
RELATIONSHIP WITH THE CONTROLLING SHAREHOLDER

OVERVIEW

As of the Latest Practicable Date, HPG, the principal Promoter of our Company, is interested in approximately 73.94% of our issued share capital. Immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised, HPG will be interested in approximately 61.72% of our enlarged issued share capital (or 60.20% if the Over-allotment Option is fully exercised). As a result, HPG will continue to be the Controlling Shareholder after completion of the Global Offering.

DELINEATION OF BUSINESS

The Core Business of our Group

Pursuant to the Reorganization, QPG (the predecessor of HPG, renamed as HPG pursuant to the approval granted by the People's Government of Hebei Province, please refer to the section headed "History, Reorganization and Corporate Structure — Background of and Changes Relating to Our Existing Shareholders" for details), injected its core port businesses, which were operated through Qinhuangdao Port and other ports, including stevedoring, stacking, storage and transportation of port cargoes such as coal, oil and liquefied chemicals, ore and other bulk cargo as well as containers; and port ancillary services, which are closely related to our principal businesses, including towing and railway transportation services, together with the relevant assets (including cash) and liabilities of QPG and 14 branch companies, the entire equity interests in five subsidiaries and four companies with equity participation (the "**Core Business**") into our Company. For details, please refer to the section headed "History, Reorganization and Corporate Structure — The Reorganization". Since the completion of the Reorganization, our Group has been engaged, and will continue to engage, in our Core Business after Listing.

The Principal Business of the Controlling Shareholder

Upon completion of the Reorganization, other than the interest in our Group and the Excluded Business Interests (as defined below), QPG, the Controlling Shareholder, retained all other assets which are not material to our Core Business. The Controlling Shareholder is a wholly state-owned company under Hebei SASAC. The principal businesses of the Controlling Shareholder and its subsidiaries include, among others, (1) port construction and engineering projects, (2) port machineries and port facilities installation and maintenance, (3) real estate development, property management and sales, (4) hotel management services, (5) escalator installation and maintenance, (6) logistics services and agency services, (7) coal wholesaling business, and (8) property leasing services (the "**Retained Business**").

As the scope of our Core Business and that of Retained Business are different (except for the Excluded Business Interests which, as explained in the subsection below, in our Directors' view, does not compete with us), there is no other material business retained or operated by the Controlling Shareholder, which competes or is likely to compete with our Core Business.

In addition, under the Non-Competition Agreement and Undertaking, the Controlling Shareholder has agreed not to engage in any other new business that competes, or is likely to compete, directly or indirectly, with our Core Business. We were also granted with options for pursuing new business opportunities relating to any of our Core Business, as well as options and pre-emptive rights to acquire new business opportunities. For details, please see "Non-Competition Agreement and Undertaking by the Controlling Shareholder".

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Excluded Business Interests

Jiangsu Guoxin Qin'gang Port Company Limited (江蘇國信秦港港務有限公司) (“Jiangsu Guoxin”), in which HPG holds its equity interests, engages in the same or similar businesses with our Group. As of the Latest Practicable Date, the Controlling Shareholder holds 42% equity interests (the “Excluded Business Interests”) in Jiangsu Guoxin, a company established on November 25, 2010, with a registered capital of RMB280 million. The other two shareholders are Jiangsu Guoxin Asset Management Group Company Limited (江蘇省國信資產管理集團有限公司) and Jingjiang Port Development Company Limited (靖江港口發展有限公司), which are independent from our Group and the Controlling Shareholder, each holding 50% and 8% of the equity interests, respectively. Jiangsu Guoxin principally engages in the integrated port operation business and is currently involved in the investment and construction of coal logistics project in Jingjiang, Jiangsu in the downstream of the Jiangyin Yangtze River Bridge of Jiangsu, which includes the construction of coal unloading berths, river barge loading berths and stacking yard.

Although Jiangsu Guoxin also engages in port operation business, our Directors take the view that there is no competition between the business of Jiangsu Guoxin and that of our Group due to the following factors: (i) the Controlling Shareholder only holds 42% interest in Jiangsu Guoxin and does not have a controlling stake in it; (ii) the port project and business operated by Jiangsu Guoxin is located in Yangtze River Delta area, which is of substantial transportation distance (over 1,300 kilometers) from the geographical location of our business in the Bohai Rim area, and as such, the sources of cargoes for Jiangsu Guoxin and us would be distinctively different and geographically segregated; (iii) the project developed by Jiangsu Guoxin is still in its construction stage; and (iv) the coal unloading business of Jiangsu Guoxin is different from our coal loading business in terms of business nature. The Controlling Shareholder has no intention to inject its interest in the business of Jiangsu Guoxin to our Group as it does not compete with our business.

