OVERVIEW

The Group is principally engaged in the provision of integrated cross-border logistics services. Our operations are subject to regulations enacted by the PRC government, relevant international organizations, and the Hong Kong governments. During the Track Record Period, the Group's business and operations are principally based in PRC and are subject to relevant laws and regulations and government supervision in the PRC. Vessels used by our Group shall be in compliance with various conventions. Our cross-board logistics services are also subject to rules and regulations adopted by various regulatory bodies such as IMO from time to time. Our Group also carries out business and operation in Hong Kong which are subject to certain rules and regulations in Hong Kong.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

Our business in China is subject to relevant laws and regulations and government regulation. This section sets out a summary of the relevant major laws, regulations, rules and policies that may have a significant impact on our business, in particular those relating to: (i) international shipping and transportation; (ii) telecommunications; (iii) environmental protection; (iv) intellectual property; (v) foreign investment and overseas investment; (vi) customs; (vii) overseas securities offering and listing of domestic companies; (viii) employment and social security; (ix) tax; (x) data security; (xi) foreign exchange control; (xii) property leasing and (xiii) international laws and regulations.

Laws and Regulations Relating to International Shipping and Transportation

International Seaborne Transportation Regulations

Pursuant to the Maritime Traffic Safety Law of the People's Republic of China (《中華人民共和國海上交通安全法》) promulgated by the Standing Committee of the National People's Congress (the "**NPC Standing Committee**") on September 2, 1983, amended on April 29, 2021 and implemented on September 1, 2021, vessels of Chinese nationality, offshore installations and shipping containers installed in the waters within the jurisdictions of China, and major maritime equipment, parts and materials related to maritime traffic safety determined by the maritime safety administration of the state shall comply with the applicable laws and administrative regulations, rules, as well as the requirements of mandatory standards and technical specifications, pass the inspections of vessel survey institutions, and obtain the corresponding certificates and documents. Vessels shall be manned with qualified crew members according to a standard quota to ensure the vessels' safety. When vessels or installations store, load, unload or transport dangerous goods, they must maintain safe and reliable equipment and conditions and observe the state provisions governing the control and transport of dangerous goods. When vessels load and transport dangerous goods, they must go through the procedures for declaration to the competent authority, and they may not enter or leave the harbor or load or unload until approval has been obtained.

According to the Regulations of the People's Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例》) (the "**Regulations on International Ocean Shipping**") promulgated by the State Council on December 11, 2001 and last amended and implemented on March 2, 2019, and the Implementation Rules for the Regulations of the People's Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例實施細則》) (the "**the Implementation Rules for the Regulations on International Ocean Shipping**") promulgated by the Ministry of Communications (currently known as the "**Ministry of Transport**") of the People's Republic of China on January 20, 2003 and last amended and implemented by the Ministry of Transport of the People's Republic of China (the "**Ministry of Transport**") on November 28, 2019, the international shipping business is normally classified as self-owned/operated ship carrier and non-vessel operating common carrier business. Any of the PRC business corporation operating international shipping business with its self-owned/operated vessels is required to obtain the International Shipping Transportation Operation Permit (《國際船舶運輸經營許可證》) issued by the Ministry of Transport, and any entity operating non-vessel common carrier business is required to obtain the Non-Vessel Shipping Business Operation Qualification Registration Certificate (《無船承運業務經營資格登記證》) issued by the Ministry of Transport. International shipping service operators are required to apply to the Ministry of Transport for registration of international liner shipping business qualifications for operating international liner shipping business. For new or suspended international liner shipping routes, or changes in international liner shipping vessels or schedules, they shall be announced 15 days in advance and shall be filed with the Ministry of Transport within 15 days from the date of occurrence. If a Chinese international shipping operator increases the number of vessels in operation, including increasing the number of vessels on bareboat charter, it shall file with the Ministry of Transport 15 days prior to the commencement of operation and obtain the filing certification documents.

Pursuant to the Notice on Relevant Approval and Recordation Matters Concerning the International Shipping Business and Maritime Transportation between the Mainland and Hong Kong or Macao 《關於國際船舶運輸及內地與港澳間海上運輸業務相關審批備案事項的通知》 (Jiao Ban Shui Han [2019] No. 681) issued and implemented by the General Office of the Ministry of Transport on May 14, 2019, where an enterprise registered inside China engages in international container vessel (excluding vessels engaging in international container liner transportation, hereafter the same) or general cargo vessel transportation business, it shall own at least one vessel commensurate with its business scope, and, within 15 days after the business activity starts, file the relevant enterprise information (including company name, place of registration, legal representative, and contact information, among others) and the information of the vessel(s) it owns and operates (including Chinese and English names of the vessel(s), IMO number(s), flag(s), construction time, TEU, and gross tonnage, among others) with the provincial transport department at the place of registration. Where an enterprise registered inside China adds any container vessel or general cargo vessel engaged in international shipping, it shall, within 15 days after the vessel is put into operation, file relevant information (including the Chinese and English names of the vessel, IMO number, flag, construction time, TEU, and gross tonnage, among others) with the provincial transport department at the place

of registration. Where an enterprise or vessel no longer engages in international container vessel or general cargo vessel transportation, it shall, within 15 days after the relevant business activity terminates, file relevant information with the provincial transport department at the place of registration.

Pursuant to the Decision of the State Council to Cancel and Delegate to Lower-level Authorities a Group of Administrative Licensing Items (《國務院關於取消和下放一批行政許可事項的決定》) (Guo Fa [2019] No. 6) issued and implemented by the State Council on February 27, 2019 and the Announcement of the Ministry of Transport on Publishing In-process and Ex-post Regulatory Measures to Be Adopted After the cancelation of and the Delegation of Authority for Ten Transport Administrative Approval Items (《交通運輸部關於公佈十項交通運輸行政許可事項取消下放後事中事後監管措施的公告》) issued and implemented by the Ministry of Transport on March 27, 2019, the State Council decided to cancel the in-process and ex-post regulatory measures after "the approval of the international container vessel and general cargo transportation business". After the approval is canceled, it shall be replaced with recordation, and the relevant filing shall be implemented by the competent department of transportation at the provincial level.

Freight Rates

According to the Regulations on International Ocean Shipping and its implementation rules, freight rates are classified into publicized freight rates and negotiated freight rates, both of which are required to be filed with the Ministry of Transport. Publicized freight rates refer to the freight rates stated on the freight rate book of the international shipping operator and non-vessel operating common carrier, which shall take effect 30 days after the date of acceptance of the filing by the Ministry of Transport; negotiated freight rates refer to the freight rates agreed upon by the international shipping operator and the cargo owner and non-vessel operating common carrier, which shall take effect 24 hours after the date of acceptance of the filing by the Ministry of Transport. Pursuant to the Announcement of Ministry of Transport on the Implementation Measures for Detailed Recordation of Freight Rates of International Container Liner (《交通運輸部關於國際集裝箱班輪運價精細化報備實施辦法的公告》) promulgated by the Ministry of Transport on October 15, 2013 and implemented on November 15, 2013, the Shanghai Shipping Exchange was designated as the accepting authority for the filing of container freight rates.

Containers

According to the Regulations of the People's Republic of China Governing Survey of Ships and Offshore Installations (《中華人民共和國船舶和海上設施檢驗條例》) promulgated by the State Council on February 14, 1993 and last amended and implemented on March 2, 2019, owners or operators of containers must apply to a ship – survey organization established or designated by the Register of Shipping for: (1) construction survey for their containers that are under production; (2) periodical survey for their containers that are in use. After the container has passed the survey, the ship – survey organization shall issue the corresponding inspection certificate in accordance with the regulations.

