstances under which the employment relationship is terminated, and economic compensation for rescission and termination of the labor contract and its calculation methods under different employment systems and labor contract systems.

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012 came into effect on July 1, 2013, which is applicable where employers establish employment

relationships with employees by concluding, performing, modifying, rescinding or terminating labor contracts. Labor contracts shall be executed in writing to establish the employment relationship between employees and employers, and the labor contracts consist of fixed-term labor contracts, open-ended labor contracts, and labor contracts that expire upon completion of certain tasks. Where the employer fails to conclude a written labor contract with an employee for more than a month but less than a year from the date of employment, the employer shall pay the employee twice his/her salary for each month. In addition, the conditions of concluding open-ended labor contracts and the compensation paid by employers are prescribed by this law.

Social Insurance

According to the Labor Law of the of the People's Republic of China (《中華人民共和國勞動法》), the Decisions of the State Council for The Establishment of a Unified Basic Pension Plan for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》) promulgated on July 16, 1997, the Decisions of the State Council on Establishment of a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, the Regulation on Work-related Injury Insurance (《工傷保險條例》) promulgated on April 27, 2003 and amended on December 20, 2010, the Regulation on Unemployment Insurance (《失業保險條例》)promulgated on January 22, 1999, the Provisional Insurance Measures for Maternity of Employees (《企業職工生育保險試行辦法》) promulgated on December 14, 1994, the Provision Regulations for The Collection And Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》) promulgated on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers and employees have to participate in social insurance and contribute housing provident funds in accordance with the law. The employers responsible for contributing premiums shall establish and complete registration of social insurance and housing fund, and contribute premiums based on basic pension insurance, work-related injury insurance, maternity insurance, basic medical insurance, unemployment insurance and housing fund for employees.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated on October 28, 2010, which came into effect on July 1, 2011 and amended on December 29, 2018, the PRC government establishes social insurance systems such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance so as to protect the right of citizens to receive physical assistance from the government and society in accordance with the law in terms of retirement, sickness, work-related injuries, unemployment, and maternity, and emphasizes the legal obligations and responsibilities for employers to contribute social insurance premiums for employees.

According to the Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, an employer shall complete registration of contribution to the housing provident fund with the housing fund management centre. A newly established employer shall complete the registration of contribution to the housing provident fund within 30 days from the date of its establishment with the housing fund management centre, and go through the formalities of opening housing provident fund accounts on behalf of the employees within 20 days from the date of the registration. When employing new employees, an employer shall complete the registration of contribution to the housing provident fund at a housing fund management centre within 30 days from the date of the employment, and shall go through the formalities of opening or transferring housing provident fund accounts of employees. Where any employer that violates these regulations fails to complete registration of contribution to the housing fund or go through the formalities of opening housing fund accounts for its employees and workers, the housing provident fund management centre shall order rectification within a prescribed time limit in which case, a fine of more than RMB10,000 and less than RMB50,000 shall be imposed when rectification is overdue. If the employer violates these regulations and fails to pay or underpays the housing provident

fund within the prescribed time limit, the housing provident fund management center shall order the employer to pay within a prescribed time limit. When the contribution to the housing provident fund has not been made after the expiration of the time limit, an application may be made to a people's court for mandatory enforcement.

Regulations on Intellectual Property Rights

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and currently effective from June 1, 2021, the State Intellectual Property Office is responsible for administering patent law in the PRC. The patent administration departments of provincial, autonomous region or municipal governments are responsible for administering patent law within their respective jurisdictions. The Chinese patent system adopts a first-to-file principle, which means that when more than one person files different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent of the invention. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The protection period is twenty years for an invention patent and ten years for a utility model patent and fifteen years for a design patent, commencing from their respective application dates.

Trademark Law

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was adopted on August 23, 1982 and latest amended in 2019, as well as by the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council in 2002 and as most recently amended on April 29, 2014. The Trademark Office under the State Administration for Industry and Commerce, handles trademark registrations. The Trademark Office grants a ten-year term to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner. A trademark registrant may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for its record. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration. If a trademark applied for is identical or similar to another trademark which has already been registered or subject to a preliminary examination and approval for use on the same or similar kinds of products or services, such trademark application may be rejected. Any person applying for the registration of a trademark may not injure existing trademark rights first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Regulations on Domain Names

The Ministry of Industry and Information Technology of the PRC (the "**MIIT**") promulgated the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) (the "**Domain Name Measures**"), on August 24, 2017, which took effect on November 1, 2017 and replaced the Administrative Measures on China Internet Domain Name (《中國互聯網絡域名管理辦法》) promulgated by the MIIT on November 5, 2004. According to the Domain Name Measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide the true, accurate and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

Regulations Relating to Leasing

Pursuant to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and last amended on August 26, 2019 and effective on January 1, 2020 and the Administrative Measures on Leasing of Commodity Housing(《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (住房和城鄉建設部) on December 1, 2010 with

effect from February 1, 2011, the lessor and lessee shall complete property leasing registration and filling formalities within 30 days from execution of the property lease contract with the competent construction department where the leased property is located.

Foreign Exchange Control

Pursuant to the Regulation of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, and subsequently amended on August 5, 2008, payments, including the trade balance, interests and dividends incurred, in foreign exchange and transfer of foreign exchange for current international transactions shall not be restricted, provided that such payments shall be based on truthful and legal transactions. If foreign exchange receipts for capital account transactions are to be retained at or sold to financial institutions engaged in settlement or sales of foreign exchange, retention or sales of foreign exchange shall be subject to approval of foreign exchange control organisations, except for those not subject to approval as specified by the PRC government. Domestic institutions or individuals that make direct investment abroad or are engaged in distribution or deal of overseas valuable securities or derivative products or borrowing external debts or providing external guarantee or any other capital account transactions shall be subject to filing application or approval in accordance with the relevant provisions of the Foreign Exchange Control Department of the State Council.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of 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通知》), promulgated by SAFE on March 30, 2015 and came into effect on June 1, 2015 (which is partially annulled by the Notice of State Administration of Foreign Exchange on Repeal or Invalidation of Five Regulatory Documents on Foreign Exchange Administration and Some Clauses of Seven Regulatory Documents on Foreign Exchange Administration (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》), which was issued on December 30, 2019 and implemented on December 30, 2019 and the rule "the foreign exchange capital remitted to the dedicated security deposit account from overseas and domestically shall not be used for exchange settlement" in Article 6 of the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of 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通知》 was annulled), a foreign-invested enterprise shall use capital under the authentic and self-use principles within its business scope. The capital of a foreign-invested enterprise and the RMB funds obtained from the exchange settlement thereof shall not be used for the following purposes: (1) for expenditures, directly or indirectly, beyond the enterprise's business scope or those prohibited by the laws and regulations of the PRC; (2) for investment, directly or indirectly, in securities, unless otherwise provided by laws and regulations; (3) for the issuance, directly or indirectly, of entrusted RMB loans (excluding those that are permitted within the business scope), repayment of inter-enterprise loans (including third party advances) and the repayment of banks' RMB loans relent to the third parties; and (4) for the payment of relevant fees for the purchase of real estate property not for own use, except for foreign-invested real estate enterprises.