NON-COMPETITION AGREEMENT AND UNDERTAKING BY THE CONTROLLING SHAREHOLDER

Non-Competition

Under the Non-Competition Agreement and Undertaking, the Controlling Shareholder has undertaken, not to, directly or indirectly, engage in, participate in, assist or support a third party to engage in or participate in any business or activity that competes or is likely to compete with our Core Business.

The foregoing restriction does not apply to (1) the purchase or holding by the Controlling Shareholder or its subsidiaries for non-controlling purposes of not more than 20% equity interests in other listed companies whose business competes or is likely to compete with our Core Business; or (2) the holding by the Controlling Shareholder or its subsidiaries of not more than 20% equity interest in other companies whose business competes or is likely to compete with our Core Business as a result of debt restructuring.

The Controlling Shareholder has further undertaken to use its best efforts to procure the (i) companies in which it holds more than 20% but less than 50% equity interest carrying voting rights in shareholders meetings; or (ii) in the case of a partnership, companies in which it is one of the partners in such partnership; or (iii) the subsidiaries of such companies mentioned in (i) and (ii) above (together the “Associated Companies”) not to, directly or indirectly, engage in or participate in any business or activity that competes or is likely to compete with our Core Business.

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Options for New Business Opportunities

The Controlling Shareholder has made undertakings in the Non-Competition Agreement and Undertaking as follows:

- (1) during the term of the Non-Competition Agreement and Undertaking, if the Controlling Shareholder or its subsidiaries becomes aware of any new business opportunity which competes or is likely to compete, directly or indirectly, with our Core Business (“New Business Opportunity”), the Controlling Shareholder shall immediately notify us in writing of the New Business Opportunity (the “Offer Notice”) and use its best efforts to procure the New Business Opportunity to us or our subsidiaries on fair and reasonable terms and conditions. Our Company is entitled to decide whether or not to take up such New Business Opportunity in writing within 30 days upon the receipt of the Offer Notice. If so, the Controlling Shareholder or its subsidiaries must pass on the New Business Opportunity to us or our subsidiaries under the same terms and conditions; and
- (2) the Controlling Shareholder will use its best efforts to procure its Associated Companies to provide any New Business Opportunity to us or our subsidiaries.

We will promptly notify the Controlling Shareholder in the event that our Company or our subsidiaries decides not to take up the New Business Opportunity (the “Rejection Notice”) (in any case, no later than 30 days from receipt of the Offer Notice). If the Rejection Notice is not given within such time, or within a time period as otherwise agreed to by the parties, the Controlling Shareholder can treat such inaction as waiver of the priority to take up the New Business Opportunity, and the Controlling Shareholder or its subsidiaries can take up the New Business Opportunity.

Our Directors will be responsible for reviewing, considering and deciding whether or not to take up the New Business Opportunity. Any Directors who are interested in or related to the New Business Opportunity shall abstain from voting. In assessing whether or not to exercise the option to acquire the New Business Opportunity, our Directors will consider a range of factors including any feasibility study, counterparty risk, estimated profitability, our business and the legal, regulatory and contractual landscape with a view to arriving at a decision which is in the best interests of the Shareholders and our Group as a whole.

Options for Acquisitions

In relation to any New Business Opportunity referred to us by the Controlling Shareholder or its subsidiaries under the Non-Competition Agreement and Undertaking, if our Company or our subsidiaries decide not to take up such New Business Opportunity, the Controlling Shareholder or its subsidiaries may, subsequently take up such New Business Opportunity on its own.

In respect of the aforesaid matters, the Controlling Shareholder has undertaken to grant our Company an option, pursuant to which our Company may exercise the same at any time during the term of the Non-Competition Agreement and Undertaking, subject to applicable laws and the Hong Kong Listing Rules, to acquire on one or more occasions any equity interest, asset or other interest in respect of the new business of the Controlling Shareholder or its subsidiaries as described above, or to conduct, such new business of the Controlling Shareholder or its subsidiaries, by way of, but not limited to, mandate, lease or subcontracting. However, if any third party has any pre-emptive rights in accordance with applicable laws and/or the relevant articles of association, our option to acquire shall be of lower priority to such pre-emptive rights. In this case, the Controlling Shareholder must use their best efforts to procure such third party to waive its pre-emptive rights.