According to the Measures for the Administration of Inspection and Quarantine over Inward and Outward Containers (《進出境集裝箱檢驗檢疫管理辦法》) promulgated by the General Administration of Customs on January 11, 2000 and last amended on March 9, 2023 and implemented on April 15, 2023, all filled and empty containers that are entering or leaving the PRC or in transit shall meet International Standards Organization requirements and shall be subject to the inspection and quarantine. The General Administration of Customs shall be in charge of the administration of inspection and quarantine over inward and outward containers of the PRC. The competent customs offices shall be responsible for the work of inspection and quarantine and the supervision and administration on the containers entering and exiting the territory within their own jurisdictions. Before or at such time as a container leaves the PRC, or when it is in transit, the shipper, cargo owner or the agent (hereinafter referred to as the applicant for the inspection) shall report it to the customs for inspection. The customs shall carry out inspection and quarantine on the containers applied for inspection in accordance with relevant regulations. The customs at the port of entry shall carry out the inspection for the containers in transit that are subject to inspection, and the customs at the port of departure shall no longer carry out inspection and quarantine. The applicant for the inspection of inward container shall report to the customs at the port of entry for inspection, and shall not arrange collection or deconsolidation for the containers without the approval of the customs.

Transportation of Goods

Pursuant to the Provisions on the Safety Supervision and Administration of Carriage of Hazardous Goods by Vessels (《船舶載運危險貨物安全監督管理規定》) promulgated by the Ministry of Transport on July 31, 2018 and implemented on September 15, 2018, a vessel carrying hazardous goods shall pass the inspection of the vessel inspection institution accepted by the maritime safety administration of the state, obtain a corresponding inspection certificate and documents, and remain in good conditions. A vessel carrying hazardous goods that enters or exits a port shall, 24 hours before entering or exiting a port (before the departure from the previous port, where the voyage is less than 24 hours), undergo the declaration of hazardous goods carried by the vessel with the maritime safety administration and file an application and the certification materials required by the relevant rules and regulations of the Ministry of Transport, and may not enter or exit a port until approval of the maritime safety administration has been obtained.

Registration of Ships

Pursuant to the Regulations of the People's Republic of China Governing the Registration of Ships (《中華人民共和國船舶登記條例》) promulgated by the State Council on June 2, 1994 and last amended and implemented on July 29, 2014, ships owned by enterprises with legal person status established under the laws of the People's Republic of China and whose principal places of business are located within the territory thereof shall be registered. Ships are allowed to sail under the national flag of the People's Republic of China only after being registered according to law and granted the nationality of the People's Republic of China. No ship may sail under the national flag of the People's Republic of China without being registered. A shipowner applying for registration of the ownership of a ship shall obtain the certificate of registration of ship's ownership.

NVOCC Business

According to the Regulations on International Ocean Shipping and its implementation rules, the NVOCC business refers to the international ocean shipping business operations of a non-vessel operating common carrier to accept the cargo of the shipper as the carrier, take the freight charges from the shipper by issuing his own bills of lading or other transport documents, international ocean shipment of goods through international shipping operators and bear the responsibilities of the carrier, including the following activities conducted by a non-vessel operating common carrier of goods for the completion of the business above: (1) signing international cargo transportation contract with the consignor as the carrier; (2) accepting and delivering the goods as the carrier; (3) issuing the bills of lading or other transportation documents; (4) collecting freight and other remunerations for the service; (5) booking shipping slots and handling consignment for the goods carried with the international shipping operators or operators of other transportation means; (6) paying charges or other transportation fees; (7) devanning and consolidating containers; and (8) other relevant businesses.

According to the Regulations on International Ocean Shipping and its implementation rules, all non-vessel operating common carrier shall register the bill of lading and record the freight rates (including publicized freight rates and negotiated freight rates) with the department in charge of transportation under the State Council, and shall pay the security deposit. If a non-vessel operating common carrier applies for registration of its bill of lading, it shall file an application with the Ministry of Transport and submit the relevant materials. Upon receipt of the materials from the applicant, the Ministry of Transport will review the application in accordance with the relevant regulations. If the application is approved, the bill of lading will be registered and the Non-Vessel Operating Common Carrier Qualification Registration Certificate (《無船承運業務經營資格登記證》) will be issued. If the non-vessel operating common carrier uses two or more types of bills of lading, all types of bills of lading must be registered. If there is an alteration in the registered bill of lading, a sample of the new bill of lading must be filed with the Ministry of Transport 15 days prior to the date of use of the new bill of lading.

Pursuant to the Notice on Relevant Approval and Recordation Matters Concerning the International Shipping Business and Maritime Transportation between the Mainland and Hong Kong or Macao (《關於國際船舶運輸及內地與港澳間海上運輸業務相關審批備案事項的通知》) issued and implemented by the General Office of the Ministry of Transport on May 14, 2019, an enterprise engaging in NVOCC business shall, within 15 days after the relevant business activity starts, file the enterprise's basic information (include company name, place of registration, legal representative, and contact information, among others) with the provincial transport authority at the place of registration. A non-vessel operating common carrier that terminates its NVOCC business shall undergo the recordation formalities for terminating operations with the provincial transport authority at the place of registration.

Pursuant to the Decision of the State Council to Cancel and Delegate to Lower-level Authorities a Group of Administrative Licensing Items (《國務院關於取消和下放一批行政許可事項的決定》) (Guo Fa [2019] No. 6) issued and implemented by the State Council on February 27, 2019 and the Announcement of the Ministry of Transport on Publishing In-process and Ex-post Regulatory Measures to Be Adopted After the cancelation of and the Delegation of Authority for Ten Transport Administrative Approval Items (《交通運輸部關於公佈十項交通運輸行政許可事項取消下放後事中事後監管措施的公告》) issued and implemented by the Ministry of Transport on March 27, 2019, the State Council decided to cancel the examination and approval of NVOCC business and replaced it with recordation, and the relevant filing shall be implemented by the competent department of transportation at the provincial level. All transportation authorities at provincial level may use the unified process of the Ministry-level Waterway Transportation Construction Integrated Management Information System (部級水路運輸建設綜合管理信息系統) to handle relevant businesses such as filing.

International Liner Shipping Business

Pursuant to the Regulations on International Ocean Shipping and the implementation rules thereof, international liner shipping business refers to the provision of international maritime transportation of goods or passengers on a regular basis between fixed ports by using self-owned or operating vessels, or by means of joint fleet, slot exchange or associated operation, among others. An international shipping operator shall file an application with the Ministry of Transport for operating international liner shipping business passing through ports of China. The competent transportation authority under the State Council shall complete the review within 30 days upon receipt of the application for operating international liner shipping business, and an International Liner Shipping Operation Qualification Registration Certificate shall be issued if the registration is granted.

International Freight Forwarding

Pursuant to the Administrative Regulations of the People's Republic of China on International Freight Forwarding Industry (《中華人民共和國國際貨物運輸代理業管理規定》) promulgated and implemented by the State Council on June 29, 1995, international freight forwarding industry refers to the industry where an agent, being entrusted by consignees or consignors of import or export goods, carries out international cargo transportation and related business for its principals in their names or in the agent's own name and receive remunerations for its services. If an application for establishing an international freight forwarding enterprise is to be made, the applicant shall apply to the local competent authority of foreign trades at the place where such enterprise is intended to be established. After being commented by the local competent authority of foreign trades, the application shall be submitted to the competent authority of foreign trades and economic cooperation under the State Council for its review and approval. The competent authority of foreign trades and economic cooperation under the State Council shall decide whether to grant an approval within 45 days upon receipt of application form and other documents for establishing an international freight forwarding enterprise, and issue a certificate of approval to the enterprise being approved to be established.

Pursuant to the Interim Measures for Filing of International Freight Forwarding Enterprises (《國際貨運代理企業備案(暫行)辦法》) which was promulgated on March 2, 2005, last amended and implemented on August 18, 2016 by the Ministry of Commerce of the People's Republic of China, any international freight forwarding enterprise and its branches ("**IFFE**") that are registered with the State administrative authority of industry and commerce according to law shall complete the filing with the MOFCOM or an institution entrusted by the MOFCOM. The filing authority shall complete the filing procedures within 5 days upon receipt of application materials submitted by the IFFE and affix the filing seal on the Filing Form of International Freight Forwarding Enterprise.

