IDIPO	POLICY FOR THE ADMINISTRATION OF LETTERS OF CREDIT AND GUARANTEES	Reference No	IDIPO-FIN-011
		Version	V1.0
		Effective date	2025-7-31

Description	Name / Designation	Signature	Date
Prepared by	Doris,Mike	宋亚男 [illegible]	2025-7-31
Reviewed by	Benny	刘[illegible]	2025-7-31
Approved by	Alex	[illegible]	2025-7-31

Document Approval

Document Information

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Document Change Log

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V1.0		Initial release	Alex	2025-7-31

1. General

1.1 These Measures are formulated in accordance with relevant national laws and regulations, as well as the financial management policy of relevant units, in order to standardize the bank document issuance procedures of International Djibouti Industrial Park Operation FZCO (hereinafter referred to as "IDIPO" or "the Company"), and to prevent financial risks associated with trade conducted through bank documents.

1.2 The term "Letter of Credit" (L/C) as used in these Measures refers to a written undertaking issued by the Company upon application to a bank, requiring the bank to issue it to a third party, specifying a certain amount, and payable within a certain period against presentation of stipulated documents. The term "Guarantee" (or "Bond") as used in these Measures refers to a written credit guarantee instrument issued by the Company upon application to a bank, requiring the bank to issue it to a third party.

1.3 The Company's Finance Department is the functional department responsible for managing the Company's Letters of Credit and Guarantees..

2. Issuance and Approval

2.1 Business departments requiring the issuance of a Letter of Credit (Guarantee) based on operational needs must complete the "Letter of Credit (Guarantee) Application Form" (Attachment 1) and have it reviewed by the department manager, the responsible leader, the Chief Financial Officer (CFO), and the General Manager

2.2 The Company's Finance Department may only accept applications for issuing a Letter of

Credit or Guarantee after the business department has completed the approval process and the relevant written materials have been received.

2.3 The Company's business department shall provide the following materials, including but not limited to: the Letter of Credit (Guarantee) Application Form, sales contract, quotation, proforma invoice, confirmation message, etc.

2.4 If the materials provided by the business department are insufficient, the Finance Department shall, adhering to the principle of protecting the Company's rights and interests, require supplementation or clarification. If revisions are needed, the materials shall be promptly returned to the originating department for correction.

2.5 After reviewing the materials, the Finance Department shall submit them to the Financial Controller and the Company's responsible leadership for approval. Upon approval by the Company's responsible leadership, the Finance Department shall promptly apply to the bank and handle the issuance procedures.

2.6 When a Letter of Credit or Guarantee requires amendment, the business department is responsible for submitting the approved "Letter of Credit (Guarantee) Amendment Application Form" (Attachment 2) to the Finance Department. After verifying the application, the Finance Department shall compile the complete approval documentation and relevant materials and assign personnel to handle the amendment.

2.7 Unless specifically requested by the supplier or the beneficiary of the document, the bank for issuing Letters of Credit and Guarantees shall be uniformly designated by the Company's Finance Department. In principle, banks with existing credit business cooperation should be selected, and favorable fee standards and issuance conditions should be negotiated with them.

2.8 The Company shall not issue Letters of Credit or Guarantees without a genuine trade background. The Company shall not issue Letters of Credit on behalf of other enterprises.

3. Negotiation and Document Collection

3.1 For Paying Parties:The Finance Department shall, upon receiving negotiation documents under letters of credit or guarantees forwarded by banks, submit them to business departments for content review. Payment decisions shall be made based on the final opinions of business departments.

For acceptance:The Finance Department shall process payment after verifying the accuracy of the following documents submitted by business departments:

Letter of Credit Acceptance/Rejection Notice (Attachment 3)

Full set of bank acceptance notices

Document arrival notifications

Original commercial invoices

For rejection:The Finance Department shall process rejection upon receiving the Letter of Credit Acceptance/Rejection Notice submitted by business departments with stated rejection reasons.

