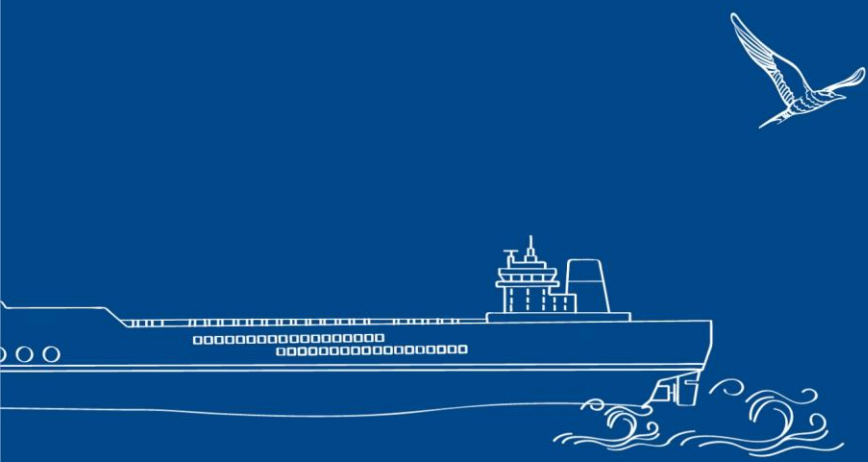


CORPORATE CULTURE HANDBOOK

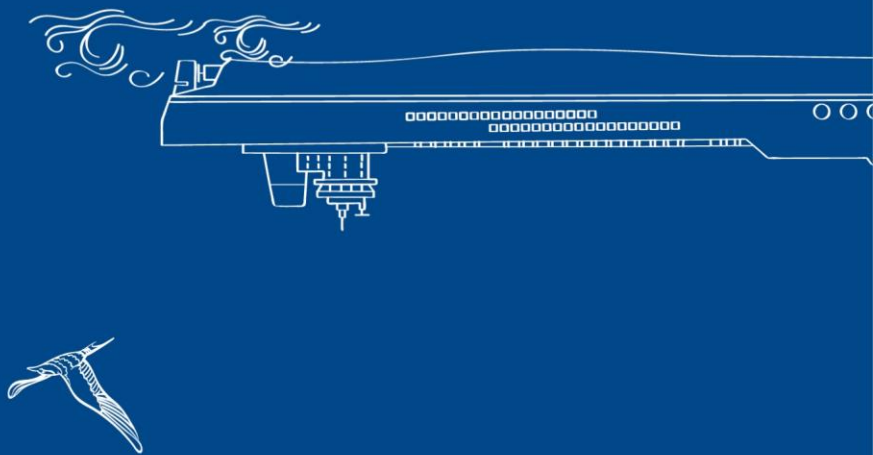




SAILING WITH ALL YOUR TRUST



为每一次信赖远航





PREFACE

As the saying goes: "A thousand people can exert their power if they unite in a concerted effort, while ten thousand people maybe not as powerful as one person if they have different intentions." The power of culture lies in enabling thousands of people to act together and fulfill their missions. President Xi Jinping put forward, "A country, or a nation, cannot be devoid of soul." Li Jianhong, the Chairman of China Merchants Group, also pointed out, "Vitality of culture is the vitality of an enterprise." The corporate culture is the source of nourishing and flourishing of enterprises, and also the foundation for fulfilling the mission and objective of which. The construction of corporate culture is an eternal topic of an enterprise. While the development of such, of which has been developed to the final stage, is the existence of a culture and the dissemination of values.

The China Merchants Group ("CMG") was born during the Westernization Movement, of which accumulated a century and a half of cultural power and created the gold-lettered signboard of "Centennial China Merchants". CMES Shipping, which inherits the ancestry and rooted in the fertile soil of China Merchants' culture, further interpreted and enriched the connotation of the marine culture of the China Merchants with growing of business network as well as the spirit of constant struggle. To better sort out and summarize the cultural genes of CMES Shipping, we have formed the corporate culture by integrating and highlighting its characteristics based on the cultural background of CMG. It is also the first time we tell and convey the dream of sailing deeply rooted in our hearts from the perspective and language of a seafarer.

This corporate culture handbook presents the complete cultural value system of CMES Shipping, showing the basic norms of the brand and the image of mascots, and its appendix introduces the corporate culture of China Merchants Group: There come the roots of origin and new leaves, while showcasing both cultural heritage and modern formation of the enterprise. We hope you to have a deep understanding of our corporate culture, thereby further recognizing our culture and build trust with us, and eventually provide a strong cultural drive for the sustainable development of the enterprise.

The construction of the corporate culture is not built in one day. Just like the great tides lashing the beaches, eliminating the false and retaining the truth. The spring wind and the rain moisten softly while time tests and retains vitality permanently. The staff of CMES Shipping will irrigate the roots and flowers of the corporate culture and share the fruits of hard work and efforts. May this handbook inspire the staff of CMES Shipping to ride the wind and waves and sail to the future!

June 2020



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INTRODUCTION OF CMES SHIPPING



China Merchants Steam Navigation Company, founded in 1872, has laid the foundation for the modern shipping industry in China. The shipping business of the China Merchants Group ("CMG") is the transportation services provider which belongs to the three core businesses of CMG, namely transportation, finance and real estate. It has always been committed to its endeavor in ensuring the safety of national energy transportation and promotes the development of the shipping industry for the country. As of the end of 2019, the shipping sector of China Merchants Group had a total capacity of 365 ships (including orders) with a total of 44.46 million DWT, ranking second among non-financial ship-owners in the world.