Road Transportation

Pursuant to the Regulations on Road Transportation of the People's Republic of China (《中華人民共和國道路運輸條例》) which was promulgated on April 30, 2004, last amended on March 29, 2022 and implemented since May 1, 2022 by the State Council, road transportation business is classified into road passenger transportation business and road cargo transportation business ("**cargo transportation business**"). Applicants for engaging in cargo transportation business shall file an application with the competent government authority of transportation after completing relevant registration procedures with the market regulation authority according to law. Where an approval is granted by the competent transportation authority, a road transportation business license shall be issued to the applicant, and the vehicles utilized for transportation by the applicant shall be issued the vehicle operation licenses.

Pursuant to the Administrative Regulations on Road Freight Transportation and Stations (《道路貨物運輸及站場管理規定》) which was promulgated on June 16, 2005, last amended and implemented on September 26, 2022 by the Ministry of Transport, operations of road freight transportation refer to the commercial activities of road freight transportation that provide public services to the society. Road freight transportation includes general road freight transportation, special road freight transportation, road transportation of large articles and road transportation of hazardous cargos. Among which, special road freight transportation refers to the freight transportation using special vehicles with containers, refrigeration equipment or tank containers, among others. Applicants for engaging in road freight transportation business shall file an application with the road transportation administrative body at the county level after completing relevant registration procedures with the market regulation authority according to law. If the road transportation administrative body decides to grant an administrative approval regarding the application of road freight transportation business that satisfies the statutory requirements, it shall issue a Road Transportation Business License to the licensee with the business scope specified thereon.

Laws and Regulations Relating to Telecommunications

Pursuant to the Regulations on Telecommunications of the People's Republic of China (《中華人民共和國電信條例》) (the "**Regulations on Telecommunications**") which was promulgated on September 25, 2000, last amended and implemented on February 6, 2016 by the State Council, a licensing system has been in place for the operation of telecommunication business that are classified according to the types of such business. To operate telecommunication business, a telecommunication business license must be obtained from the competent information industry authority under the State Council or the telecommunication administrative authorities of the relevant provinces, autonomous regions or municipalities. Telecommunication business is classified into basic telecommunication business and value-added telecommunication business. Value-added telecommunication business refers to the business of providing telecommunication and information services by utilizing public network infrastructure. Entities which engage in the value-added telecommunication business covering not more than one administrative region of a province, autonomous region or municipality must be subject to review and approval by the telecommunication administrative authority of such province, autonomous region or municipality and obtain a Value-added Telecommunication Business License.

Pursuant to the Administrative Regulations on Foreign-Invested Telecommunication Enterprises (《外商投資電信企業管理規定》) which was promulgated on December 11, 2001, amended on March 29, 2022 and implemented since May 1, 2022 by the State Council, foreign-invested telecommunication enterprises may engage in value-added telecommunication business, provided that the ultimate proportion of capital contribution from the foreign investors of a foreign-invested telecommunication enterprise engaging in value-added telecommunication business (including radio paging business under the basic telecommunication business) shall not be more than 50%.

Laws and Regulations Relating to Environmental Protection

Pursuant to the Marine Environment 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 on August 23, 1982, last amended on November 4, 2017 and implemented on November 5, 2017 by the Standing Committee of the National People's Congress, no vessels and related operations are allowed to discharge pollutants, wastes and ballast water, ship garbage and other hazardous substances into the seas under the jurisdiction of the People's Republic of China in violation of the requirements thereunder. Any carrier, cargo owner or agent of any vessel arriving or leaving a port which carries hazardous polluting cargos must report to the competent maritime administrative authority in advance, and such vessel may not arrive or leave the port, stay in transit or carry out cargo handling operations until approval has been obtained. All vessels are obligated to monitor marine pollution and must immediately report to the nearest available authority, which exercises its supervision and administration power over marine environment in accordance with the provisions hereunder, in the event that any marine pollution incident or any breach of the provisions hereunder has come to their attention, unless otherwise provided by the state.

Pursuant to the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China (《中華人民共和國大氣污染防治法》), which was promulgated on September 5, 1987, last amended and implemented on October 26, 2018 by the Standing Committee of the National People's Congress, vessel inspection institutions shall conduct emission inspections on vessel engines and related equipment. A vessel may operate only if it has met the State emission standards after inspection. International shipping vessels shall use marine fuel that satisfies the control requirements of atmospheric pollutants after berthing at ports.

Pursuant to the Administrative Provisions 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》) which was promulgated on September 9, 2009, last amended and implemented on March 19, 2018 by the State Council, and the Administrative Regulations on the Prevention and Control of Marine Environmental Pollution Caused by Vessels and Their Relevant Operations of the People's Republic of China (《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》) which was last amended and implemented on May 23, 2017 by the Ministry of Transport, a vessel shall obtain and bring along the corresponding certificates and documents relating to the prevention and control of marine environmental pollution caused by vessels. A vessel owner, operator or manager shall formulate contingency plans for preventing and controlling marine environmental pollution caused by vessels and their relevant operations, and submit to the maritime administrative authority for filing. Any vessel garbage, sewage, oily waste water, waste water containing toxic and hazardous substances, exhaust gas and other pollutants, as well as ballast water discharged by vessels into the seas under the jurisdiction of the People's Republic of China shall meet the requirements of the laws, administrative regulations, the international treaties the People's Republic of China has entered into or acceded to and the relevant standards. Any carrier, cargo owner or agent of any vessel arriving or leaving a port which carries hazardous polluting cargos shall apply to the maritime administrative authority, and such vessel may not arrive or leave the port or stay in transit until approval has been obtained.

Laws and Regulations Relating to Intellectual Property

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) which was promulgated on August 23, 1982, last amended on April 23, 2019 and implemented on November 1, 2019 by the Standing Committee of the National People's Congress, and the Implementation Provisions of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) which was promulgated on August 3, 2003, last amended on April 29, 2014 and implemented on May 1, 2014 by the State Council, registered trademarks in the PRC include commodity trademarks, service trademarks, collective trademarks and certification trademarks. The Trademark Office of China National Intellectual Property Administration (國家知識產權局商標局) handles trademark registrations and grants a term of ten years to registered trademarks, renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》, the "**Patent Law**") which was promulgated on March 12, 1984, last amended on October 17, 2020 and implemented on June 1, 2021 by the Standing Committee of the National People's Congress, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) which was promulgated on December 21, 1992, last amended on January 9, 2010 and implemented on February 1, 2010 by the State Council, patents in the PRC are classified into three categories: invention patents, utility model patents and design patents. The terms of validity of invention patents, utility model patents and design patents shall be 20 years, 10 years and 15 years, respectively, in each case commencing from their application dates. Any individual or entity that utilizes a patent or conducts any other activity in infringement of a patent without authorization of the patentee shall compensate the patentee, and may be subject to penalty, confiscation of illegal income and fines imposed by the competent administrative authority. Where the case constitutes a criminal offense, such individual or entity shall be held criminally liable according to law. In addition, according to the Patent Law, where an entity or individual that applies for a patent in a foreign country for the invention or utility model accomplished in China, he/she/it shall report in advance to China National Intellectual Property Administration for confidentiality review.

Domain Names

Pursuant to the Administrative Measures of Internet Domain Names (《互聯網域名管理辦法》) which was promulgated on August 24, 2017 and implemented on November 1, 2017 by the Ministry of Industry and Information Technology, the Ministry of Industry and Information Technology is the major regulatory body for national domain name services. Domain name registrations are handled through domain name registration service agencies established under the relevant regulations. The principle of "first apply, first register" is applied to domain name registration services. A domain name registration service agency that provides domain name registration services shall require the applicant to provide true, accurate and complete information about the domain name holder's identity and other information for domain name registration. Upon completion of the domain name registration, the applicant shall become the holder of such registered domain names.

Software Copyright

According to the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, last amended on January 30, 2013 and implemented on March 1, 2013, computer software must be developed independently by the developer and fixed on tangible medium. Chinese citizens, legal entities or other organizations enjoy, in accordance with these Regulations, copyright in the software which they have developed, whether published or not. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. A registration certificate issued by the software registration institution is a preliminary proof of the registered items.