The Controlling Shareholder further undertakes to use its best efforts to procure its Associated Companies to comply with the above options granted to our Group by the Controlling Shareholder.

The consideration payable for the acquisition of such new business described above shall be determined with reference to the valuation by a third party valuer jointly selected by the Controlling

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Shareholder and our Company and in accordance with the methods and procedures as required by applicable laws and regulations after negotiation between the parties.

Our Directors will be responsible for reviewing, considering and deciding whether or not to exercise the above options for acquisitions. Any Directors who are interested in or related to the acquisitions shall abstain from voting. In assessing whether or not to exercise the options for acquisitions, our Directors will consider a range of factors including any feasibility study, counterparty risk, estimated profitability, our business and the legal, regulatory and contractual landscape with a view to arriving at a decision which is in the best interests of the Shareholders and our Group as a whole.

Pre-emptive Rights

In relation to any New Business Opportunity referred to us by the Controlling Shareholder or its subsidiaries under the Non-Competition Agreement and Undertaking, if our Company or our subsidiaries decide not to take up the New Business Opportunity, the Controlling Shareholder or its subsidiaries may subsequently take up such New Business Opportunity on its own.

The Controlling Shareholder has undertaken that, during the term of the Non-Competition Agreement and Undertaking, if it or any of its subsidiaries intends to transfer, sell, lease, license or otherwise transfer or permit to use any of the above interests to a third party, they shall notify our Company by a written notice (the "Transfer Notice") in advance. The Transfer Notice shall state the terms of the transfer, sale, lease or license and any information which our Company may reasonably require to come to a decision. Our Company shall comply with the principle and provisions of the Hong Kong Listing Rules and reply in writing to the Controlling Shareholder or its subsidiaries within 30 days upon receipt of the Transfer Notice. The Controlling Shareholder and/or its subsidiaries further undertake not to inform such third party of its intention to transfer, sell, lease or license such business until receipt of a written reply from our Company. If our Company (i) decides not to exercise the pre-emptive rights; or (ii) fails to respond to the Controlling Shareholder or its subsidiaries within the agreed period; or (iii) does not accept the conditions as set out in the Transfer Notice and thereafter issues to the Controlling Shareholder a written notice setting out such conditions which are acceptable to our Company, but the Controlling Shareholder or its subsidiaries rejects such conditions by notice to us in writing, the Controlling Shareholder or its subsidiaries are entitled to transfer, sell, lease or license the interest to a third party pursuant to the terms stipulated in the Transfer Notice.

The Controlling Shareholder further undertakes to use its best efforts to procure its Associated Companies to grant us the above pre-emptive rights.

Our Directors will be responsible for reviewing, considering and deciding whether or not to exercise the pre-emptive rights. Any Directors who are related to the above interest, shall abstain from voting. Upon receipt of the Transfer Notice, our Company and our subsidiaries will respond within 30 days upon receipt. In assessing whether or not to exercise the pre-emptive rights, our Directors will consider a range of factors including any feasibility study, counterparty risk, estimated profitability, our business and the legal, regulatory and contractual landscape with a view to arriving at a decision which is in the best interests of the Shareholders and our Group as a whole.

Further Undertakings by the Controlling Shareholder

The Controlling Shareholder has further undertaken that:

- (1) upon request from our independent non-executive Directors, it shall provide all information necessary for their review on the compliance with and the implementation of the Non-Competition Agreement and Undertaking by the Controlling Shareholder and its subsidiaries;
- (2) it agrees to our Company disclosing the decisions made by our independent non-executive Directors on the compliance with and implementation of the Non-Competition Agreement and Undertaking in our annual reports or announcements;

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- (3) it provides a certificate annually on compliance with the terms of the Non-Competition Agreement and Undertaking to our Company and our independent non-executive Directors so as to make relevant disclosure in annual reports.