SAFE Circular No. 37

According to SAFE Circular No. 37 which was promulgated and came into effect on July 4, 2014 by the SAFE, domestic resident natural persons or domestic resident legal persons shall, before contributing domestic and overseas lawful assets or interests to a special purpose vehicle, apply to the competent local branch of the SAFE for going through the procedures for foreign exchange registration of overseas investments. Pursuant to SAFE Circular No. 37, domestic resident natural persons include individuals who hold PRC citizenship and overseas individuals who do not hold a Chinese identity document but reside habitually in the PRC for the purpose of economic interests.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated on February 13, 2015 by the SAFE and came into effect on June 1, 2015 (which was partially annulled by the Notice of State Administration of Foreign Exchange on Repeal or Invalidation of Five Regulatory Documents on Foreign Exchange Administration and Some Clauses of Seven Regulatory Documents on Foreign Exchange Administration (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》), which was issued on December 30, 2019 and implemented on December 30, 2019), the banks shall directly review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

Regulations on Taxation

Enterprise Income Tax

On March 16, 2007, the SCNPC promulgated the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) which was amended on February 24, 2017 and December 29, 2018.

On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Enterprise Income Tax Law (《中華人民共和國企業所得税法實施條例》) (collectively, the "EIT Law"). The EIT Law came into effect on January 1, 2008 and amended on April 23, 2019. Under the EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

Value-added Tax

The Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》) were promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994 and were subsequently amended from time to time; and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (Revised in 2011) (《中華人民共和國增值税暫行條例實施細則(2011修訂)》) was promulgated by the Ministry of Finance of PRC (the "**MOF**") on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011 (collectively, the "**VAT Law**"). On November 19, 2017, the State Council promulgated the Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax (《關於廢止《中華人民共和國營業税暫行條例》和修改《中華人民共和國增值税暫行條例》的決定》) (the "**Order 691**"). On March 20, 2019, the MOF, the State Taxation Administration and the General Administration of Customs jointly issued the Announcement on Relevant Policies on Deepen the Reform of Value-added Tax (《關於深化增值税改革有關政策的公告》) (the "**Announcement 39**"). According to the VAT Law and the Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of value-added tax (the "**VAT**"). According to the

Announcement 39, the VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, which will become effective on April 1, 2019, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

Regulations on Dividend Distribution

Wholly foreign-owned enterprises and Sino-foreign equity joint ventures in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, these foreign-invested enterprises may not pay dividends unless they set aside at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds, until such time as the accumulative amount of such fund reaches 50% of the enterprise's registered capital. In addition, these companies also may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends.

Regulations governing abovementioned dividend distribution arrangements have been replaced by the Foreign Investment Law of PRC (《中華人民共和國外商投資法》) and its implantation rules, which do not provide specific dividend distribution rules for foreign invested enterprises. The Foreign Investment Law and its implementation rules also provide that after the conversion from a wholly foreign-owned enterprise or sino-foreign equity joint venture to a foreign invested enterprise under the Foreign Investment Law, distribution method of gains agreed in the joint venture agreements may continue to apply.

Regulations on International Maritime Transportation of the PRC

According to the Regulations of the PRC on International Maritime Transportation (《中華人民共和國國際海運條例》) (the "**International Maritime Regulations**") promulgated by the State Council on December 11, 2001, effective as at January 1, 2002, and amended on July 18, 2013, February 6, 2016, and March 2, 2019, those engaged in the business operations of international maritime transportation both in and out of Chinese ports and the auxiliary activities relating thereto shall comply with the International Maritime Regulations. The auxiliary activities include international ship agency business, international ship management business, loading and unloading of international maritime cargo, storage of international maritime cargo, international maritime container freight stations and stacking yards business. According to the International Maritime Regulations, an enterprise shall obtain the International Shipping Transportation Operation License (《國際船舶運輸經營許可證》) for international shipping operation. Foreign investors may invest in international shipping business, international shipping agency business, international ship management business, international marine cargo handling business, international marine cargo warehousing business, and international maritime container freight station and container yard business in accordance with relevant laws.

The Implementing Rules of the Regulations of the PRC on International Maritime Transportation (《中華人民共和國國際海運條例實施細則》) (the "**Implementing Rules of the International Maritime Regulations**") promulgated by the Ministry of Transport on January 20, 2003, and subsequently amended on August 29, 2013, March 7, 2017, June 21, 2019 and November 28, 2019, provide that the Ministry of Transport and the transport authorities of the relevant local people's governments shall, pursuant to the provisions of the International Maritime Regulations and the Implementing Rules of the International Maritime Regulations, administer the business activities of international maritime transportation and the auxiliary business activities relating to international maritime transportation, and specify the definitions of international shipping business, non-vessel operating common carrier business and international shipping operator.

The Regulations for Administration of Maritime Transport of the PRC

According to the Regulations for Administration of Maritime Transport of the PRC (《國內水路運輸管理條例》) promulgated by the State Council in October 2012 and came into effect in January 2013, and subsequently amended on February 6, 2016 and March 1, 2017, shipping agency, water passenger transportation agency and water freight transportation agency have been changed to a filing system with a dynamic supervision system and a market exit mechanism. The competent transportation department under the

State Council and the department in charge of waterway transportation shall supervise and manage the waterway transport market in accordance with the law, impose penalties on illegal business activities in waterway transport and its ancillary businesses, and establish a system for managing the integrity of operators, which aims to announce to the public the status of supervision and inspection in a timely manner.

The Administrative Provisions on Auxiliary Services for Domestic Waterway Transport

The Administrative Provisions on Auxiliary Services for Domestic Waterway Transport (《國內水路運輸輔助業管理規定》) promulgated by the Ministry of Transport on January 2, 2014, and came into force as of March 1, 2014, mainly regulate the operations of auxiliary services for domestic waterway transportation, including ship management, ship agency, water passenger transport agency, water goods transport agency and other auxiliary business operations for waterway transportation. The Ministry of Transport is in charge of the administration of auxiliary services for waterway transportation nationwide. The competent transport department of a people's government at the county level or above takes charge of the administration of auxiliary businesses for water transport within the administrative region, and the waterway transport departments or agencies of which in charge of administration shall implement the specific administration of auxiliary businesses for water transport.