3.2 For Receiving Parties:The Finance Department shall submit received letters of credit or guarantees to business departments for review. Based on their final opinions, it shall assist in handling negotiation, amendment requests, or rejection. Letters of credit and guarantees must not be used for leasing services or park service collections.

3.3 Operations involving letters of credit and guarantees -including import/export bill advances, delivery against bank guarantee, packing loans, and bill discounting-shall be managed in accordance with relevant internal financing control procedures of the company.

4. Routine Management

4.1 All documents and correspondence related to letters of credit shall be chronologically filed according to processing procedures without omission.

4.2 The company shall archive letters of credit by validity status:

Expired volumes: Contain used or revoked credits filed sequentially.

Active volumes: Contain all other credits.

Both volumes shall undergo regular audits to prevent misfiling.

5. Supplementary Provisions

7.1 These procedures take effect upon approval. Previous conflicting provisions are superseded by these procedures.

7.2 The Finance Department holds interpretation and revision rights for these procedures.

Annex 1

Application form for opening letter of credit (guarantee)

Dep： Date：

<table>
<tr><td>Contract NO.</td><td></td><td colspan="3">Person in charge</td><td colspan="2"></td></tr>
<tr><td>Contract Amount</td><td colspan="6"></td></tr>
<tr><td>Validity</td><td colspan="3"></td><td>Currency</td><td colspan="2"></td></tr>
<tr><td>Amount of LC/Gurrantee</td><td colspan="6"></td></tr>
<tr><td colspan="7">Reason:</td></tr>
<tr><td rowspan="4">Approval Status</td><td>Opinion of relevant Department Head</td><td colspan="5"></td></tr>
<tr><td>Opinions of leader in charge</td><td colspan="5"></td></tr>
<tr><td>Opinion of the FIN department</td><td colspan="5"></td></tr>
<tr><td>Opinion of the CFO</td><td colspan="5"></td></tr>
<tr><td colspan="2">Handling by</td><td></td><td colspan="3">Date</td><td></td></tr>
<tr><td colspan="2">Audit by</td><td></td><td colspan="3">Date</td><td></td></tr>
</table>

Annex 2

Application Form for Amendment of Letter of Credit (Guarantee)

Dept：　　　　　　　　　　　　　　　　　　Date：

<table>
<tr><td colspan="2">Contract NO.</td><td></td><td>NO. of LC(Gurrantee)</td><td colspan="2"></td><td>Person in charge</td><td></td></tr>
<tr><td colspan="2">Contract Amount</td><td colspan="2"></td><td colspan="3">Party responsible for the cost of changing the certificate</td><td></td></tr>
<tr><td colspan="2">Issues date</td><td></td><td>Currency</td><td colspan="2"></td><td>Amount</td><td></td></tr>
<tr><td colspan="8">Reason：</td></tr>
<tr><td colspan="8">Terms before modification：</td></tr>
<tr><td colspan="8">Terms after modification：</td></tr>
<tr><td rowspan="4">Approval Status</td><td colspan="2">Opinion of relevant Department Head</td><td colspan="5"></td></tr>
<tr><td colspan="2">Opinions of leader in charge</td><td colspan="5"></td></tr>
<tr><td colspan="2">Opinion of the FIN department</td><td colspan="5"></td></tr>
<tr><td colspan="2">Opinion of the CFO</td><td colspan="5"></td></tr>
<tr><td colspan="3">Handling by</td><td colspan="2"></td><td>Date</td><td colspan="2"></td></tr>
<tr><td colspan="3">Audit by</td><td colspan="2"></td><td>Date</td><td colspan="2"></td></tr>
</table>

Annex 3

Notice of Acceptance (Rejection) of Letter of Credit

Dept. Date

Contract NO.		Person in charge	
NO. of LC		Amount	
Amount of acceptance (rejection)		Amount in Contract	
Reason:			

Approval Status	Opinion of relevant Department Head			
	Opinions of leader in charge			
	Opinion of the FIN department			
	Opinion of the CFO			
Handling by			Date	
Audit by			Date	