Laws and Regulations Relating to Foreign Investment and Overseas Investment

Foreign Investment Negative List

The investment activities of foreign investors in the PRC are mainly regulated by the the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**") promulgated by the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") and the National Development and Reform Commission of the People's Republic of China (the "**NDRC**") on December 27, 2021, which came into effect on January 1, 2022, and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**") promulgated by the MOFCOM and the NDRC on October 26, 2022 and came into effect on January 1, 2023. Negative List uniformly set forth the ownership requirements, requirements for senior executives, and other special administrative measures for the access of foreign investment. Fields not on the Negative List shall be administered under the principle of equal treatment to both domestic and foreign investment. The Encouraging Catalog lists the industries that encourage foreign investment. According to the Negative List and the Encouraging Catalog, industries that are encouraged to foreign investment involve joint transportation of non-shipping operations, and the international freight forwarding business is not included in the Negative List and the Encouraging Catalog.

Laws Relating To Foreign-Funded Enterprises

According to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") promulgated by the SCNPC on December 29, 1993 and last amended and implemented on October 26, 2018, both a limited liability company and a joint stock limited company established within the PRC have legal person status. The liability of the shareholders of a limited liability company and a joint stock limited company is limited to the amount of capital contribution or shares subscribed for by the shareholders. The Company Law also applies to enterprises with foreign investment. If there are other provisions under foreign investment law, such provisions shall also apply.

Prior to January 1, 2020, the establishment procedures, verification and approval procedures, registered capital requirements, foreign exchange control, accounting practices, taxation, labor matters and all other relevant matters of a wholly foreign-owned enterprise shall be subject to 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》) (the "**Foreign-owned Enterprise Law**"), which was promulgated by the SCNPC on April 12, 1986, last amended on September 3, 2016 and implemented on October 1, 2016, and the Detailed Rules for the Implementation of 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實施細則》), which was promulgated by the Ministry of Foreign Trade and Economic Cooperation of the PRC (currently known as the MOFCOM) on December 12, 1990, last amended on February 19, 2014, and implemented on March 1, 2014. Where the establishment of a foreign-funded enterprise is not subject to the special administrative

measures prescribed by the State, the examination and approval matters stipulated in Articles 6, 10 and 20 of the Foreign-owned Enterprise Law shall comply with the provisions on the recordation. The special administrative measures prescribed by the State shall be promulgated by the State Council or upon the approval of the State Council.

The SCNPC and the State Council respectively promulgated the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") on March 15, 2019 and the Regulation for Implementing the Foreign Investment Law on December 26, 2019, and came into effect on January 1, 2020. Upon the entry into force of the Foreign Investment Law and its implementing regulation, the Foreign-owned Enterprise Law, the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》) and the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》), and their corresponding implementing regulations, shall be repealed simultaneously. According to the Foreign Investment Law and its implementing regulation, a foreign-funded enterprise established under the above three laws before the effective date of the Foreign Investment Law may maintain its original organizational form for five years after the Foreign Investment Law becomes effective. The State Council shall formulate specific implementation measures.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the State Administration for Market Regulation on December 30, 2019 and implemented on January 1, 2020, where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-funded enterprises shall report investment information to commerce departments. Foreign investors or foreign-funded enterprises shall report investment information in a timely manner under the principles of veracity, accuracy and integrity, and the reports submitted shall not contain false or misleading information or material omissions.

According to the Provisions on the Merger or Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), which was promulgated by the MOFCOM and other departments of the State Council on August 8, 2006, last amended and implemented by the MOFCOM on June 22, 2009, where a foreign investor purchases equity interest from shareholders of domestic enterprise with no foreign investment (hereinafter referred to as the "**Domestic Company**") or subscribes to the increase in the capital of the Domestic Company with the result that such Domestic Company changes into a foreign investment enterprise, it shall be subject to the approval of the examination and approval authorities, and make registration of modification or establishment in the registration authority. The overseas listing and trading of an overseas company directly or indirectly controlled by a PRC domestic company or natural person for the purpose of realizing the overseas listing of its actual domestic company interest shall be subject to the approval of the securities regulatory authority under the State Council.

According to the Ministry of Industry and Information Technology's "Notice of the Ministry of Industry and Information Technology on Opening Online Data Processing and Transaction Processing Business (Business E-commerce) Foreign Equity Ratio Restriction" (Ministry of Industry and Information Technology [2015] No. 196) (《工業和信息化部關於放開在線數據處理與交易處理業務(經營類電子商務)外資股比限制的通告》(工信部通[2015]196號)) issued and implemented by the Ministry of Industry and Information Technology on June 19, 2015, the restriction on the proportion of foreign shareholding in respect of online data processing and transaction processing business (operation of e-commerce business) is removed on a nationwide scale, and the proportion of foreign shareholding can be up to 100%.

Laws And Regulations Relating To Overseas Investment

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection. Projects involving sensitive countries and regions or overseas investment projects involving sensitive industries need to be approved by the NDRC. Where an investor conducts a large-sum non-sensitive project through an overseas enterprise controlled by it, the investor shall submit a large-sum non-sensitive project status report through the network system and inform the NDRC of the relevant information before the implementation of the project. For overseas investment projects which are solely carried out by the investor through an overseas enterprise controlled by it, which does not involve the investor directly contributing assets or rights and interests, providing financing or security, and the amount of Chinese investment is less than US$300 million for non-sensitive projects, no recordation or notification is required. "Non-sensitive project" means a project neither involving any sensitive country or region nor involving any sensitive industry. Overseas investment projects (other than those mentioned above) are subject to recordation management. The List of Sensitive Sectors for Outbound Investment (2018 Version) (《境外投資敏感行業目錄(2018年版)》) promulgated by the NDRC, which has been implemented since March 1, 2018, lists the current sensitive industries in detail.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, "overseas investment" means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Laws and Regulations Relating to Customs

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, last amended and implemented on April 29, 2021, unless otherwise provided for, all imported and exported goods must be declared and duties on them paid by their consignor or consignee or by agencies approved by the Customs for registration commissioned by the consignor or consignee. The consignee of imported goods and the consignor of exported goods shall make an accurate declaration and submit the import or export license and relevant papers to the Customs office for examination.

Pursuant to the Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) promulgated on November 19, 2021 and effective on January 1, 2022, the consignees or consignors of imported or exported goods as well as the customs declaration enterprises engaged in customs declaration shall carry out the recordation procedures with the relevant customs administrative department in accordance with the law.

Laws and Regulations Relating to Overseas Securities Offering and Listing of Domestic Companies

On February 17, 2023, the CSRC published the Administrative Trial Implementation Measures for Filing of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Notice on Administrative Filing Arrangement Concerning Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》) (collectively, the "Overseas Listing Trial Measures"), which require indirect overseas offering and listing by domestic companies in China to be subject to the CSRC's filing requirement starting from March 31, 2023. The Overseas Listing Trial Measures will comprehensively improve and reform the existing regulatory regime for overseas offering and listing by PRC domestic companies and will regulate both direct and indirect overseas offering and listing by PRC domestic companies.

According to the Overseas Listing Trial Measures, indirect overseas offering and listing by domestic companies means overseas offering and listing based on shares, asset, receivables or other similar interest of PRC domestic companies. When determining whether there is an indirect overseas offering and listing by domestic companies, the principle of substance over

formality should be adopted. An issuer that satisfies all of the following conditions should be deemed as a domestic company applying for indirect overseas offering and listing and be subject to the CSRC filing: (i) the revenue, total profit, total asset or net asset from PRC domestic companies constitutes more than 50% of the audited revenue, total profit, total asset or net asset of the of the issuer on the group level in the latest financial year; (ii) the key segment of business activities are conducted or the main place of business is in China, or the majority of senior management who are responsible for business operations are Chinese citizens or reside in China. Where an issuer submits an application for its initial public offering in an overseas market, the issuer must file with the CSRC within three business days after such application is submitted. Issuers that have already effectively submitted application for overseas offering before March 31, 2023, but have not been granted approval for offering and listing by overseas regulatory authority or stock exchange, submit and complete the CSRC filing as appropriate and in any event prior to their overseas offering and listing.