Regulation of the People's Republic of China on Seamen

According to the Regulation of the People's Republic of China on Seamen (《中華人民共和國船員條例》) (the "**Seamen Regulation**") promulgated by the State Council on April 14, 2007 and came into effect on September 1, 2007, and subsequently amended on July 29, 2014, March 1, 2017, March 2, 2019 and March 27, 2020, seamen shall obtain the corresponding certificate of competence for seamen in accordance with the provisions of the Seamen Regulation. Seamen participating in navigation and engineering shall receive corresponding training on competency for seamen and special training, obtained the corresponding qualifications for holding the seaman's positions, and have good performance and safety records. A seaman of an international navigation vessel applying for the certificate of competency shall also pass the professional foreign language proficiency test for seamen. Seamen and their employers should participate in injuries insurance, medical insurance, pension insurance, unemployment insurance and other social insurance in accordance with the relevant national provisions, and pay the full amount of the insurance premiums in a timely manner according to the law. Except for the national holidays, seamen are also entitled to annual leave of not less than five days for every two months of work on a vessel. The seamen's employers shall pay seamen the remuneration not less than their average wages earned at work on the vessel during the period of his annual leave.

Marine Environmental Protection

The Marine Environmental Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on August 23, 1982 and came into effect on March 1, 1983, and was amended on December 25, 1999, December 28, 2013, November 7, 2016 and November 4, 2017, prescribes that organisations and individuals discharging pollutants or dumping waste into the sea shall pay a pollutant discharge fee or dumping fee pursuant to the provisions of the State. Vessels and related operations shall comply with the relevant laws, regulations and standards, and adopt effective measures to prevent marine environment pollution. Non-compliance may lead to a series of penalties, including monetary penalties or being ordered to stop the illegal act and make correction, suspend business or close down.

The Administrative Regulation on the Prevention and Control of Marine Environmental Pollution Caused by Vessels (《防治船舶污染海洋環境管理條例》) promulgated by the State Council on September 9, 2009, and subsequently amended on December 7, 2013, July 29, 2014, February 6, 2016, March 1, 2017 and March 19, 2018, shall apply to the prevention and control of pollution caused by vessels and their related operational activities to the sea areas under the jurisdiction of the PRC. The prevention and

control of marine environmental pollution caused by vessels and relevant operational activities shall follow the principle of putting prevention first and combining prevention and control.

The Administrative Provisions of the PRC on the Prevention and Control of Marine Environmental Pollution Caused by Vessels and Relevant Operational Activities (《中華人民共和國船舶及其有關作業活動污染海洋環境防治管理規定》) promulgated by the Ministry of Transport on 23 May 2017, and came into effect as of the same date, shall be applicable to the prevention and control of pollution caused by vessels and relevant operational activities to the sea areas under the jurisdiction of the PRC. Pursuant to the provisions, the relevant operational activities include loading, unloading, delivery over-side, hold cleaning, tank washing, oil receiving and supply, repairing, salvaging and disassembling of vessels, packing and canning of polluting and harmful goods, pollutant removal and other surface and underwater operational activities of vessels. The Transport Department under the State Council shall be in charge of the nationwide prevention and control of marine environmental pollution caused by vessels and relevant operational activities. The National Maritime Administration Authority shall be responsible for supervising and administering the nationwide prevention and control of marine environmental pollution caused by vessels and relevant operational activities. The competent maritime administration authorities at all levels shall, based on their duties and the extent of power, be responsible for supervising and administering the prevention and control of marine environmental pollution caused by vessels and relevant operational activities within their respective jurisdictions.

Personal Information Protection Law of the People's Republic of China

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") was promulgated by the Standing Committee of the National People's Congress on August 20, 2021, and took effect on November 1, 2021. The Personal Information Protection Law consolidates decentralized rules on personal information rights and privacy protection to provide a comprehensive personal information protection system. Personal information refers to all information concerning an identified or identifiable natural person, recorded electronically or otherwise, excluding information processed anonymously. The Personal Information Protection Law applies to personal information processing activities within the territory of the PRC and also applies to certain Personal Information processing activities outside the territory of the PRC, including those for providing products or services to natural persons within the territory of the PRC or analysing and evaluating behaviours of natural persons within the territory of the PRC.

The Personal Information Protection Law provides for circumstances in which a personal information processor may process personal information, including but not limited to circumstances where an individual's consent is obtained and the circumstances are necessary to enter into or perform a contract to which the individual is a party. It also provides several specific rules governing the obligations of personal information processors, for example, the obligations of informing individuals of the purposes and methods of the processing, types of personal information processed, storage period and the obligations of any third party that may obtain the personal information in cooperative processing or entrustment. In accordance with the Personal Information Protection Law, processors shall take necessary measures to protect the security of personal information processed. It stipulates the rights of data subjects, including the right to know, the right to refuse or restrict processing, the right of access, the right of transfer, the right of correction, the right of deletion, the right to request interpretation of processing rules, and the rights of close relatives of the deceased.

The Personal Information Protection Law provides that processors and key information infrastructure operators shall store the personal information collected and generated within the territory of the PRC if the quantity of the personal information they process exceeds the upper limit prescribed by the relevant departments and key information infrastructure operators. Personal information processors that make automatic decision by use of personal information shall ensure the transparency of such automatic decision and

the fairness and impartiality of the results thereof and shall not give unreasonably differential treatment to individuals in terms of transaction conditions such as transaction price. Relevant government departments shall organize assessments of the protection of personal information by mobile applications and publish the results. If a mobile application is found to fail to meet the protection requirements for personal information under the law, it may be required to suspend or terminate its services. The operator may also be subject to penalties such as confiscation of illegal income and fines. The Personal Information Protection Law also stipulates the rights of the natural persons whose personal information is processed. It particularly protects the personal information of children under 14 and sensitive personal information.

Data Security Law of the People's Republic of China

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**") was promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and entered into force on September 1, 2021. The Data Security Law regulates the data security and privacy obligations of entities and individuals carrying out data activities.

Based on the importance of data in economic and social development, and the degree of damage caused to national security, public interests, or the legitimate rights and interests of individuals or organisations when such data are altered, destroyed, leaked, illegally obtained or illegally used, the Data Security Law introduces a classified and graded data protection system and apply appropriate level of protection measures to each corresponding category of data. For example, important data processors shall designate a person responsible for data security and a management body to evaluate the risks of their data processing activities and submit the evaluation report to the competent authorities. In addition, the Data Security Law provides a national security review process for data activities that may have an impact on national security, and imposes export restrictions on certain data and information.