Measures to be taken by the Company to ensure the Compliance of Relevant Undertakings

Our Company will also adopt the following procedures to ensure that the undertakings under the Non-Competition Agreement and Undertaking are observed:

- (1) our Company will provide our independent non-executive Directors with the Offer Notice or the Transfer Notice (as the case may be) in respect of the New Business Opportunity referred to us by the Controlling Shareholder or the pre-emptive rights within 10 days from the receipt of such notices;
- (2) our independent non-executive Directors will report, and the Company will disclose in our annual reports, the findings, decisions and the basis of any decisions made by our independent non-executive Directors on the compliance by the Controlling Shareholder with and implementation of the Non-Competition Agreement and Undertaking; and
- (3) our Directors are of the view that our Directors have sufficient experience in assessing whether or not to take up the New Business Opportunity, exercise the options for acquisitions or exercise the pre-emptive rights. If our Directors consider that approval of the independent Shareholders in respect of such opportunities is required under the Hong Kong Listing Rules, they may appoint an independent financial adviser or other professionals to advise, at the expense of our Company, on whether or not to exercise the options for acquisitions or the pre-emptive rights under the Non-Competition Agreement and Undertaking.

Termination

The Non-Competition Agreement and Undertaking will become effective and remain in full force until the occurrence of the following events (whichever is earlier):

- (1) the Controlling Shareholder, directly or indirectly, holding in aggregate less than 30% of the total issued share capital of our Company; or
- (2) our Company ceases to be listed on any onshore or offshore stock exchange (other than any suspension in trading of the Shares for any reason).

In view of (a) the legally binding obligations of the Controlling Shareholder under the Non-Competition Agreement and Undertaking and the options for the New Business Opportunities, the options for acquisitions and the pre-emptive rights granted to our Company thereunder, and (b) the information-sharing and other mechanisms in place as described above to monitor the compliance with the Non-Competition Agreement and Undertaking by the Controlling Shareholder, each of our Directors (including the independent non-executive Directors) is of the view that our Company has taken all appropriate and practicable steps to ensure the compliance by the Controlling Shareholder with its obligations under the Non-Competition Agreement and Undertaking.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER

Having considered the following factors, we are satisfied that we can conduct our business independently from the Controlling Shareholder and its associates after the Global Offering.


Operational Independence

We are in possession of or have use rights with respect to production and operating facilities and technology relating to our Group's business including the assets injected into our Company by QPG and the assets we purchased since our establishment. Currently, we engage in our Core Business

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independently, with the independent right to make operational decisions and implement such decisions. We have independent access to customers and suppliers and are not dependent on the Controlling Shareholder with respect to supplies, equipment and raw materials for our business operations. We have sufficient capital, equipment and employees to operate our business independently from the Controlling Shareholder.

We have our own organizational structure with independent departments, each with specific areas of responsibility. We also maintain a set of internal control procedures to facilitate the effective operation of our business. We have adopted protective measures to ensure the enforceability of the Non-Competition Agreement and Undertaking with the Controlling Shareholder. For details, please refer to “Non-Competition Agreement and Undertaking by the Controlling Shareholder”. We have also adopted a set of corporate governance manuals, such as rules of the shareholders’ meeting, rules of the board meeting, rules of the supervisory board’s meeting and rules on the conduct of connected transactions, which are based on relevant laws, rules and regulations.

Our Group has entered into certain continuing connected transactions with the Controlling Shareholder. We have entered into a Trademark License Agreement with the Controlling Shareholder for the long term use of its trademark, “”. Our Directors are of the view that there is no material risk for us to use the trademarks during our operations as, although the trademarks are not currently registered by our Group, the Controlling Shareholder has undertaken to grant our Group the right to use the trademarks for a term of ten years and such term will be automatically renewed for a further term of ten years upon one-month prior written notice to the Controlling Shareholder by our Company, and on a repetitive basis as long as the Controlling Shareholder remains the controlling shareholder of our Company. For details of the Trademark License Agreement, please refer to “Connected Transactions – Trademark License Agreement and Undertaking”. The reasons for the Controlling Shareholder not to inject the trademark into our Group are as follows:

- (1) the use of the trademark is not exclusive to our Company. The Controlling Shareholder, being a state-owned company under Hebei SASAC, and its subsidiaries also has the right to use the same trademark in their Retained Business;
- (2) our Company is a port operator providing integrated port services. Our customers generally consider location, price competitiveness and efficiency as the key parameters in choosing port operators. Due to the nature of our business, our customers focus less on intangible factors, such as trademark, in their identification of suitable port operators; and
- (3) our Company believes the main function of the trademark is to facilitate the development of corporate culture. Our Company also believes the current terms and conditions of the Trademark License Agreement serve the above purposes and is sufficient to provide for the Group’s interests.