Our Company will hold a 98.9% equity interest in Shandong Lcang immediately after the completion of the Reorganization. Shandong Lcang, a company incorporated in the PRC, is the holding company of our principal operating subsidiaries. All of the Company's senior management team are Chinese citizens. As such, as confirmed by our PRC Legal Advisors, we are subject to the CSRC filing as the [**REDACTED**] constitutes an indirect overseas [**REDACTED**] and [**REDACTED**] by domestic companies under the Overseas Listing Trial Measures. On July 19, 2023, the CSRC publicly informed us that they have confirmed the Company's overseas [**REDACTED**] and [**REDACTED**] information submitted to them, and therefore, we have completed the CSRC filing for application of [**REDACTED**] of the Shares on the Stock Exchange and [**REDACTED**]. No other approvals from the CSRC are required to be obtained for the [**REDACTED**] of the Shares on the Stock Exchange, according to our PRC Legal Advisors.

Laws and Regulations Relating to Employment and Social Security

Pursuant to 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 NPC on July 5, 1994 and last amended and implemented on December 29, 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) which was promulgated on June 29, 2007, last amended on December 28, 2012 and implemented on July 1, 2013 and the Implementation Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) which were promulgated and implemented by the State Council on September 18, 2008, a labor contract shall be concluded where a labor relationship is to be established between a labourer and an employing unit. Wages shall not be lower than the minimum wages standard of the place where the employing unit is located. The employing unit must establish and perfect the system for occupational safety and health, strictly implement the rules and standards of the State on occupational safety and health, and educate labourers on occupational safety and health. The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labor protection, and provide regular health examination for labourers engaged in work with occupational hazards.

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) which was promulgated by the Standing Committee of the NPC on October 28, 2010 and last amended and implemented on December 29, 2018, the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) which were promulgated by the State Council on January 22, 1999 and last amended and implemented on March 24, 2019, the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) which were promulgated by the State Council on April 3, 1994 and last amended and implemented on March 24, 2019 and other applicable PRC laws and regulations relating to social insurance, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to make good the deficit within a stipulated time limit.

Laws and Regulations Relating to Tax

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (2018 amendment) (《中華人民共和國企業所得税法(2018修正)》) (the "**EIT Law**") which was promulgated by the Standing Committee of the NPC on March 16, 2007 and last amended and implemented on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) (the "**Regulations on the EIT Law**") which were promulgated by the State Council on December 6, 2007 and last amended and implemented on April 23, 2019, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established production and operation facilities in the PRC. Enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and the Regulations on the EIT Law, a uniform enterprise income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions or offices in the PRC, or if they have established institutions or offices in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions or offices set up by them, enterprise income tax is set at the rate of 10%.

Value-Added Tax

Pursuant to the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例》) (Order No. 691 of the State Council of the People's Republic of China) which were promulgated by the State Council on December 13, 1993 and last amended and implemented on November 19, 2017, and the Detailed Implementing Rules of the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》) (Order No. 65 of the Ministry of Finance of the People's Republic of China) which were promulgated by the Ministry of Finance on December 15, 1993, last amended on October 28, 2011 and implemented on November 1, 2011 (together with the Provisional Regulations of the People's Republic of China on Value-Added Tax, collectively referred to as the "**VAT Law**"), all taxpayers selling goods or providing processing, repairing or replacement services, sales of services, intangible assets and immovable assets and importing goods in China shall be subject to value-added tax and shall pay a value-added tax in accordance with the VAT Law. VAT taxpayers selling services or intangible assets shall be subject to a tax rate of 9% or 6%, unless otherwise stipulated in the VAT Law.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensive Implementation of the Pilot Reform of Replacing Business Tax with Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》) which was issued by the Ministry of Finance and the STA on March 23, 2016 and implemented on May 1, 2016, amended on July 1, 2017, December 25, 2017 and March 20, 2019, all business tax payers in the consumer service industry shall pay value-added tax instead of business tax from May 1, 2016. If the pilot taxpayer has enjoyed tax incentives of business tax according to relevant policies before the date of being included in the pilot reform of replacing business tax with value-added tax, he/she may, in the remaining period of tax incentives, enjoy tax incentives of value-added tax in accordance with the relevant provisions.

See Accountants' Report in Appendix I to this document for other taxation requirements and policies.

Laws and Regulations Relating to Transfer Pricing

According to the Announcement of the State Taxation Administration on Matters Relating to the Improvement of Related Declaration and Management of Contemporaneous Information (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》), which came into effect on June 29, 2016, when filing the annual enterprise income tax returns with the tax authorities, resident enterprises that implement audit collection and non-resident enterprises that have set up institutions or premises in China and duly declare their enterprise income tax shall file a related declaration on their business transactions with related parties, accompanied by an annual report on related business transactions.

According to the Announcement of the Administration of Special Tax Investigation Adjustment and Mutual Consultation Procedures (《特別納稅調查調整及相互協商程序管理辦法》) issued by the STA on March 17, 2017 and implemented on May 1, 2017, the taxation authorities implement measures for monitoring and managing special tax adjustment for enterprises by reviewing related declarations, managing contemporaneous information and monitoring profit level. If an enterprise receives the risk reminder from relevant authorities of special tax adjustment or identifies risks from special tax adjustment, it can adjust and make up the tax by itself. If the enterprise adjusts the tax by itself, the taxation authority can still conduct special tax investigation and adjustment in accordance with the relevant regulations. According to the relevant provisions of the tax treaties signed by the PRC, the STA can start the mutual consultation procedure based on the application of enterprises or the request of the tax authorities of the counterparties to the tax treaties, and negotiate with the tax authorities of the counterparties to the tax treaties to avoid or eliminate the international double taxation caused by the special tax adjustment matters.

Laws and Regulations Relating to Data Security

Pursuant to the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) which was promulgated by the Standing Committee of the NPC on November 7, 2016 and implemented on June 1, 2017, and the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) which were promulgated by the State Council on July 30, 2021 and implemented on September 1, 2021, critical information infrastructure operators that collect or produce personal information or important data during their operation within the territory of the People's Republic of China, shall store such information or data within China. Where due to business requirements it is truly necessary to provide such information or data to entities outside China, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace authority in conjunction with the relevant departments under the State Council. Critical information infrastructure refers to important network facilities and information systems in important sectors and fields such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government, and national defense science and technology, as well as the other important network facilities and information systems to the extent that any damages, malfunctions or data leakage of or from such facilities or systems may seriously endanger national security, people's livelihood and public interests.

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) which was promulgated by the Standing Committee of the NPC on June 10, 2021 and implemented on September 1, 2021, the state shall apply export control in accordance with the law on data that are controlled items and concern national security and interests and the performance of international obligations. The provisions of the Cyber Security Law of the People's Republic of China shall apply to the outbound security management of the important data collected or produced by critical information infrastructure operators during their operation within the territory of the PRC, and the measures for the outbound security

management of the important data collected or produced by others data processors during their operation within the territory of the PRC shall be formulated by the national cyberspace authority in conjunction with the relevant departments under the State Council.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**") promulgated by the CAC and other departments of the State Council on April 13, 2020, last amended on December 28, 2021 and implemented on February 15, 2022, critical information infrastructure operators ("**CIIO**") shall apply for cybersecurity review if they procure internet products and services that affect or may affect national security. Pursuant to the Article 10 of the Cybersecurity Review Measures, the following risk factors, among others, will be focused on: (i) the risk of illegal control, interference or destruction of critical information infrastructures brought about by the use of products and services; (ii) the harm of product and service supply interruption to the business continuity of critical information infrastructures; (iii) the security, openness, transparency, diversity of sources of products and services, the reliability of supply channels, and the risk of supply interruption due to political, diplomatic, trade and other factors; (iv) the compliance of product and service providers with the PRC laws, administrative regulations and departmental rules; (v) the risk of core data, important data or a large amount of personal information being stolen, disclosed, damaged, illegally used or illegally left the country; and (vi) the risks of critical information infrastructures, core data, important data or a large amount of personal information being affected, controlled or maliciously used by foreign governments, as well as cybersecurity risks.

