

China International Marine Containers (Group) Co., Ltd. Implementation Rules of the Audit Committee of the Board of Directors

(As considered and approved at the 8th meeting in 2024 of the tenth session of the Board on 16 May 2024)

CHAPTER 1 GENERAL PROVISIONS

- Rule 1** These implementation rules (the “**Rules**”) are formulated for the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) established by China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the “**Company**”) in accordance with the Company Law of the People’s Republic of China, the Standards on Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), Guidance for Boards and Directors issued by the Hong Kong Stock Exchange, the Articles of Association of China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and other relevant regulations, in order to further strengthen the decision-making function of the Board, achieve audit in advance and professional audit, ensure effective supervision over the President-level management by the Board and optimize the corporate governance structure of the Company.
- Rule 2** The Committee is a body specifically set up by the Board under the Articles of Association, mainly responsible for the communication, supervision and review of the internal and external auditors of the Company as well as review of the Company’s internal audit control mechanism and supervision of the efficient implementation of internal control mechanism and evaluation of the effectiveness of internal control mechanism.
- Rule 3** The Committee reports directly and is accountable to the Board.
- Rule 4** The composition, convening procedure and voting method of the meeting of the Committee as well as the resolutions passed at such meetings shall comply with the relevant laws, regulations, the Articles of Association and these Rules.

CHAPTER 2 COMPOSITION

- Rule 5** The Committee shall consist of three non-executive directors who are not senior management members of the Company, two of which are independent directors.
- Rule 6** Members of the Committee (hereinafter referred to as the “**Member(s)**”) shall be nominated by the Chairman of the Board, one-half (1/2) or more of the independent directors or one-third (1/3) or more of all directors, and shall be elected by the Board.

At least half of the Members shall be independent directors and at least one independent director shall have accounting expertise. A former partner of the Company’s existing external audit firm shall be prohibited from serving as a member of the Committee before two years has lapsed since the date on which he/she ceases to be a partner of the firm or to have any financial interest in the firm, whichever is later.

Rule 7 The Committee shall have a chairman (convener) who shall be an independent director specializing in accounting affairs. The chairman of the Committee shall be responsible for leading the work of the Committee.

The Chairman of the Committee shall be elected from the Members and reported to the Board for approval.

Rule 8 The term of office of the Members is three years, which shall be the same as that of the directors (or independent directors). A Member may serve consecutive terms if re- elected upon expiry of his/her term.

If any Member resigns from the position of directors (or independent directors) of the Company during his/her term of office, he/she shall automatically lose his/her position as the Member, and the vacancy shall be filled by the Committee pursuant to Rules 5 to 7 hereof.

Upon expiry of the independent directorship of a Member, such Member may serve consecutive terms as a Member of director rather than an independent director if re- elected.

Rule 9 The Board shall dismiss and replace any Member failing to attend the meeting of the Committee in person for two consecutive times and without appointing another member to attend on his/her behalf.

Except for the situation and the circumstances under which the Articles of Association prohibit a person from acting as director or independent director, a Member shall not be removed from office without any reason before his/her term of office expires.

Rule 10 A Member may resign before his/her term of office expires, which shall comply with the laws, regulations and Articles of Association relating to the resignation of directors or independent directors.

Rule 11 Where the Board removes the position of a Member pursuant to Clause 1 in Rule 9 hereof or a Member resigns from his/her position as a Member before expiry of his/her term of office pursuant to Rule 10 hereof, which results in the fact that the number of Members who are independent Directors falls short of the minimum number required by Clause 2 in Rule 6 hereof, such vacancy shall be filled by the Committee pursuant to Rules 5 to 7 hereof.

Rule 12 Where the Board removes the position of a Member pursuant to Clause 1 in Rule 9 hereof or a Member resigns from his/her position as a Member before expiry of his/her term of office pursuant to Rule 10 hereof, he/she may continue to perform his/her duties as a director or independent director of the Company during his/her term of office without any prejudice.

CHAPTER 3 DUTIES AND AUTHORITIES

Rule 13 Principal duties and scopes of authority of the Committee shall include:

Maintaining an appropriate relationship with the Company's external auditors

- (1) to make recommendations on the appointment, reappointment or change of the external auditor (including financial reporting auditor and internal control auditor, and all of "external auditor" hereinafter shall have the same meaning), and to advise on the remuneration and terms of engagement of the external auditor, and to deal with any matter in relation to the resignation or dismissal of that auditor;
- (2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; the Committee should discuss with the auditor the nature and scope of the audit and the relevant reporting obligations before the audit commences; the independence of external auditors should be reviewed by the Committee annually. For instance, when an external auditor also provides non-audit services, the Committee should consider:
 1. the nature of non-audit services;
 2. whether there are safeguard measures in place to ensure that there is no threat to the objectivity and independence of the audit works of the external auditor;
 3. the aggregate fees paid to the external auditor and a breakdown of the fees paid for audit and non-audit services for the financial year;
- (3) to develop and implement policy on the engagement of an external auditor to provide non-audit services. For this purpose, "external auditor" shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