Administrative Provisions on Overseas Issuance and Listing of Securities by Domestic Enterprises and Administrative Measures for the Record-filing of Overseas Issuance and Listing of Securities by Domestic Enterprises

On December 24, 2021, the China Securities Regulatory Commission (CSRC) promulgated the Administrative Provisions of the State Council on Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(徵求意見稿)》) (the "**Administrative Provisions**") and the Administrative Measures for the Record-filing of Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Administrative Measures**") (collectively referred to as the "**Drafts**") to gather public comments by January 23, 2022.

According to the Drafts, domestic Chinese enterprises that directly or indirectly issue securities in offshore areas or list their securities for trading in offshore areas must file a record to the CSRC within 3 business days from the submission of their listing application documents to the relevant regulatory authorities where the enterprises plan to list its securities. Domestic enterprises' direct overseas issuance of securities or trading of their securities on the overseas market refers to issuance of securities overseas or listing of their securities for trading overseas by companies limited by shares registered within the territory of the PRC. Domestic enterprises' indirect overseas issuance of securities or trading of their securities on the overseas market refers to the overseas issuance or the overseas listing and trading of securities, in the name of an overseas enterprise, by an enterprise whose primary business and operating activities are within the territory of the PRC, based on the equity, assets, incomes, or other similar rights and interests of the domestic enterprise. The Drafts also stipulate several circumstances under which the overseas listing shall not be conducted. If a domestic enterprise fails to complete filing in accordance with the Administrative Provisions, it may be given a warning and imposed a fine of RMB1 million to RMB10 million. In a serious case, the domestic enterprise may be ordered to suspend relevant

business or cease its business for internal rectification, or its relevant business qualification license or business license may be revoked or suspended. As at the Latest Practicable Date, the Drafts have not been formally adopted.

APPLICABLE SINGAPORE LAWS AND REGULATIONS

Our business operation in Singapore is mainly regulated by the Maritime and Port Authority of Singapore ("**MPA**"), established under the Maritime and Port Authority of Singapore Act 1996 and its subsidiary legislation. This legislation sets out the legal requirements, certification and registration, monitoring and surveillance of the shipping industry in Singapore. Further, Singapore is a council member of the International Maritime Organization ("**IMO**") which covers safety and security, marine pollution, legal matters, technical co-operation and maritime traffic rules. As such, Singapore has acceded to various international conventions made under the auspices of the IMO. Summaries of major Singapore laws and regulations which are relevant to our Group are set out below:

Maritime legislation in Singapore

The maritime legislation of Singapore includes Acts of Parliament in Singapore that affect the port of Singapore and ships registered under the Singapore flag.

Merchant Shipping Act 1995

The Merchant Shipping Act 1995 ("**MSA**") sets out the procedures and requirements for the registration of ships under the Singapore flag, manning, crew matters as well as safety issues. Vessels registered in accordance with the MSA under the Singapore flag are subject to the provisions of the MSA. The MSA regulates the various aspects of merchant shipping including the following:

(i) registration of ships;
(ii) manning and certification of qualified persons;
(iii) crew matters;
(iv) survey and safety of ships;
(v) inquiries and investigations of ship officers and shipping causalities;
(vi) delivery of goods;
(vii) liability of shipowners;
(viii) wreck and salvage of ships; and
(ix) legal proceedings governing ships subject to the MSA.

Vessels registered under the Singapore flag (the "**Singaporean Vessels**") will be issued with certificates of registration by the MPA. These certificates are only issued to vessels which have met the requirements specified in the MSA for registration. In addition, the subsidiary regulations below set out the specific requirements in relation to registration of Singaporean Vessels.

As at the Latest Practicable Date, our Singapore subsidiaries did not own any ships, and there was no ship owned by the Singapore subsidiaries which are registered under the Singapore flag state.

*Merchant Shipping (Safety Conventions) Regulations ("**MSSC**")*

Singapore maritime legislations adopts the **International Convention for the Safety of Life at Sea 1974 ("SOLAS")** through MSSC Regulations which specified the minimum standards for the building, equipping and operations of vessels. Some standards include the requirement for the installation of the fire-fighting systems, machinery and electrical equipment on board a vessel which are essential for its safe operation under various emergency conditions.

Merchant Shipping (Maritime Labor Convention) Act 2014 ("MSML")

MSML and its regulations incorporated the Maritime Labor Convention 2006 ("**MLC**"). Certain provisions of the MSML applies to all ships, not being Singapore ships, in Singapore, whether publicly or privately owned, ordinarily engaged in commercial activities; and all seafarers employed on such ships. Under Section 2 of the MSML, the MSML not only imposes strict liabilities on the ship-owner, but the same strict liabilities

are also imposed on the ship manager or anyone "who has assumed the responsibility for the operation of the ship from the owner and who, on assuming such responsibility, has agreed to take over the duties and responsibilities imposed on the shipowners".

Some key features of the MSML include specifying working hours, payment of wages, annual leave, minimum age requirements and provision for the repatriation of seafarers. The MSML also sets out requirements for working conditions on board ships, which includes the proper provision of food and water, medical care and other measures to ensure the health and safety of seafarers.

Under the MSML, ship owners are required to implement procedures to allow aggrieved seafarers to lodge complaints regarding breaches of employment conditions. Where a seafarer is dissatisfied with the result of the investigation, the ship's master is obligated under the MSML to make adequate arrangements to enable the seafarer to escalate the matter to the MPA, or if the ship is not in Singapore, to a port State authority.

Under Section 58 of the MSML, any ship in Singapore, not being a Singapore ship, whether publicly or privately owned, that is ordinarily engaged in commercial activities, is subject to inspection limited to verifying that there are carried on board the ship (i) a valid Maritime Labor Certificate or a valid interim Maritime Labour Certificate; and (ii) a valid Declaration of Maritime Labor Compliance, or their equivalent issued under the national laws of the flag State of the ship. Further, under Section 59 of the MSML, if upon inspection a ship is found not to conform to the requirements of the MSML or other relevant written law, or of the MLC (as the case may be) and (i) the conditions on board are clearly hazardous to the safety, health or security of seafarers; or (ii) the non-conformity constitutes a serious or repeated breach of the requirements (inclusive of seafarers' rights) of the MSML or other relevant written law, or of the MLC, as the case may be, the ship may be detained. In the event the ship goes to sea before it is released after service of the notice of detention, the ship owner and the shipowner and the master shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding 2 years or to both.

