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Subject: Update on the Outbreak of the New Coronavirus in China----Measures Taken at Chinese Ports

Following the outbreak of the new coronavirus in China, various measures were taken at Chinese ports to prevent and control the spreading of the new coronavirus.

Notice by Ministry of Transportation

On Jan 30th, the Ministry of Transportation issued an urgent notice, requiring its subsidiary government bodies including local MSA to strengthen precautionary measures amid the coronavirus outbreak and meantime make sure the water transportation is not unreasonably disturbed, including:

- (1) safeguard the waterway transportation of the medical equipment, life necessities and important production materials for Hubei province, particularly Wuhan City.
- (2) Local authorities shall not restrict the berthing and operating of cargo ships arbitrarily, and shall not take measures without good reason such as forbidding cargo ships' berthing or quarantining ships for 14 days, etc. Shipping companies should enhance precautionary measures on board and avoid crew disembarkation unless absolutely necessary.
- (3) Ensure the smooth operation of the important water transport channels or waterways.
- (4) Strengthen the prevention and control of the epidemic situation of water transportation.

Measures Taken at Local Ports

As mentioned in our previous circulars, the operation of sea ports is going on normally.

At local level, the local maritime, quarantine and port operation authorities at most coastal ports have implemented similar measures for cargo ships, including the following:

- (1) Crew health condition needs to be declared in advance prior to ship's entry by the local agent to the port authorities, maritime authorities, and the customs, pilot station etc., including information on whether any crewmember has any symptoms such as fever, coughing, etc. and whether any crewmember has visited Hubei province in the past 14 days.
- (2) If the ship or any crewmember on board has visited Hubei province in the past 14 days, special monitoring measures are needed.
- (3) Crew change and shore leave should be avoided unless absolutely necessary. In case of crew change or shore leave that has been granted for inevitable need, the crewmembers' health condition and movement should be closely monitored and reported.
- (4) Crewmembers' health condition and body temperature during ships' stay in port should be monitored and reported regularly -- daily at some ports or at time of entry and departure at some others.
- (5) Entry of the port area is restricted to people who have to enter for work only.
- (6) Crewmembers on ships in port should wear face masks and minimize contact with shore people as far as possible.
- (7) Attendance of people from ashore such as surveyors, service engineers, etc., should be minimized unless necessary. At some ports, exit screening is compulsorily required at gangway to check the temperature of people attending on board from ashore and make sure that they are wearing face masks.
- (8) Supply of provisions at most ports are available, although subject to stricter procedures such as application in advance or special measures to minimize ship-shore contact at some ports.
- (9) In case any crewmember shows any suspected symptoms, the local agent should report to the relevant authorities without delay in accordance with relevant quarantine laws.

Apart from the above, it is worthwhile to mention that the measures taken at different ports are slightly different and can change quickly depending on development of the situation. And even at the same port, different requirements may be in place at different terminals. Therefore,

it is highly recommended that owners check with their local agents for detailed situation in advance for ships calling at a Chinese port.

Generally the cargo operation at many ports are slowed down because the terminal workers who have returned to hometown for the lunar new year holiday cannot get back to work in time due to both the extended holiday and also the difficulty in arranging transportation caused by restriction of public transport at many places. As the extended holiday will end on Sunday, Feb 9 at most places, we expect the situation will gradually improve from next week onwards.

“Force Majeure Certificate” issued by China Council for the Promotion of International Trade (“CCPIT”)

It is expected that the performance of some export sales contracts, construction and engineering contracts, logistic contracts and service contracts will be affected during the outbreak of the new coronavirus. Upon application, CCPIT issues “Force Majeure Certificate” to companies that are affected in the following ways among others:

- (1) by government order to prioritize manufacturing of the goods urgently needed in prevention and control of the virus spreading, so that fulfillment of other sales contracts cannot be completed or have to be delayed
- (2) by suspension, quarantine or lockdown orders issued by the government
- (3) by holiday extension orders issued by the government
- (4) logistic restrictions,
- (5) by medical treatment of the virus infection or isolation measures of the key staff that are essential to performance of the contracts.

It is likely that such certificates will be presented in potential disputes regarding charter parties, ship building/repair contracts and multi-mode carriage contracts, etc. It is worthwhile to mention that the certificate issued by CCPIT is a proof of fact only and whether the force majeure defense is valid needs to be reviewed on a case by case basis.

We hope the above is of assistance. Should you have any query, please feel free to contact us.

Best regards,

Oasis P&I Services Company Limited