Reviewing of the Company's financial information

- (4) to monitor the integrity of the Company's financial statements as well as annual reports and accounts, half-year reports and quarterly reports, to review risk management and internal control, and to review significant financial reporting opinions contained therein. The Committee should stay focused on financial reporting integrity as part of its core oversight responsibilities. In reviewing these statements and reports before submission to the Board, the Committee should focus particularly on:
 1. any changes and progress thereof in accounting policies and practices;
 2. matters involving significant judgments;
 3. significant adjustments resulting from audit;
 4. the going concern assumptions and any qualifications;
 5. compliance with accounting standards; and
 6. compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (5) in regard to (4) above:
 1. members of the Committee should liaise with the Board and senior management. The Committee must meet, at least twice a year, with the Company's auditors; and
 2. the Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the staff responsible for the accounting and financial reporting function, compliance officer or auditors;

Oversight of the Company's financial reporting system and internal control procedures

- (6) to review the Company's financial control, internal control and risk management systems;
- (7) to discuss the internal control system with management to ensure that management has performed its duty of establishing an effective internal control system;
- (8) to consider any findings of significant investigations on internal control matters and the management's response to these findings as delegated by the Board or on its own initiative;

- (9) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness, and to monitor the Company's internal audit system and its implementation, "adequately resourced" means that the function is staffed by people with appropriate qualification, experience, integrity and independence of mind;
- (10) to review the Company's financial and accounting policies and their implementation, to monitor the management's progress on implementing any new key financial reporting standards, and to stay updated on tax legislature and regulatory developments in relation to financial reporting;
- (11) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts and systems of controls and the management's response;
- (12) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (13) to explain to the Board on the provisions of Appendix 14 of the Hong Kong Listing Rules;
- (14) to review the implementation of the Company's risk management and internal control system and the self-appraisal of the internal control, and to consider and identify the Company's material weakness in risk management and internal control;
- (15) to consider major investigation findings and the respective management responses on risk management and internal control matters as delegated by the Board or on its own initiatives;
- (16) to monitor the management in the establishment and implementation of the risk management and internal control system, and to ensure its effectiveness;
- (17) to perform an audit on significant connected transactions;
- (18) other matters as delegated by laws, regulations, relevant regulatory rules of the place where the Company's shares are listed and the Board.

The Committee shall cooperate with the Supervisory Committee for audit activities.

Rule 14 The following matters shall be submitted to the Board for consideration with the approval of more than half of all members of the Committee:

- (1) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) appointment or dismissal of the accounting firm that undertakes the Company's auditing work;
- (3) appointment or dismissal of the Company's chief financial officer;
- (4) changes in accounting policies, accounting estimates or corrections of material accounting errors that are made for reasons other than changes in accounting standards;
- (5) other matters as stipulated by laws, administrative regulations, relevant regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Rule 15 Proposals put forward by the Committee shall be submitted to the Board for discussion and approval, and, where necessary, it shall be subject to consideration and approval at the shareholder's general meeting before they are implemented.

The Board has the right to veto any plan or proposal made by the Committee.

Rule 16 The Company shall provide necessary working conditions for the Committee and designate specific personnel or entities to deal with daily works, including liaison, organization of committee meetings, preparation of materials and documentation management, of the Committee. When the Committee performs its duties, the management and relevant departments of the Company shall cooperate with it.

Rule 17 When Members are discharging their duties, the directors, senior management and other relevant personnel of the Company shall actively cooperate with them, and shall not refuse, impede or conceal relevant information, nor make any interference.

Rule 18 Save their entitlement to salary or allowance as a director or an independent director of the Company determined by the shareholder's general meeting in accordance with the relevant laws, regulations, regulatory documents and the Articles of Association, Members shall not accept any other additional undisclosed benefits from the Company and its substantial shareholder(s), or interested institutions and personnel.

CHAPTER 4 AUDITING TEAM

- Rule 19** The Committee has an auditing team (“**Auditing Team**”) as a daily executive office, who is in charge of the day-to-day liaison and organization of meetings. The Auditing Team has one leader.
- Rule 20** Members of the Auditing Team shall be appointed and dismissed by the Committee. They are directly accountable to and shall report to the Committee.
- Rule 21** The Auditing Team is in charge of the preparatory work for the Committee to make decisions and providing relevant information related to the Company on aspects as follows:
- (1) relevant financial reports and internal control reports of the Company;
 - (2) work reports of the internal and external auditors;
 - (3) external audit contract and related work reports;
 - (4) disclosure of information by the Company;
 - (5) the audit report on the significant connected transactions of the Company;
 - (6) other related matters.