International Safety Management Code ("ISM Code")

The ISM Code is made mandatory under SOLAS Chapter IX — Management for the safe operation of ships. The ISM Code required the establishment of procedures for the maintenance and safety of vessels and environmental protection, among others. From July 1, 1998 onwards, the ISM Code is applicable to passenger ships and high-speed craft passenger, and oil/chemical/gas tankers, bulk carriers and high-speed craft cargo ship of 500 tonnage and above. Companies are mandated to develop, implement and maintain a safety management system ("SMS") in accordance with the provisions of the ISM Code. The SMS must be implemented in their shore-based organizations (main and branch offices), as well as on their ships. Any of the nine classification societies which has been authorized by the MPA may conduct company and ship board ISM audits and to issue Documents of Compliance ("DOC") and Safety Management Certificates ("SMC") to the companies and their Singapore ships.

Ship managers, charterers and operators are required to adhere to standards for the safe management and operation of ships and pollution prevention in certain situations. Under Chapter IX of the International Convention for the Safety of Life at Sea, for a cargo ship of not less than 500 tons gross tonnage under Regulation 3(ii) of Chapter I, SOLAS, an organization including a manager or charterer who has assumed responsibility for the operation of the ship from the owner, and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention A.741(18), will require a DOC pursuant to Regulation 1(3) of Chapter IX of SOLAS. The DOC requires an audit to be carried out every year by the flag Administration or its recognized organizations, and the DOC must be renewed every (5) five years under Regulation 4(1) of Chapter IX of SOLAS. To obtain the DOC, the company is required to comply with the ISM Code, particularly Regulation 1.4 of the ISM Code, which requires the development of a Safety Management System. This comprises a safety and environmental protection policy; procedures to ensure safe operations of ships and protection of the environment; defined levels of authority and

lines of communication between shipboard and shore personnel; procedures for reporting hazardous occurrences, accidents and non-conformities with the ISM Code; procedures to prepare for and respond to emergency situations; and procedures for internal audits and management reviews. Companies must also appoint designated persons ashore to monitor safety and pollution-prevention, and designated persons must have direct access to highest level of management in the company, as well as adequate resources and support to carry out their functions.

As at the Latest Practicable Date, our Singapore subsidiaries which engage in ship management services for the Group's subsidiary had obtained the necessary DOC issued by the Bureau Veritas.

Merchant Shipping (Civil Liability and Compensation for Oil Pollution) Act 1998 ("CLCOPA")

Any and all ships entering the territory of Singapore are subject to the CLCOPA which was enacted to bring into effect in Singapore the International Convention on Civil Liability for Oil Pollution Damage 1992 and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1992.

The CLCOPA provides that owners of ships that cause damage in the territory of Singapore by contamination resulting from the discharge or escape of oil shall be liable for such damage, the cost of any measures taken after such discharge or escape for the purpose of preventing or reducing such damage and for damage caused in the territory of Singapore by the measures so taken. The aforementioned applies to any ship constructed or adapted for carrying oil in bulk as cargo and where any ship so constructed or adapted is capable of carrying any other cargoes besides oil, applies only to any such ship (i) while it is carrying oil in bulk as cargo; and (ii) while it is on any voyage following the carriage of any such oil, unless it is proved that no residues from the carriage of any such oil remain in the ship.

Pursuant to Section 13 of the CLCOPA, any ship carrying in bulk as cargo more than 2,000 tons of oil must not enter or leave any port in Singapore or enter or leave any offshore terminal in the territorial sea of Singapore and must not, if it is a Singapore ship, enter or leave any port in any other country or any offshore terminal in the territorial sea of any other country, unless there is in force a Liability Convention Certificate ("**LCC**") and showing that there is in force in respect of the ship a contract of insurance or other security satisfying the requirements of Article VII of the Liability Convention. If the ship is registered in a Liability Convention country other than Singapore the LLC must be issued by or under the authority of the government of that other Liability Convention country, and if the ship is registered in a country which is not a Liability Convention country, the LLC must be issued by the Director of Marine or by or under the authority of the government of any Liability Convention country other than Singapore.

If a ship enters or leaves, or attempts to enter or leave a port or the territorial sea without the said LLC, the master or the owner of the ship shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$1 million. If a ship fails to carry or fails to produce a LLC upon request of any officer of MPA, the master of the ship shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$20,000.

Merchant Shipping (Civil Liability and Compensation for Bunker Oil Pollution) Act 2008 ("CLCBOPA")

Similarly, under the CLCBOPA, owners of ships that cause damage in the territory of Singapore by contamination resulting from the discharge or escape of bunker oil shall be liable for such damage, the cost of any measures taken after such discharge or escape for the purpose of preventing or reducing such damage and for damage caused in the territory of Singapore by the measures so taken.

Pursuant to Section 12 of the CLCBOPA, any ship having a gross tonnage greater than 1,000, shall not enter or leave any port in Singapore unless there is in force (i) a contract of insurance or other security in respect of the ship satisfying the requirements of Article 7 of the Bunker Convention; and (ii) a Bunker Convention Certificate ("**BCC**"). If the ship is registered in a Bunker Convention country other than Singapore, the BCC must be issued by or under the authority of the government of that other Bunker Convention country, and

if the ship is registered in a country which is not a Bunker Convention country, the BCC must be issued by the Director of Marine or by or under the authority of the government of any Bunker Convention country other than Singapore.

If a ship enters or leaves, or attempts to enter or leave a port or the territorial sea without the said BCC, the master or the owner of the ship shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$1 million. If a ship fails to carry or fails to produce a LLC upon request of any officer of MPA, the master of the ship shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$20,000.

Prevention of Pollution of the Sea Act 1990 ("PPSA")

The PPSA aims to prevent sea pollution, whether originating from land or from ships. Pollution from these sources may arise from accidents or even routine marine operations. The PPSA provides that vessels are to keep record of all discharges of oily mixtures and other discharges and to report any discharge of harmful substances. In the event of such a discharge in Singapore waters, the owners would be liable to pay the costs as prescribed by the MPA to remove or reduce the contamination caused.

PPSA also gives MPA the power to take preventive measures to prevent pollution, including denying entry or detaining ships.

Section 6 of the Act prohibits the discharge of refuse, garbage, wastes, effluents, plastics and dangerous pollutants from ships into Singapore waters and if this provision is contravened, the master, the owner and the agent of the ship shall each be guilty of an offence and shall be liable on conviction to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding 6 months or both.

International Ship and Port Facility Security Code ("ISPS Code")

The ISPS Code provides for a set of measures to enhance the security on board of ships and port facilities, developed in response to threats that may be faced by ships on voyage. Compliance is mandatory for the 148 Contracting Parties to SOLAS AND contracting Parties are required to designate appropriate security officers and personnel on each ship in preparation against any potential security threats.