Historically, we have leased certain facilities, equipment and properties from the Controlling Shareholder relating to our operations in the western zone of Qinhuangdao Port. Such facilities, equipment and properties include office buildings, stacking yards, pipelines, starting engines, office facilities and instruments, and a majority of which are immovable properties. Although these assets relate to the operation in the western zone of Qinhuangdao Port, the Controlling Shareholder had decided not to inject such assets into our Group at the time of the Reorganization due to the title defects in certain immovable properties and the anticipated relocation of the port operations in the western zone to the eastern zone of Qinhuangdao Port as part of the city planning by the governments of Hebei Province and Qinhuangdao City. For details of the relocation, please refer to “Business – Our Facilities – Western Zone Relocation”. Although we have not engaged any independent third party suppliers during the Track Record Period, the Company confirms that any movable facilities, equipment and properties under the Lease Agreement can be obtained or sourced from independent third parties within two to six months and at comparable prices and quality as that provided by the Controlling Shareholder. All facilities, equipment and properties under the Lease Agreement were used independently in the western zone of Qinhuangdao Port and none of which are

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linked to any of our operation in the eastern zone of Qinhuangdao Port. The Group will not enter into a new Lease Agreement, and is not expected to rely on any movable facilities, equipment and properties for its future operations in the eastern zone of Qinhuangdao, once the relocation has taken place. The Company believes that entering into the Lease Agreement is in the interest of the Company. In addition, given that the throughput of the berths of the western zone of Qinhuangdao Port only accounted for 5.28% of the total throughput of the Group in 2012, the Directors believe that the facilities, equipment and properties under the Lease Agreement is relatively insignificant to the Group's overall operations. For details of the above Lease Agreement, please refer to the "Connected Transactions — Lease Agreement".

Moreover, the Company has entered into a General Services Agreement with the Controlling Shareholder, pursuant to which the Controlling Shareholder and/or its subsidiaries will provide social services, office and logistic services and production services to the Group, and the Group will provide general port services, port electricity management services, transportation services, software services, labor services, leasing services, resources supply services and other relevant or similar services to the Controlling Shareholder and/or its subsidiaries, subject to certain pricing and bidding policies. For details of the General Services Agreement and the reasons for the transactions, please refer to the "Connected Transactions — General Services Agreement".

Despite the continuation of the connected transactions, we have been and will continue to function and operate independently from the Controlling Shareholder and/or its subsidiaries for the following reasons:

- (1) we have independent access to sources of suppliers for the operation of our business, as well as independent access to our customers. We also engage in our business independently, with the independent right to make operational decision and implement such decisions;
- (2) the value of transactions between our Company and the Controlling Shareholder is not excessive and the goods and services provided by the Controlling Shareholder and/or its subsidiaries were based on pre-agreed pricing terms which ensures the pricing is fair and reasonable;
- (3) certain goods and services provided by the Controlling Shareholder and/or its subsidiaries under the General Services Agreement, such as port construction and equipment maintenance projects, are subject to bidding requirements under relevant laws and regulations (for example, a defined scope of goods and services which cost exceeds RMB500,000 shall, according to national regulations, be subject to bidding requirements). The bidding requirements and process is robust, and the Company has procured or obtained goods and services from independent third parties through bids. Our Directors believe the bidding requirements and process is effective in maintaining the price competitiveness of the goods and services provided by the Controlling Shareholder and/or its subsidiaries;
- (4) our Directors are of the view that the connected transactions have been entered into in the ordinary and usual course of business of our Group, that such transactions have been negotiated on arms' length basis, on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole;
- (5) for goods and services that are not subject to bidding requirements under the General Services Agreement, such goods and services can be obtained from or provided by independent third parties at comparable prices and quality as that provided by the Controlling Shareholder and/or its subsidiaries within two to six months. The notice provisions for terminating the transactions with the Controlling Shareholder and/or its subsidiaries provide for sufficient time for the Company to find alternative suppliers prior to the cessation of such transactions, if required; and

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- (6) our Directors considered that it would not be commercially sensible to discontinue using the goods and services provided by the Controlling Shareholder and/or its subsidiaries since the Controlling Shareholder and/or its subsidiaries have been reliable and stable suppliers of goods and services.