As of the Latest Practicable Date, our Company had not been classified as a CIIO by any PRC government authority and therefore is not required to apply for a cybersecurity review. As of the same date, our Company had neither received any inquiry, notice or warning from any PRC government authorities, nor been subject to any investigation, sanctions or penalties made by the CAC or any other PRC government authorities regarding national security risks caused by our Company's business operations or the [**REDACTED**]. Furthermore, as to the factors set out in Article 10 of the Cybersecurity Review Measures, (i) our Company has not been identified as a CIIO by any relevant authority, and therefore, as advised by our PRC Legal Advisors, sub-clauses (i) to (iv) of Article 10 of the Cybersecurity Review Measures are not applicable to our Company; (ii) as of the Latest Practicable Date, based on searches on public domain and to the best knowledge of our Directors, no data processed by our Company had been included into the effective catalog of important data or core data published by the relevant authority. In addition, our Company has formulated a management system of data protection and dedicated significant resources to ensure data security. During the Track Record Period, no data leakage from our Company had occurred. Therefore, our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, the risk of theft, leakage or damage of core data, important data or a large amount of personal information, or illegal use of such information or illegal exit of such information as described under sub-clause (v) of Article 10 of the Cybersecurity Review Measures was remote for us; and (iii) based on the consultation conducted by our PRC Legal Advisors with China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心) on November 24, 2022, Hong Kong is a part of the PRC and listing in Hong Kong should not be deemed as listing on a foreign

stock exchange, so sub-clause (vi) of Article 10 is not applicable to our Company. Based on the foregoing, our PRC Legal Advisors are of the view that the likelihood of our business operations or the Listing being deemed as affecting national security based on the factors set out in Article 10 of the Cybersecurity Review Measures is remote.

The Cybersecurity Review Measures also stipulate that operators of network facilities and information system that hold over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before listing on a foreign stock exchange. As our Company only holds approximately ten thousand users' personal information as of the Latest Practicable Date, it is not subject to cybersecurity review prior to listing on a foreign stock exchange.

Pursuant to the Regulations on the Administration of Cyber Data Security (Draft for Comments) (網絡數據安全管理條例(徵求意見稿)) (the "**Draft Cyber Data Security Regulations**") published by the CAC on November 14, 2021, data processing activities carried out through network facilities as well as the supervision and regulation of network data security within the territory of the PRC should be subject to the Draft Cyber Data Security Regulations. In addition, if a data processor listed in Hong Kong affect or may affect national security, it shall apply for a cybersecurity review. As of the Latest Practicable Date, our Company had neither been and involved in any investigations on cybersecurity review conducted by the CAC, nor received any warning or sanctions in this regard. In addition, our Company has adopted internal measures regarding data security and personal information protection to ensure compliance with relevant laws and regulations. In addition, the Draft Cyber Data Security Regulations has not provided the specific data-processing activities which would affect national security, and as of the Latest Practicable Date, our Company had not been notified by any PRC government authorities of being classified as a CIIO. Our Company therefore is not required to apply for a cybersecurity review now. As our business continues to grow, we will closely monitor the new regulatory regulations relating to cybersecurity, data privacy and personal information protection to ensure that our business is accordance with the latest regulatory policies, and our security review procedures are performed in accordance with applicable laws and regulations. We will maintain ongoing communications with the relevant PRC government authorities regarding any development and requirement of new regulations with respect to data security, and timely implement necessary measures to ensure compliance.

Based on the foregoing, our PRC Legal Advisors are of the view that our Company will be able to comply with the Cybersecurity Review Measures and the Draft Cyber Data Security Regulations in all material aspects, and the Draft Cyber Data Security Regulations will not have any material adverse effect on our business operations or the Listing, assuming the Draft Cyber Data Security Regulations are fully adopted and implemented in the current form.

Laws and Regulations Relating to Foreign Exchange Control

According to the Regulations on Foreign Exchange Administration of the People's Republic of China (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on 29 January 1996, last amended and implemented on August 5, 2008, foreign exchange income of domestic institutions or individuals may be transferred back to the PRC or deposited abroad, and the SAFE shall stipulate the conditions for transfer to the PRC or depositing overseas and other requirements depending on the cash flow balance of foreign exchange and requirements for implementation of foreign exchange control. Foreign exchange income for current account transactions may be retained or sold to financial institutions engaged in the settlement or sale of foreign exchange. Domestic institutions or individuals that make direct investments abroad, are engaged in the issuance and trading of valuable securities or derivative products overseas should register according to SAFE regulations. Such institutions or individuals subject to prior approval or record-filing with relevant authorities shall complete the required approval or record-filing prior to foreign exchange registration. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

According to the Notice of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《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 issued by the SAFE on February 13, 2015, implemented on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

The Circular of the State Administration of Foreign Exchange on Reforming the Management Approach Regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular 19**"), issued by the SAFE on March 30, 2015 and became effective on June 1, 2015, allows foreign-invested enterprises to make equity investments by using RMB fund converted from foreign exchange capital. Under the Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments. However, the Circular 19 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was issued and implemented by the SAFE on June 9, 2016 stipulate that foreign-invested enterprises shall not use the RMB funds obtained from foreign exchange capital for payment outside of the business scope of the enterprises, investment in securities or financial schemes other than bank-guaranteed products, granting loans to non-connected enterprises or constructing or purchasing real estate that is not for self-use.

The Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was issued and implemented by the SAFE on October 23, 2019, on the basis of allowing investment-oriented foreign-invested enterprise to use capital funds for domestic equity investment in accordance with laws and regulations, non-investment foreign-invested enterprises shall be allowed to use capital funds for domestic equity investment in accordance with the laws under the premise of not violating the current Special Administrative Measures for Access of Foreign Investment (Negative List) and the authenticity and compliance of their domestic invested projects.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 and implemented on June 1, 2020, eligible enterprises are allowed to make domestic payments by using their income under capital accounts, such as capital funds, foreign debts and the proceeds from overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance; provided that their capital use is authentic and in line with provisions, and in compliance with the prevailing administrative regulations on the use of income under capital accounts. The bank in charge shall conduct spot checks in accordance with the relevant requirements.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-tripping Investment Made by Domestic Residents through Special-Purpose Companies (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated and implemented by SAFE on July 4, 2014, a "special purpose vehicle" means an overseas enterprise directly established or indirectly controlled by a domestic resident (including domestic institution and domestic individual residents) for the purpose of engaging in investment and financing with the domestic enterprise assets or interests he legally holds, or with the overseas assets or interests he legally holds. A domestic resident shall complete the overseas investment foreign exchange registration procedures with the SAFE prior to making capital contribution to a special purpose vehicle with onshore or offshore assets or interests he legally holds. A domestic resident making capital contribution with domestic assets or interests he legally owns shall register at their local branch of the SAFE of its place of registration or at the branch of the SAFE of the area in which they hold their domestic enterprise assets or interests; a domestic resident making capital contribution overseas assets or interests he legally owns shall register at their local branch of the SAFE of its place of registration or at the branch of the SAFE of the area in which they are registered.

See Accountants' Report in Appendix I to this document for other taxation requirements and policies.

Laws and Regulations Relating to Property Leasing

Pursuant to relevant provisions of the Administrative Measures for Commodity House Leasing (Order No.6 of the Ministry of Housing and Urban-Rural Development) (《商品房屋租賃管理辦法》(住房和城鄉建設部令第6號)) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and implemented on February 1, 2011, parties to house leasing shall register with the property administrative department at which the property is situated within 30 days after entering into the property leasing contract. In case of violation of the foregoing provision, the property administrative department shall order to make rectification within a time limit and enterprise may be imposed a fine of RMB1,000 to RMB10,000 if it does not make such rectification within the limited time.

INTERNATIONAL LAWS AND REGULATIONS RELATING TO OUR BUSINESS

Vessels used by our Group are subject to various international laws, regulations and rules which can be typically classified into: (i) international conventions and codes; (ii) flag state regulations; (iii) port state regulations; (iv) classification society rules; and (v) convention on the carriage of goods by sea.