International Convention on Load Line 1966 ("ICLL")

The ICLL aims to set out limitations on the draught to which a ship may be loaded, external weather tight and water tight integrity, so as to ensure safety of a vessel. Further to the Merchant Shipping (Load Line) Regulations of Singapore, no vessel which are engaged in international voyages shall proceed to sea on an international voyage unless it has been surveyed, marked and provided with an International Load Line Certificate, or Singapore Load Line Certificate or Singapore Load Line Exemption Certificate.

Employment law

The Employment Act 1968 of Singapore (the "**Employment Act**") is administered by the Ministry of Manpower and sets out the basic terms and conditions at work for employees covered under the Employment Act, such as payment of salary, paid public holidays, sick leave and maternity leave. The Employment Act covers, amongst others, every employee who is under a contract of service with an employer and includes a workman.

Employment of foreign manpower

The policies and regulations relating to the employment of foreign employees and manpower are set out, amongst others, under the Employment of Foreign Manpower Act 1990 of Singapore ("**EFMA**") and relevant government gazettes to regulate the availability and cost of foreign employees.

The EFMA provides that no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from the Ministry of Manpower in accordance with EFMR, which allows the foreign employee to work for him.

Central Provident Fund ("CPF")

The CPF system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore by an employer (save for employees

who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S passes or work permits.

Company Laws and Regulations

The Singaporean subsidiaries in our Group are private companies limited by shares, incorporated and governed under the provisions of the Companies Act 1967 of Singapore (the "**Companies Act**") and its regulations.

Members of a company are also subject to and bound by the provisions in its constitution (refers to the memorandum and articles of association for companies which were incorporated before January 3, 2016).

Taxation

Corporate Tax

The prevailing corporate tax rate in Singapore is 17%, with partial tax exemption for normal chargeable income of up to S$200,000. With effect from the year of assessment 2020, 75% of up to the first S$10,000, and 50% 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 that exceeds S$200,000 will be fully taxable at the prevailing corporate tax rate. In addition, new start-up companies will, subject to certain conditions and exceptions, be eligible for 75% exemption on the first S$100,000 of normal chargeable income and a further 50% exemption on the next S$100,000 of normal chargeable income, for each of the company's first three consecutive years of assessment.

For the year of assessment 2020, corporate taxpayers will be entitled to corporate income tax rebates of 25% of the corporate tax payable (which is capped at S$15,000 for year of assessment 2020). The corporate income tax rebate will not apply to income derived by a non-resident company that is subject to final withholding tax. There is no corporate income tax rebate proposed for the year of assessment 2021.

Dividend distributions — One Tier Corporate Taxation System

Singapore adopts the one-tier corporate taxation system (the "**One-Tier System**"). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Withholding taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Goods and Services Tax ("GST")

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

APPLICABLE HONG KONG LAWS AND REGULATIONS

The following is an overview of Hong Kong ordinances and subsidiary legislations that are particularly relevant to our Group's business.

Merchant Shipping (Registration) Ordinance (Chapter 415 of the Laws of Hong Kong) ("MS(R)O")

Section 11 of the MS(R)O provides that a ship is registrable if a representative person is appointed in relation to that ship and either a majority interest in the ship is owned by one or more qualified persons or the ship is operated under a demise charter by a body corporate being a qualified person. As qualified persons include body corporates in Hong Kong, the MS(R)O applies to our Group.

Sections 19 and 20 of the MS(R)O state that a specified form, consent from the representative person and declarations by and on behalf of owners and demise charterers are required for an application for registration.

Section 24 of the MS(R)O provides that upon the registration of a ship, the Registrar of Ships shall grant a certificate of registry, in the specified form, containing the particulars relating to the ship entered in the register.

The Registrar of Ships is responsible for keeping a register for ships registered or provisionally registered under the MS(R)O. The register shall contain particulars in respect of ships, owners and their respective interests in ships, demise charterers, mortgagees and representative persons as are prescribed.

Merchant Shipping (Safety) Ordinance (Chapter 369 of the Laws of Hong Kong) ("MS(S)O") and Merchant Shipping (Prevention and Control of Pollution) Ordinance (Chapter 413 of the Laws of Hong Kong) ("MS(PC)O")

Hong Kong is an Associate Member of the International Maritime Organization (IMO) and has accepted the international conventions relating to safety and protection of the marine environment. These conventions are implemented through regulations made under the MS(S)O and MS(PC)O and regulates the safety and prevention and control of pollution issues of Hong Kong ships.

Bunker Oil Pollution (Liability and Compensation) Ordinance (Chapter 605 of the Laws of Hong Kong) ("BOP(LC)O")

The BOP(LC)O provides for the legislative framework in enforcing claims against the shipowners where any bunker oil carried by the ship is discharged or escaped from the ship resulting in pollution and damage.

Merchant Shipping (Collision Damage Liability and Salvage) Ordinance (Chapter 508 of the Laws of Hong Kong) ("MS(CDLS)O")

The MS(CDLS)O governs the law relating to collision damage and salvage operations. It incorporates the International Convention on Salvage 1989, thereby bringing this aspect of Hong Kong law in line with international laws. The Convention acts as the principal multilateral document governing marine salvage.

Under section 3 of the MS(CDLS)O, where by the fault of two or more vessels, damage or loss is caused to one or more of those vessels, to their cargoes or freight, or to any property on board, the liability to make good the damage or loss shall be in proportion to the degree in which each vessel was in fault.

Carriage of Goods by Sea Ordinance (Chapter 462 of the Laws of Hong Kong) ("CGSO")

The CGSO incorporates the Hague-Visby Rules which governs the rights and liabilities (and the limitation of such liabilities) of the parties (including the shipowners) relating to the transportation of goods by sea.

Whilst most of the member states to the international conventions simply adopt the requirements of the international conventions by incorporating the same in its national laws, the flag state requirements of some states may be different or extended to aspects which are not addressed in the international conventions.

APPLICABLE JAPANESE LAWS AND REGULATIONS

Our business operations are mainly regulated by the Ministry of Land, Infrastructure, Transport and Tourism and its subordinate organization ("**MLIT**"). Summaries of major Japanese laws and regulations which are relevant to our business operations are as set out below.

Maritime Laws and Regulations

Marine Transportation Act (Act No. 187 of 1949, as amended) ("MTA")

The MTA was enacted in 1949 to regulate the business of marine transportation in Japan. Under the MTA, the business of maritime transportation is generally classified as (i) ship operation business; (ii) ship lease business; (iii) marine brokerage business; and (iv) marine agency business.

Our business operation in Japan mainly consists of ship lease business and marine brokerage business. For these businesses, post notifications have to be submitted to relevant local department of the MLIT after the commencement of such businesses as required under the MTA.