Based on the above, our Directors are of the view that our Group operates independently from the Controlling Shareholder.

Financial Independence

We have established our own finance department with a team of independent financial staff, who are responsible for financial control, accounting, financial reporting and credit functions of our Group independent from the Controlling Shareholder. We can make financial decisions independently and the Controlling Shareholder does not intervene with our use of funds. We have also established independent standardized financial and accounting system and a complete financial management system. In addition, we maintain bank accounts with banks independently and the Controlling Shareholder does not share any bank accounts with us. We have made independent tax registration in accordance with applicable laws, and paid tax independently pursuant to applicable PRC tax laws and regulations, rather than on a combined basis with the Controlling Shareholder or other enterprises under its control.

We have sufficient capital to operate our business independently, and we are capable of obtaining financing from third parties without relying on any guarantee or security provided by the Controlling Shareholder or other connected persons. As a result, our Directors take the view that we operate independently from the Controlling Shareholder from a financial perspective.

Management Independence

Our Board of Directors consists of 11 Directors, eight of whom do not hold any directorship or senior management positions in the Controlling Shareholder, its subsidiaries and/or entities in which the Controlling Shareholder has certain equity interest (the “Related Entities”). Of these eight Directors, two are executive Directors, two are non-executive Directors and four are independent non-executive Directors.

Mr. Xing Luzhen, Mr. Zhao Ke and Mr. He Shanqi will continue to hold positions in the Controlling Shareholder, its subsidiaries and/or Related Entities after the Listing.

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Set out below is a table summarizing the positions held by our Directors, Supervisors and senior management and their directorship, supervisorship or senior management positions with the Controlling Shareholder, its subsidiaries and/or Related Entities:

Name of Directors/Supervisors/Senior Management	Positions Held With Our Company	Directorship/Supervisors/Senior Management Position Held with the Controlling Shareholder, its Subsidiaries and/or Related Entities ¹ as of the Latest Practicable Date
XING Luzhen (邢錄珍)	Chairman of the Board and Executive Director	Chairman, the Controlling Shareholder Chairman, Qinhuangdao Jinhai Oil Industrial Co., Ltd. (秦皇島金海糧油工業有限公司) (a company held as to 15% by the Controlling Shareholder) Chairman, Qinhuangdao Jinhai Specialized Oil Industrial Co., Ltd. (秦皇島金海特種食用油工業有限公司) (a company held as to 15% by the Controlling Shareholder)
ZHAO Ke (趙克)	Vice Chairman of the Board and Non-executive Director	Director, Deputy General Manager, the Controlling Shareholder Vice Chairman, Jiangsu Guoxin (a company held as to 42% by the Controlling Shareholder) Director, Daqin Railway Co., Ltd. (大秦鐵路股份有限公司) (a company held as to 1.07% by the Controlling Shareholder)
HE Shanqi (何善琦)	Executive Director and General Manager	Director, the Controlling Shareholder
WANG Lubiao (王錄彪)	Executive Director and Deputy General Manager	N/A
MA Xiping (馬喜平)	Executive Director, Deputy General Manager and secretary to the Board	N/A
ZHENG Yunming (鄭雲明)	Non-executive Director	N/A
DUAN Gaosheng (段高升)	Non-executive Director	N/A
HONG Shanxiang (洪善祥)	Independent non-executive Director	N/A
SHI Rongyao (師榮耀)	Independent non-executive Director	N/A
YU Shulian (余恕蓮)	Independent non-executive Director	N/A
LI Man Choi (李文才)	Independent non-executive Director	N/A
GE Ying (葛瑛)	Chairman of the Supervisory Committee	N/A
NING Zhongyou (寧中友)	Supervisor	N/A
CHEN Shaojun (陳少軍)	Supervisor	N/A

