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1. General

1.1. In order to strengthen the internal control and management of monetary funds by International Djibouti Industrial Parks Operation FZCO (hereinafter referred to as "IDIPO"), and ensure the safety of monetary funds, this policy is formulated in accordance with relevant laws and regulations and the "Internal Control Measures for Monetary Funds of China Merchants Port Group Co., Ltd.", combined with the company's business characteristics.

1.2. This regulation applies to IDIPO and its wholly owned, majority-owned, and entrusted managed subsidiaries (hereinafter collectively referred to as “the Companies”). Investee companies may refer to this regulation for implementation. The term “cost and expense” in this regulation refers to various economic resource expenditures incurred or paid in the course of business operations to achieve economic benefits, as well as other expenditures not directly related to the acquisition of resources but required to be borne in the current period. Cost and expenses include operating costs and period expenses (including operating, selling, administrative, and financial expenses). Construction costs related to infrastructure projects are not governed by this regulation.

2. Division of Responsibilities and Authorization for Approval

2.1. A position responsibility system shall be implemented for monetary fund operations, with clear definitions of duties and authorities for relevant departments and positions, ensuring the segregation, mutual checks, and supervision of incompatible duties in the handling of monetary fund operations. It is strictly prohibited for a single individual to independently handle monetary fund operations.

2.2. Cashiers are responsible for handling cash receipts and payments as well as bank account settlements. They are also responsible for the safekeeping of cash on hand, valuables, checks, receipts, and other relevant vouchers. Cashiers shall not be involved in auditing, accounting file management, or the recording of income, expenses, costs, and accounts receivable/payable.

When a cashier is reassigned from their position, a detailed handover must be conducted for cash on hand, various invoices, receipts, bank deposit/withdrawal slips, remittance vouchers, bank seals, as well as cash and bank account books and bank statements.

2.3. Approvers must carry out approvals within the scope of their authority and in accordance with relevant regulations. Approval beyond their authorized limits is prohibited. If a monetary fund operation is approved beyond the authorized scope, the Finance Department must refuse to process it and, if necessary, report it to the superior department or individual who granted the authority.

2.4. The processing of monetary fund payments must follow the procedures outlined below:

2.4.1. Payment Application: Departments or individuals needing funds must submit a monetary fund payment application to the approver in advance, specifying the purpose, amount, budget, payment method, and other relevant details, along with a valid contract or supporting documentation

2.4.2. Payment Approval: The approver shall review and approve the payment application based on their responsibilities, authority, and the applicable procedures. Applications that do not meet the requirements shall not be approved.

2.4.3. Payment Review: The Finance Department shall review the approved payment application to ensure the scope, authority, and procedures of approval are correct, supporting documents are complete, the amount is accurate, and the payment method and payee are appropriate. Once verified, the application will be passed to the cashier for payment processing.

2.4.4. Payment Execution: The cashier shall process the monetary fund payment in accordance with the verified payment application and relevant regulations.

2.5. In accordance with the Procurement Management System, monetary fund payments exceeding a certain amount must undergo collective decision-making and approval. A responsibility and accountability system shall be established to prevent acts of embezzlement, misappropriation, or misuse of monetary funds. Except for the Finance Department and petty cash management departments or personnel, no other departments or individuals are permitted to handle or have direct contact with monetary funds.

3. Cash Management

3.1. The company's cash on hand shall, in principle, not exceed the equivalent of USD 5,000. If special business needs require a large cash payment, a *Large Cash Withdrawal Application Form* must be completed and signed by the Head of the Finance Department, the supervising leader, the Company's Chief Financial Officer, and the General Manager before the cash can be withdrawn.

3.2. For company payments exceeding USD 500 (excluding exactly USD 500) or the equivalent in foreign currency, checks must be used in principle. Cash on hand shall not be used. In special circumstances, a Large Cash Withdrawal Application Form must be completed and approved by the Company's Chief Financial Officer and the General Manager.

3.3. When receiving cash income, the cashier must promptly record it in the books and deposit it into the bank. The company's cash may not be deposited into a bank account under an individual's name. When disbursing cash, the cashier may use the cash on hand within the authorized limit but may not make direct payments from incoming cash (i.e., no off-the-books transactions).

3.4. All cash expenditures must be promptly recorded in the accounts. Unsigned notes in place of proper receipts are strictly prohibited. Cashiers must ensure daily reconciliation and monthly settlement, maintaining consistency between book balances and actual cash holdings. A cash count must be conducted at least once a month and reviewed by a non-cashier member of the Finance Department, with a written record retained. In case of any discrepancies between records and actual cash, the cause must be investigated and addressed in a timely manner.