International Conventions and Codes

Conventions

Vessels used by our Group shall be in compliance with various conventions, including those set out below: (i) International Convention for the Safety of Life at Sea (the "**SOLAS Convention**"); (ii) International Convention for the Prevention of Pollution from Ships (the "**MARPOL Convention**"); (iii) International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("**STCW Convention**"); (iv) Maritime Labor Convention (the "**MLC Convention**"); (v) Convention on the International Regulations for Preventing Collisions at Sea ("**COLREGS**"); and (vi) International Convention on Load Lines (the "**ILLC**").

The conventions set out above have been incorporated or enacted in the domestic or local laws of a majority of states. All vessels registered in the member states or cruising in the territorial waters of the member states are subject to these conventions depending on the extent of incorporation into their respective domestic or local laws.

Some of the salient features of certain conventions are set out as follows:

The SOLAS Convention concerns merchant vessels' safety. The convention prescribes minimum standards for the construction, equipment and operation of vessels. Various prescribed certificates for the vessels can be obtained to prove such standards are met.

The MARPOL Convention is about the prevention and minimization of marine environment pollution by vessels from their routine operations or accidents. The convention controls emission of various kinds of pollutants by the vessels including oil, sewage, garbage, noxious liquid substances, harmful substances and gas.

The STCW Convention prescribes minimum standards for the training, certification and watchkeeping for seafarers working on board of the vessels which operate on international voyages. Vessels are required to be operated and controlled by sufficient officers, and crew having specified amounts of sea time and each of them must have the trainings and the certificate for performance of their respective duties on board the vessels.

The MLC Convention establishes and provides for seafarer's fundamental rights regardless of the extent of development of the individual member state.

The COLREGS prescribes the rules of road for vessels on the high seas. There are rules therein for steering and sailing, the conduct of vessels in restricted visibility, among others.

The ILLC provides for limitations on the freeboards of load lines and determines the freeboard to ensure safe navigation for the vessels.

Codes

There should be compliance with the rules and regulations adopted by various regulatory bodies such as IMO from time to time, for example: (i) the International Safety Management Code (the "**ISM Code**"); (ii) the International Ship and Port Facility Security Code (the "**ISPS Code**").

The ISM Code imposes greater responsibility to onshore management in respect of safe operation of vessels as well as the prevention of pollution. All vessels owned by our Group have to comply with the ISM Code.

The ISPS Code is for the reduction of the vulnerability of a ship to be used in terroristic acts.

The vessels of our Group need to visit different states during international voyages so they are subjected to the laws, regulations and rules of the relevant states while in the respective territorial waters of those states.

Flag State Regulations

A vessel must be registered in a country and sailed under the flag of the country which that vessel is registered (the "**Flag State**"). The effect is that the vessel will have a nationality. Even in another state's territorial waters, those on board of the vessel are also subject to the law of the Flag State.

The vessel is subject to the jurisdiction of the Flag State and the Flag State can exercise regulatory control over the vessel that sails under its flag. The jurisdiction and regulatory controls involve inspection, certification and the issue of papers in relation to safety and pollution prevention pursuant to the applicable international conventions and national laws.

The vessels owned by us are registered in Panama. In addition to the international convention, the vessels owned by our Group are also subject to the applicable laws, regulations and requirements of the PRC.

Port State Regulation

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, which includes pollution, navigation, ballast and berthing/anchoring requirements.

Classification Society Rules and Regulations

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

There are a number of classification societies in the world. Some of them are members of the International Association of Classification Societies ("**IACS**").

Currently, compliance with the rules and regulations of a recognized classification society for every seagoing merchant ship is strictly required. Every new ship will be given a class designation by the classification society based on the way it is designed, constructed, tested and operated in accordance with the rule of the classification society. After the relevant surveys, a certificate of class will be issued if it is completed with satisfactory results. Relevant surveys will also be conducted for ships in service to ensure that the ship remains in compliance with those rules.

Structural integrity and design in light of the purpose of the vessel are used as reference for the classification of vessels. The primary concerns of the rules of classification concern are generally the integrity and strength of the hull, machinery, equipment and appliances.

A vessel being certified to have maintained her classification status by a recognized classification society is commonly a condition precedent for insurance.

Convention on the Carriage of Goods by Sea

The (i) Hague Rules ("**Hague Rules**"); (ii) Hague-Visby Rules ("**Hague-Visby Rules**") and (iii) Hamburg Rules ("**Hamburg Rules**").

The full title of the Hague Rules is the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, which is the first set of international convention about rules of laws relating to bills of lading entered into in Brussels, the capital of Belgium, on August 25, 1924 and became effective from June 2, 1931. It made provision for matters such as the obligations, liability period, limitation for damages and general defences of carriers.

The full title of the Hague-Visby Rules is the Protocol to Amend the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, which was passed in February, 1968 and became effective in June, 1977. The Protocol made amendments to the Hague Rules such as expanding its scope of application, increasing the compensation limit and providing for container shipments so as to meet the demand of international trade and economic development.

The full title of the Hamburg Rules is the United Nations Convention on the Carriage of Goods by Sea, which was passed in a conference on the carriage of goods by sea attended by 78 countries by representative and was held by the United Nations in Hamburg, Germany running from March 6, 1978 to March 31, 1978. With an aim to strike a balance between the conflicted interests of shipowners and cargo owners, the protocol became effective on November 1, 1992, which further improved the convention on the carriage of goods by sea.

In the manners of becoming a party to the convention on carriage of goods by sea, enacting domestic laws with reference to the convention or adopting applicable convention in relation to paramount clauses of the bill of lading, mainstream shipping states in the world fosters the wide application of the convention in the field of international carriage of goods by sea.

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 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 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 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 and the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions (the 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 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 Sanctioned Person and 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, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of 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.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN HONG KONG

Common law

(a) Liabilities under contract

While we are engaging in the provision of cross-border logistics services, our rights and obligations towards our customers are generally governed by the terms of the contracts we formed with them. These contracts are subject to the Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong), pursuant to which any exemption clauses restricting liabilities for loss or damage to property due to parties' negligence are valid only if such clauses satisfy the reasonableness test.

When we act as a shipping carrier for our customers, the carriage contract is usually formed on our standard terms as contained in our bills of lading. One of our standard terms provides that our liability as carrier shall be governed by the Hague-Visby Rules. The Hague-Visby Rules are a set of international rules which regulate the rights and liabilities in relation to the loading, handling, stowage, carriage, custody, care and discharge of goods for contracts of carriage by sea. The carrier is required to properly and carefully load, handle, stow, carry, keep, care for, and discharge the goods carried, and to exercise due diligence to make the ship seaworthy, to properly man, equip, and supply the ship, and to make the holds, refrigerating and cool chambers (if any), and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation. At the same time it sets out limitations on the liabilities of the carrier provided that the carrier is able to demonstrate that it has exercised a reasonable standard of professionalism and care as well as imposes the limitation period on legal proceedings brought against the carrier.

When we act as freight forwarding agent for our customers, we may form contracts with different carriers on our customers' behalf. As a general principle of agency law, when an agent forms a contract for his principal, the principal alone can sue or be sued upon the contract and the agent would not be personally liable. This principle is subject to a number of conditions, including that the agent is adhering to the instructions of the principal and acting within the principal's authority.

(b) Liabilities in tort

When we provide cross-border logistics services in the capacity of a carrier, we owe a duty of care to the owners of the goods and to persons entitled to possession of the goods. If the goods are lost or damaged because of our omission, we may be liable to them in tort for negligence. If we wrongly deliver the goods to a party not entitled to its possession of the goods, we may be liable in tort for conversion. When we act as an agent in delivering the goods, as a general doctrine of agency law, if any loss or injury is caused to a third party by our wrongful act or omission, we would be personally liable.

(c) Liabilities as a bailee

Whether our Group acts as a carrier or as an agent, when we take possession of a customer's goods, a bailment relationship arises whereby we become a bailee for reward of the goods. Our rights and obligations as bailee is governed by the terms of the contract formed with the customer. If we take possession from someone who is also acting as a bailee for another party, we become a sub-bailee in a sub-bailment relationship. In such case we owe duties of care to both the sub-bailor and the bailor to take reasonable care of the goods.