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Name of Directors/Supervisors/Senior Management	Positions Held With Our Company	Directorship/Supervisors/Senior Management Position Held with the Controlling Shareholder, its Subsidiaries and/or Related Entities ¹ as of the Latest Practicable Date
CAO Dong (曹棟)	Employee Representative Supervisor	Supervisor, Hebei Port Group Port Machinery Limited (河北港口集團港口機械有限公司) (a subsidiary of the Controlling Shareholder) Supervisor, Hebei Financial Investment Guarantee Group Limited (河北融投擔保集團有限公司) (a company held as to 8.21% by the Controlling Shareholder) Director, Bank of Qinhuangdao Co., Ltd. (a company held as to 7.95% by the Controlling Shareholder) Supervisor, China Merchants Securities Co., Ltd. (a company held as to 4.83% by the Controlling Shareholder)
YANG Jun (楊軍)	Employee Representative Supervisor	N/A
HE Zhenya (何振亞)	Deputy General Manager	N/A
GUO Xikun (郭西錕)	Chief Financial Officer	N/A

Note: 1. For the purpose of this column, the Controlling Shareholder and/or its subsidiaries mentioned in the table do not include our Group.

Apart from the above, none of our Directors, Supervisors or senior management members serves as director, supervisor or senior management in the Controlling Shareholder, or its subsidiaries and/or Related Entities.

Mr. XING Luzhen and Mr. HE Shanqi, our executive Directors, who hold positions in the Controlling Shareholder and its Related Entities, have confirmed that they will devote sufficient time and efforts to our Group. Mr. XING Luzhen has confirmed that he will allocate over the majority of his time and efforts to our Group. Mr. He Shanqi has confirmed that he will devote the majority of his time and efforts to our Group. Mr. ZHAO Ke, who also holds positions in the Controlling Shareholder and its Related Entities, is not our executive Director and is therefore not involved in the day-to-day management of our Company, but is primarily responsible for making decisions on important matters such as formulation of our general development and strategy and corporate operation strategy as a member of our Board. Mr. Cao Dong, who holds positions in the Controlling Shareholder's subsidiaries and Related Entities, is our Employee Representative Supervisor performing a supervisory function over our Company and is therefore not involved in the day-to-day management of our Company.

Notwithstanding the overlapping roles of our Directors, namely, Mr. Xing Luzhen, Mr. Zhao Ke and Mr. He Shanqi, two of four executive Directors, namely, Mr. Wang Lubiao and Mr. Ma Xiping, and two of three non-executive Directors, namely, Mr. Zheng Yunming and Mr. Duan Gaosheng, as well as all of our independent non-executive Directors, do not hold any roles in the Controlling Shareholder, its subsidiaries and/or Related Entities. On this basis, there are sufficient non-overlapping directors who are independent from the Controlling Shareholder and have relevant experience to ensure the proper functioning of our Board.

Other than the above Directors, Supervisors and senior management who serve as directors, supervisors and/or senior management in the Controlling Shareholder, its subsidiaries and/or Related Entities and Mr. Duan Gaosheng who serves as a director in Tangshan Port Group Co., Ltd. (please

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refer to “Directors, Supervisors, Senior Management and Employees” for details), our Directors have confirmed that they do not have any interests in any business which directly or indirectly competes, or is likely to compete, with our business as of the Latest Practicable Date.

We believe that our Directors, Supervisors and members of the senior management are able to perform their roles in our Company independently and that our Group is capable of managing our business independently from the Controlling Shareholder for the following reasons:

- (a) the Articles of Association, the relevant rules of shareholder meetings, board meetings and supervisor meetings, and the decision-making mechanism of our Board as set out in the internal administrative measures include provisions to avoid conflicts of interest by providing, among other things, that in the event of conflicts of interest, such as consideration of resolutions in relation to transactions with the Controlling Shareholder, the relevant Directors who are connected with the Controlling Shareholder will abstain from voting and will not be counted towards the quorum of the relevant meeting. Furthermore, when considering connected transactions, only our independent non-executive Directors will review the relevant transactions;
- (b) the day-to-day operation of our Company is managed by our four executive Directors together with two other senior management members. Four of the above six persons are our full time employees receiving remuneration from us and do not serve as directors, supervisors and senior management in the Controlling Shareholder;
- (c) none of our Directors, Supervisors or members of the senior management has any shareholding interest in the Controlling Shareholder;
- (d) we have appointed four independent non-executive Directors, comprising more than one-third of our Board, to provide a balance between the number of interested and independent non-executive Directors with a view to promoting the interests of our Company and our Shareholders as a whole; and
- (e) each of our Directors is aware of his fiduciary duties as a Director, which require that he acts for our Company’s best interests.

On the basis outlined above, the Directors are of the view that the Company has a management team that is independent from the Controlling Shareholder.