4. Bank Deposit Management

4.1. The management of bank accounts shall be carried out in accordance with the *Internal Control Measures for Bank Accounts of China Merchants Port Group Co., Ltd.* When handling deposit, withdrawal, and settlement transactions, management and control must be strengthened over the preparation, transmission, and safekeeping of bank vouchers. Transfers between different accounts under the same company must be approved by the Company's Chief Financial Officer and General Manager, and processed by the bank upon written notification.

4.2. The balances of all bank accounts must be monitored in real time. A summary of the balances of all bank accounts shall be compiled and emailed to the Finance Department leadership before the end of each working day.

4.3. Bank account reconciliations must be conducted regularly, at least once a month. A *Bank Deposit Balance Reconciliation Statement* must be prepared in a timely manner to reconcile the book balance of bank deposits with the bank statement. It is strictly prohibited for the person responsible for recording bank books to prepare the reconciliation statement. The reconciliation statement must be complete with all necessary elements, including the preparer, reviewer, outstanding item dates and amounts, etc. The Chief Financial Officer or an authorized representative must review the *Bank Deposit Balance Reconciliation Statement* monthly.

5. Management of Vouchers and Related Seals

5.1. Blank vouchers must be strictly kept under the custody of the cashier.

5.2. The cashier must track the circulation status of all issued vouchers and reconcile them with the bank journal. Any irregularities in voucher circulation must be promptly reported to the Finance Manager or their designated personnel. Expired or voided vouchers must be promptly cancelled, fully archived, and proper records retained.

5.3. A Check Register Book must be maintained, in which the cashier records the purchase and issuance of vouchers to prevent loss or misuse. Lost or misused vouchers must be thoroughly investigated and necessary measures taken to prevent financial loss. Vouchers must be used in order according to the numbering in the register, maintaining continuity and integrity of the sequence. It is strictly prohibited to affix official seals on blank documents, documents with blank sections, or documents lacking key details. The Check Register Book must be periodically reviewed and signed by the Finance Manager.

5.4. The official finance seal must be kept by the Head of the Finance Department or an assigned accountant (not the cashier). Personal seals must be kept by the individual or an authorized person. It is strictly forbidden for a single person to hold all the seals required for payment approval. Any business that requires signatures or seals from designated personnel must strictly follow the required procedures. Additionally, the handover and usage of bank-authorized seals must be properly registered for future reference

5.5. Bank seals must follow a dual-authorization process. For capital accounts, the reserved seals must include the signatures of the General Manager and the Company's Chief Financial Officer. For daily operating accounts, reserved seals should belong to the company's management. In principle, bank seals should be signed by the General Manager and the Company's Chief Financial Officer. When either is on a business trip or on leave, another member of the management team may be authorized to sign.

5.6. In principle, promissory notes and commercial acceptance bills are not accepted. If special circumstances require their acceptance, IDIPO's Finance Department must report to and obtain approval from the Finance Department of China Merchants Port.

6. Supervision and Inspection

6.1. The Finance Department shall conduct regular or ad hoc inspections of the company's monetary fund operations, at least once per year.

6.2. The main focus of the supervision and inspection of monetary funds includes:

6.2.1. The setup of positions and personnel related to monetary fund operations. The focus is on whether the assignment of incompatible positions complies with regulations.

6.2.2. Implementation of the authorization and approval system for monetary funds. The focus is on whether the approval procedures for monetary fund expenditures are sound and whether there are any instances of unauthorized approvals.

6.2.3. Execution of collection procedures. The focus is on identifying any unrecorded income, unauthorized petty cash accounts, off-the-book records, or private deposits of public funds.

6.2.4. Custody of payment seals. The focus is on whether the personnel assigned to manage seals are in compliance with the regulations.

6.2.5. Custody of vouchers. The focus is on whether the procedures for purchasing, issuing, and storing vouchers are well-established and whether there are any loopholes in voucher custody.

6.3. For any weaknesses in internal control over monetary funds identified during supervision and inspection, corrective measures must be promptly taken. The findings and rectification measures must be reported to the Finance Department of China Merchants Port.

7. Supplementary Provision

7.1. Any matters not covered in these regulations shall be handled in accordance with relevant laws, regulations, and the monetary fund management policies of China Merchants Port.

7.2. The Finance Department of IDIPO is responsible for the interpretation and revision of these regulations.

7.3. These regulations shall take effect from the date of issuance.