CHAPTER 5 DECISION-MAKING PROCESS

- Rule 22** Meetings shall be held by the Committee to appraise the report provided by the Auditing Team and submit the relevant written information to the Board for discussion:
- (1) to evaluate the performance as well as to consider the appointment and replacement of the external auditors;
 - (2) whether the Company’s internal audit system has been effectively implemented and whether the Company’s financial reports are complete and true;
 - (3) whether the information like financial reports disclosed by the Company gives a true and fair view and whether the Company’s significant connected transactions are entered into in compliance with relevant laws and regulations;
 - (4) to evaluate the performance of the finance and audit departments (including their respective heads) of the Company;
 - (5) other related matters.

CHAPTER 6 MEETINGS OF THE AUDIT COMMITTEE

Rule 23 Meetings of the Committee are classified into regular meetings and interim meetings. Regular meetings shall be held at least four times a year, and once a quarter.

The chairman of the Committee shall convene an interim meeting of the Committee within ten working days under any of the following circumstances:

- (1) where the convener deems necessary;
- (2) where more than one third of directors jointly propose a meeting;
- (3) where two or more Members jointly propose a meeting.

Rule 24 A notice shall be given to all Members seven days prior to the date designated for holding a meeting of the Committee.

Rule 25 Notice of the meeting of the Committee shall include the following contents:

- (1) the date and place of the meeting;
- (2) the duration of the meeting;
- (3) the purpose and agenda of the meeting;
- (4) the date of issuance of the notice.

Rule 26 The chairman of the Committee shall preside over the meeting of the Committee. In case the chairman fails to attend the meeting, he/she can appoint another Member of independent director to preside over the meeting on his/her behalf.

Rule 27 Members shall actively participate in and attend the meetings of the committees on which they serve in person. If a Member is unable to attend the meeting in person for some reason(s), he/she shall review meeting materials in advance to form clear opinions and authorize in writing other member(s) of the committee to attend on his/her behalf. Members shall attend the meeting with a serious and responsible attitude and shall express a clear opinion on the matters discussed.

Rule 28 Two thirds of the Members are required to form the quorum of a meeting of the Committee; each Member shall be entitled to one vote; resolutions of a meeting must be adopted by the affirmative votes of more than half of the Members.

Rule 29 Resolutions at the meetings of the Committee shall be passed by a show of hands or by poll. In an interim meeting, votes may also be taken by communication.

Rule 30 Members of the Auditing Team may attend the meetings of the Committee. Where necessary, directors, supervisors and senior management of the Company may be invited to the meetings.

Where necessary, the Committee may appoint intermediary agencies to provide professional advice for its decision-making and the expenses incurred shall be borne by the Company.

Rule 31 When the meeting of the Committee discusses a topic which raises issues with regard to Members' interests, they shall recuse themselves from taking part in the vote on such topic and the number of votes they represent shall not be included in the total number of effective votes.

The minutes and resolutions of the meetings of the Committee shall specify the fact that the interested Members has not been counted in the quorum and that has not participated in voting.

The Board has the right to veto the plan or program proposed by the Committee in violation of the provisions of the preceding paragraphs.

Rule 32 The Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of the meeting. Members present at a meeting have the right to request a descriptive record of their speeches at the meeting. The minutes shall be kept as records of the Company by the Secretary to the Board for a term of ten years.

Rule 33 The minutes of the meetings of the Committee shall include the following contents:

- (1) date, place and convener of the meeting;
- (2) names of Members present at the meeting and names of Members (proxies) appointed by others to present at the meeting;
- (3) agenda;
- (4) summary of speeches given by attending Members;
- (5) voting method and results of each resolution (the results shall specify the votes of affirmatives, negatives and abstentions).

Rule 34 Members shall sign the resolutions passed at the meetings of the Committee and take the corresponding responsibilities. If any resolution of the meetings of the Committee is in violation of laws, regulations or Articles of Association of the Company, thereby causing the Company to suffer a loss, the Members who took part in the resolution shall be liable to the Company for damages. However, if a Member is proved to have expressed his/her voting to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such Member may be released from such liability.

Rule 35 A resolution passed or the results of voting at a meeting of the Committee shall be reported in writing to the Board of the Company.

Rule 36 All Members present at a meeting shall be obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

CHAPTER 7 SUPPLEMENTARY RULES

Rule 37 All references to “over” and “under” in these Rules shall include the stated figure; all references to “less than” and “more than” shall not include the stated figure; all references to “include” shall mean including but not limited to relevant matters or issues stated.

Rule 38 These Rules should come into effect since the date of approval by the Board.

Rule 39 Any matters not specified in these Rules should be implemented in accordance with relevant state laws, regulations, relevant regulatory rules of the listing place(s), such as the Hong Kong Listing Rules, regulatory documents and requirements of the Articles of Association. Should any of these Rules be found in conflict with relevant state laws, regulations, regulatory documents, relevant regulatory rules of the listing place(s), such as the Hong Kong Listing Rules, issued later or in conflict with the Articles of Association revised through legal procedures, the relevant state laws, regulations, relevant regulatory rules of the listing place(s), such as the Hong Kong Listing Rules, and requirements of the Articles of Association shall prevail, and the Company should amend these Rules immediately, subject to the approval of the Board.

Rule 40 The Board reserves the right of interpretation of these Rules.