Act on Limitation of Liability of Shipowner, etc. (Act No. 94 of 1975, as amended) ("ALS")

The ALS was enacted in accordance with the International Convention relating to the Limitation of the Liability of Owners of Sea-Going Ships, and Protocol of Signature, 1957. The ALS governs the limitation on, and procedures for, the liability of owner, lessee and charterer, etc. of ships, where such ships are registered in Japan or the ALS is otherwise applicable to such liability thereunder. Under the ALS, the owner, lessee and charterer, and employees of ships may apply for limitation of liability for damages directly caused by operation of ships, delay of transportation, prevention of further damages and so forth with limited exception such as damages caused by their reckless act.

Act on Compensation for Damages of Oil Pollution by Ships (Act No. 95 of 1975, as amended) ("ADOP")

The ADOP was enacted in accordance with the International Convention on Civil Liability for Oil Pollution Damage, 1969. The ADOP governs oil pollution caused by any ship constructed or adapted for carrying oil in bulk as cargo, where the ADOP is applicable to such liability thereunder.

The ADOP provides that owners of vessels which cause damage in the territory of Japan by contamination resulting from the discharge or escape of oil shall be liable for such damage, the cost of any measures taken after such discharge or escape for the purpose of preventing or reducing such damage and for damage caused in the territory of Japan by the measures so taken."

The ADOP also provides for the limitation of liability for damage caused by the discharge or escape of oil and for the availability of an international fund for compensation to the person suffering the damage caused. Such international fund is contributed to by importers as well as receivers of oil. The amount of limitation shall be calculated under the Article 7 of the ADOP mainly in accordance with tonnage of ship. Applicants for the limitation shall file the application for limitation to the relevant district court in Japan, and each creditor will receive all or a part of its claim in accordance with the court decision.

Company Laws and Regulations

Seacon Shipping Japan and Seacon Logistics are indirect wholly-owned subsidiaries of our Company. Both are stock companies, under which the shareholder's liability is limited, and governed by the Companies Act (Act No. 86 of 2005, as amended) and its subordinate regulations (collectively, the "**Companies Act**").

The Companies Act generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (including issuances of new shares (including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders' rights, accounts, arrangements, reconstructions and amalgamations, winding up and dissolution.

Japanese companies are also subject to and bound by the provisions in their articles of incorporation, which provides for, *inter alia*, the purposes of the company, restrictions and procedures for transfers of shares, rights of shareholders, procedures and requirements for shareholders' meeting and, if applicable, board meeting, payment of dividend, dissolution and liquidation and so forth.

APPLICABLE MARSHALL ISLANDS LAWS AND REGULATIONS

In connection with the establishment of its ship registry, the Marshall Islands adopted a corporate law in 1990 which was modeled on the laws of the State of Delaware, named the Marshall Islands Business Corporations Act of 1990, as amended (the "**BCA**"). Section 13 of the BCA provides that "This Act shall be applied and construed to make the Laws of the Republic, with respect to the subject matter hereof, uniform with the laws of the State of Delaware and other states of the United States of America with substantially similar legislative provisions. Insofar as it does not conflict with any other provision of this Act, the non-statutory law of the State of Delaware and those other states of the United States of

America with substantially similar legislative provisions is hereby declared to be and is hereby adopted as the law of the Republic, provided however, that this section shall not apply to resident domestic corporations."

Since 1990, the Marshall Islands has offered an off-shore corporate registry which provides for resident domestic corporations and domestic non-resident corporations. The latter are defined in the BCA as corporations not doing business in the Marshall Islands. Each of the Marshall Islands companies in our Group (the "**Marshall Islands Corporations**") are domestic non-resident corporations, therefore, the Marshall Islands Corporations are not doing business in the Marshall Islands.

Pursuant to the BCA, the Marshall Islands maintains a Registrar of Corporations which currently has its main offices in the United States. As domestic non-resident corporations, each of the Marshall Islands Corporations is required to pay annual fees and file their current Articles of Incorporation, however they are not required to maintain a share register or list of directors and officers with the Marshall Islands pursuant to the BCA.

Except for the BCA, local Marshall Islands law is generally not applicable to domestic non-resident corporations. For that reason, the application of Marshall Islands law to domestic non-resident corporations would rarely, if ever, be applicable. Along those lines, none of the Marshall Islands Corporations are subject to Marshall Islands income tax.

APPLICABLE LIBERIAN LAWS AND REGULATIONS

The eight Liberian companies in our Group, namely, Seacon Brazil, Seacon Ningbo, Seacon Shanghai, Seacon Hamburg, Seacon Nola, Seacon Santos, Seacon Tokyo and Seacon Vancouver, are all non-resident Liberian corporations.

Although non-resident Liberian corporations are incorporated and registered in Liberia, they are legally prohibited from doing or transacting any business in Liberia and therefore they do not maintain a legal presence in Liberia. They are commonly referred to as "off-shore corporations".

As a result of their non-resident status, our Group's Liberian companies are:

(a) not required to maintain corporate books and records in Liberia or file the names of directors, officers, shareholders or their individual shareholdings with the Registrar or any governmental entity in Liberia; and

(b) prohibited from doing or transacting business in Liberia and because their income is not Liberian sourced, they are therefore not subject to Liberian taxation. Under Liberia tax law, only incomes from Liberian sources are subject to Liberian taxation.

With the exception of the Associations Law of Liberia (the "**Associations Law**"), laws that would normally apply to resident corporations, that is, corporations which are authorized to transact and conduct business in Liberia, are not applicable to the Liberian companies in our Group. The Associations Law is patterned on the Corporation and Business Entity Laws of the State of Delaware, the United States. The Delaware Corporation and Business Entity Laws have been adopted to make Liberian law harmonious with them when Liberian law is silent on a particular point of law in so far they do not conflict with any provisions of the Associations Law.

The Associations Law, Title 5 of the Liberian Code of Laws Revised, is divided into the following three sections:

Part I — Business Corporations and Limited Liability Companies, which deals with the formation and operation of the following entities in Liberia:

1. Corporations — the provisions include formation, purposes and powers, corporate finance, directors and management, shareholders, corporate records, amendment of articles of incorporation, merger, consolidation and dissolution.
2. Foreign Corporations
3. Foreign Maritime Entities
4. Limited Liability Companies

Part I is also referred to in the Association Law as the "Business Corporation Act".

Part II — Not-For-Profit Corporations, which deals with the formation, corporate financing and membership of domestic not-for-profit corporations.

Part III — Partnerships, which deals with the formation, rules of construction, partnership property of general and limited partnerships.

APPLICABLE PANAMANIAN LAWS AND REGULATIONS

After ten years of the establishment of the Panama Maritime Authority (the "**PMA**"), Panama enacted the Law No. 57 of August 6, 2008 (the "**Law No. 57**") commonly referred as the Law of the Merchant Marine. The purpose of Law No. 57 was to put together all the guidelines, rules, procedures and even customary law that had taken place around registration of vessels. As of today, Panama has the largest open registry in the world.