Apart from the common law obligations, our Group's business in Hong Kong is also regulated by a number of legislations. The following sets forth a summary of the major laws and regulations which are relevant to our business in Hong Kong:

Merchant Shipping (Safety) (Dangerous Goods and Marine Pollutants) Regulation

The requirements under the Merchant Shipping Dangerous Goods Regulation (Chapter 413H of the Laws of Hong Kong) ("**Merchant Shipping Regulation**") apply to vessels that ship and transship dangerous goods when they are in the waters of Hong Kong. The Merchant Shipping Regulation implemented the International Maritime Dangerous Goods Code ("**IMDG Code**") in Hong Kong, which standardises and regulates the terminology, packaging, labeling, placarding, marking, stowage, segregation, handling and emergency response so as to ensure safety of transportation and shipment of dangerous goods.

Section 8(1)(a) of the Merchant Shipping Regulation provides that no packaged goods shall be offered for carriage or taken on board any ship unless a dangerous goods declaration has been furnished to the shipowner or master, which shall indicate the correct technical name, the UN number and the classes of the dangerous goods. The dangerous goods declaration shall also include the number and type of packages, the total quantity of packaged goods and other information required by the IMDG Code.

Under sections 8(7) and 8(8) of the Merchant Shipping Regulation, a forwarder who fails to furnish a dangerous goods declaration or furnishes a false declaration, or a shipowner or master who accepts for carriage, takes or receives on board, any packaged dangerous goods without a dangerous goods certificate commits an offense.

Sections 11 to 13 of the Merchant Shipping Regulation provide that dangerous goods shall be packed, marked, labeled, stowed, segregated and secured in accordance with the IMDG Code. Under section 9 of the Merchant Shipping Dangerous Goods Regulation, a signed packing certificate shall be furnished to a shipowner or his agent or the master. The shipowner commits an offense if he takes on board any ship for carriage in that ship if the dangerous goods are not packed, marked, labeled, stowed, segregated or secured in accordance with the IMDG Code or he knows or ought to know that the goods are not packaged in such a manner as to withstand the ordinary risk of carriage by sea.

Under section 16(1A) of the Merchant Shipping Regulation, a document of compliance is required for a ship to take on board packaged dangerous goods issued by the Director of Marine certifying that the spaces on the ship in or on which the goods are to be carried comply with the provisions of Regulation 19 of Chapter II-2 of the Annex to the SOLAS Convention that are applicable to the classification of those goods.

Merchant Shipping Ordinance

The Merchant Shipping Ordinance (Chapter 281 of the Laws of Hong Kong) (the "**MSO**") and its sub-legislations require every ship used for any commercial purpose in the waters of Hong Kong to comply with the requirements in respect of registration and licensing. The MSO also deals with the forfeiture of ships and detention of ships.

According to section 3 of the MSO, every ship trading outwards from Hong Kong or being used for any commercial purposes in the waters of Hong Kong must be provided with a certificate of registry or a certificate of ownership or other documents granted in a place outside Hong Kong and similar or equivalent in effect to a certificate of registry or a certificate of provisional registry. Under sections 108 and 109 of the MSO, the Director of Marine may under certain conditions detain a ship pending satisfaction of legal provisions. If the ship proceeds or attempts to proceed to sea before having been released by the competent authority, the master of the ship, the owner or agent, any person who sends the ship to sea, and any agent or person who is a party or privy to the offense, shall be guilty of an offense and shall be liable on conviction to a fine of HK$50,000 and to imprisonment for 2 years.

Merchant Shipping (Registration) Ordinance

Section 11 of the Merchant Shipping (Registration) Ordinance (Chapter 415 of the Laws of Hong Kong) (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 and registered non-Hong Kong companies, the MS(R)O applies to the Group. 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

The Merchant Shipping (Safety) Ordinance (Chapter 369 of the Laws of Hong Kong) (the "**MS(S)O**") provides for regulation and control of the safe operations and equipment of vessels in the waters of Hong Kong. Amongst other things, the MS(S)O provides that:

1. every ship carrying more than 12 passengers shall be surveyed at not more than 12 months in the manner set out by the MS(S)O;

2. every ship carrying more than 12 passengers shall have the ship's compasses properly adjusted from time to time and shall provide shelter for the protection of deck passengers;

3. a ship within the waters of Hong Kong shall not carry any passengers on more than one deck below the water line and should not carry any passengers in excess of the number allowed by the passenger certificate;

4. no ship registered in Hong Kong shall have on board an anchor or cable unless the anchor or cable has been marked and a certificate in respect of it has been issued; and

5. no ship registered in Hong Kong shall proceed or attempt to proceed to sea unless it has been surveyed in accordance to load line regulations.

Merchant Shipping (Collision Damage Liability and Salvage) Ordinance

The Merchant Shipping (Collision Damage Liability and Salvage) Ordinance (Chapter 508 of the Laws of Hong Kong) ("**MS(CDLS)O**") governs the laws relating to collision damage and salvage operations. It aligns Hong Kong and international laws by incorporating the International Convention on Salvage 1989 into Hong Kong regulations.

Section 3 of the MS(CDLS)O provides that where by the fault of two or more vessels, damage or loss is caused to one of those vessels, to their cargoes or freight or 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. Section 4 of the MS(CDLS)O provides that where a person on board a vessel suffers a loss of life or personal injuries owing to the fault of that vessel and of any other vessels, the liability of the owners of the vessels shall be joint and several.

Marine Insurance Ordinance

The Marine Insurance Ordinance (Chapter 329 of the Laws of Hong Kong) (the "**MIO**") is in place to ensure that where a ship is in course of building, or the launch of a ship, or any adventure analogous to a marine adventure, is covered by a marine insurance policy. Under section 3 of the MIO, every lawful marine adventure may be the subject of a contract of marine insurance. In particular there is a marine adventure where among others, any ship goods or other movables are exposed to maritime peril (the "**Insurable Property**"), or any liability to

a third party may be incurred by the owner of, or other person interested in or responsible for the Insurable Property, by reason of maritime perils, meaning the perils consequent on, or incidental to, the navigation of the sea, that is to say, perils of the seas, fire, war perils, pirates, rovers, thieves, captures, seizures, restraints, and detainments of princes and peoples, jettisons, barratry, and any other perils, either of the like kind or which may be designated by the policy.

Inland Revenue Ordinance

As the Group carries out business in Hong Kong, we are subject to the profits tax regime under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("**IRO**"). The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As of the Latest Practicable Date, the standard profits tax rate for corporations was at 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000 (namely, two-tiered tax rates). The application of the two-tiered rates is restricted to only one entity nominated among group entities for a year of assessment. The standard profits tax rate for corporations not applying two-tiered tax rates was 16.5% on assessable profits. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

In July 2018, the Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the "**Amendment Ordinance**") was enacted to introduce a legislative framework to codify how the pricing for the supply of goods and services between associated parties should be determined and implemented. Codified international transfer pricing principles include, amongst others, the arm's length principle for provision between associated persons, the separate enterprises principle for attributing income or loss of non-Hong Kong resident person, and the three-tier transfer pricing documentation relating to the master file, local file and country-by-country reporting.

Based on the Amendment Ordinance, a person who has a Hong Kong tax advantage if taxed on the basis of a non-arm's length provision (the "**Advantaged Person**") will have income adjusted upwards or loss adjusted downwards. The advantaged person's income or loss is to be computed as if arm's length provision had been made or imposed instead of the actual provision. If the Advantaged Person fails to prove to the satisfaction of the assessor of the IRD that the amount of the person's income or loss as stated in the person's tax return in an arm's length amount, the assessor of the IRD must estimate an amount as the arm's length amount and, taking into account the estimated amount (a) make an assessment or additional assessment on the person; or (b) issue a computation of loss, or revise a computation of loss resulting in a smaller amount of computed loss, in respect of that person pursuant to section 50AAF of the IRO. In July 2019, the Inland Revenue Department further issued the Departmental Interpretation and Practice Notes No. 58, No. 59 and No. 60 to set out interpretations to the Amendment Ordinance.