Panama has passed into law most of the international conventions enacted by the International Maritime Organization. The most important of these are the International Convention for the Safety of Life at Sea 1974, the International Regulations for Preventing Collisions at Sea of 1972 and the Maritime Labour Convention of 2006. Panama has also ratified the International Convention for the Prevention of Pollution from Ships 1973 as modified by the Protocol of 1978, which is the primary legislation regulating pollution from ships. All Panamanian vessels, therefore, are bound to comply with such international conventions and their implementation and enforcement are carried out by the PMA through its directorates that deal with merchant marine, seafarers and ports.

Panamanian maritime substantive law is included in the Law on Maritime Commerce (the "**LMC**"), passed in 2008. The LMC also regulates collisions and salvages. In general, if a salvor would like to collect a salvage award, the salvage must be at least partially successful. Panama has also a Code of Maritime Procedure (the "**CMP**") which regulates the admiralty courts of Panama and establishes the procedural laws applicable to all maritime cases. The CMP incorporated the Convention on Limitation of Liability for Maritime Claims of 1976 (the "**LLMC Convention 1976**") without the Protocol to amend the LLMC Convention 1996.

As per the LMC, ship mortgages over Panamanian vessels must be registered at the PMA for the mortgage to be binding on third parties. Such registrations are handled by PMA's General Directorate of Public Registry of Ownership of Vessels. Registration of ship mortgages can be conducted on a preliminary basis either at the headquarters of the PMA or through any Merchant Marine Consulate around the World. Such preliminary registration will be valid for six months and within such period the ship mortgage must be registered on a definitive basis at PMA's headquarters.

LMC also contains the list of 13 types of claims that give rise to maritime liens on ships or 'preferred maritime credits'. Contract-of-carriage claims give rise to a maritime lien against the carrying ship as well as contract-of-carriage claims for unpaid freight and contributions to general average. A debt for "necessaries" furnished to a vessel gives rise to a maritime lien, even if the necessaries in question were requested by the vessel's time charterers at the time.

INTERNATIONAL LAWS AND REGULATIONS

Vessels used by us in our business operations are subject to various international laws, regulations and rules, which can be generally classified into (i) international conventions and codes, (ii) flag state regulations, (iii) port state regulations, and (iv) classification society rules and regulations.

International conventions and codes

Vessels used by us in our business operations must comply with various conventions, including: the SOLAS Convention, the MARPOL Convention, the STCW, the MLC, and the COLREGS. These conventions have been incorporated into or enacted as the national or local laws of most countries. Vessels registered in the member states or having entered the territorial waters of the member states must comply with such conventions, depending on the extent to which such conventions have been incorporated into the national or local laws of the respective countries. A vessel should also be in compliance with the rules and

regulations adopted by various regulatory bodies such as International Maritime Organisation from time to time, for example the ISM Code and the ISPS Code. A summary of some key contents of certain conventions and codes is as follows:

- The SOLAS Convention is associated with the security of merchant vessels. It specifies the minimum standards for the construction, equipment and operation of vessels. A vessel can only obtain various required certificates after proving that it has satisfied relevant standards.
- The MARPOL Convention is associated with prevention of marine pollution due to operational or accidental incidents of vessels. It governs the discharge of various pollutants by vessels, including oil, sewage, waste and exhaust gas.
- The STCW Convention sets out standards on the training, certification and watchkeeping of seafarers working on vessels sailing on international routes. A vessel needs to have sufficient senior seafarers and seafarers, and the seafarers must have a specified level of sea time, and each must also receive appropriate training and certification in order to perform his/her respective duties on board the vessel.
- The MLC Convention defines and specifies the basic rights of seafarers, regardless of the level of development of individual member states.
- The COLREGS sets out rules regarding waterways for vessels sailing on high seas routes. It contains rules regarding vessel driving and sailing, operating under limited visibility and others.
- The ISM Code imposes greater responsibility to onshore management in respect of safe operation of vessels as well as the prevention of pollution.
- The ISPS Code is for the reduction of the vulnerability of a vessel being used in terroristic acts.

Flag state regulations

A vessel must be registered in a state and sail under the flag of the registering state. This gives the vessel a nationality which follows that even in another state's territorial waters, those on board are subject to the law of the flag state. The flag state has jurisdiction over and exercises regulatory control over the vessel that sails under its flag. Such jurisdiction and regulatory control involve the inspection, certification and issue of safety and pollution prevention documents in accordance with the applicable international conventions and national regulations.

Port state regulations

As mentioned above, a vessel is required to comply with the laws of the state or jurisdiction which has sovereign rights in the waters where the vessel sails. When the vessel sails to and from a port, it is subject to the relevant local regulations that are applicable to the waters in which it is operating, including pollution, navigation, ballast and berthing/anchoring requirements.

Classification society rules and regulations

A classification society is a non-governmental body that establishes and applies technical standards in relation to the design, construction and survey of marine related facilities including vessels and offshore structures. It also supervises and surveys vessels and structures to ensure that they comply with these standards.

There are a number of classification societies in the world and some of them are members of the International Association of Classification Societies (the "**IACS**"). Currently, every seagoing merchant vessel shall strictly comply with the rules and regulations of a recognised classification society. The classification society will assign a class designation to a new vessel which is designed, constructed, tested and operated in accordance with the classification society's rules. A certificate of class will be issued upon satisfactory completion of the relevant surveys. For vessels in service, the classification society carries out relevant surveys to ensure that the vessel remains in compliance with those rules.

Vessels are classified according to their structural integrity and design in light of the purpose of the vessels. The classification rules concern primarily the integrity and strength of the hull, machinery, control of engineering and electrical arrangements. A vessel being certified to have maintained its classification status by a recognised classification society is commonly a condition precedent for insurance.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, our International Sanctions Legal Advisors, have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the United Kingdom, the United Nations and Australian sanctions in their entirety.

U.S.

Treasury regulations

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a Comprehensively Sanctioned Country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, Syria, the Crimea region of Russia/Ukraine and the self-proclaimed Luhansk People's Republic and Donetsk People's Republic regions (comprehensive OFAC sanctions programme against Sudan was terminated on October 12, 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the Specially Designated Nationals And Blocked Persons List maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealings with U.S. persons (the "**SDN List**"). Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "**UNSC**") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a person or an entity listed on OFAC's Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, UN or Australia or not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures.

United Kingdom and United Kingdom overseas territories

As at January 1, 2021, the United Kingdom is no longer an EU member state, EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime by regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.