Inheriting the century-old foundation of China's shipping business, China Merchants Energy Shipping Co., Ltd. ("CMES Shipping") was established in 2004, and listed on the A-share in 2006 (stock code: 601872). Its stock code incorporates its founding year to imply a new starting point for inheriting the century-old shipping industry. CMES Shipping is a shipping corporate specializing in maritime transportation under the CMG. The company operates and manages the most established and the most experienced maritime oil tanker fleet in China. As a leading VLCC fleet operator in Greater China and a major participant in domestic LNG transportation

projects, it owns the world's largest fleets of Very Large Crude Carrier (VLCC) and Very Large Ore Carrier (VLOC), with leading domestic liquefied natural gas (LNG) and Ro-Ro fleets. After years of development, CMES Shipping has configured a diversified business pattern of "the Oil, the Bulk, the Gas, the Special purposes, the Crew management, the overseas network" in its full format. Its main business covers oil transportation, dry bulk transportation, gas transportation, and special transportation, achieving unique advantages in terms of crew management and overseas network services.

With the vision of becoming excellent global shipping practitioners, CMES Shipping embraces the cultural concept of TRUST SHIPPING (T-R-U-S-T: Technology, Reliability, Unity, Safety, Tenacity), and promises to our customers and the market that we are sailing with all their trust. Through the firm execution of safety management, spontaneous creation of distinctive fleets, full use of capital market functions, innovative research and intelligent shipping, CMES Shipping is committed to modeling shipping trust with the wisdom of China Merchants to establish a world-class shipping enterprise with core competitiveness.



CORPORATE CULTURE SYSTEM OF CMES SHIPPING

STRATEGY

Creating a World-class Shipping Enterprise
with Core Competitiveness

GOAL

Excellent Global Shipping Practitioner

MISSION

Modeling Shipping Trust with the Wisdom
of China Merchants

CULTURAL PHILOSOPHY

TRUST SHIPPING

Technology Behavioral awareness	Reliability Business requirements	Unity Service principles	Safety Behavioral concepts	Tenacity Entrepreneurial spirit
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SLOGAN

SAILING WITH ALL YOUR TRUST

STRATEGIC OBJECTIVES

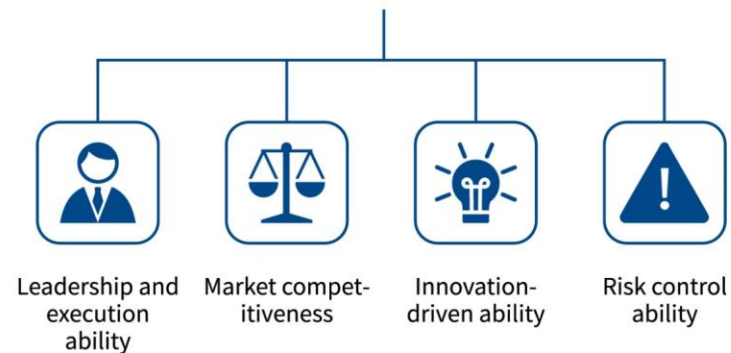


Building a world-class shipping enterprise with core competitiveness

In 2014, China Merchants Group put forward the strategic vision of "building a world-class enterprise with international competitiveness", clarified the future development direction and goals, and opened a new development journey for China Merchants Group. The CMG has identified three "world-class" goals, including "building a world-class shipping enterprise". During the annual meeting in 2014, CMES Shipping officially proposed the strategic goal of "building a world-class shipping company with strong core competitiveness, and further determined the strategic goal as "building a world-class shipping enterprise with core competitiveness" at the annual meeting in 2017.



1 Core competitiveness



2 World-class shipping enterprise



VISION POSITIONING

Excellent global
shipping
practitioner



1 International business capability—global

CMES Shipping has adopted a business framework made up of the "the Oil, the Bulk, the Gas, the Special purposes" operations spanning the entire business process. It also has unique advantages in crew management and service and the layout of overseas companies. Under the strategic goal of "building a world-class shipping enterprise with core competitiveness", CMES Shipping is moving towards a globalized, all-rounded, and full value chain integrated service provider.

2 High-level service standards—excellence

The transportation capacity of China Merchants Group ranks second among non-financial ship-owners in the world. CMES Shipping, as the operating and management entity of the shipping sector under the CMG, will play an important role in the future international shipping market. By adhering to the development idea of "scientific innovation, win-win partnerships, safety and efficiency, and the harmony with the environment", CMES Shipping will continue to build services with more excellent standards.

3 Practical execution role—practitioner

Shipping business is the ancestral and main business of China Merchants Group. Since 1872, for nearly one and a half centuries of cultivation and development, CMES Shipping has always been adhering to its original mind and upheld its practical and reliable role in practicing excellent global shipping by establishing standards for its foundation, and hold responsibility as the foundation of its action.

VALUE OF THE MISSION MODELING SHIPPING TRUST WITH THE WISDOM OF CHINA MERCHANTS



1 Wisdom-driven

With the wisdom of China Merchants as the driving force for growth, the wisdom accumulated over a hundred years of history, the wisdom of win-win cooperation in the market as well as the wisdom of scientific and technological innovation in digital shipping, CMES Shipping is moving forward bravely and acting with courage and determination in the new era.



2 With shipping trust as value

Taking the shipping trust as the pursuit of value. Trust is the golden rule for modern enterprises. Creating trustworthy shipping for customers, building trust for the shipping industry, and living up to every customer's trust, are the core values pursued by CMES Shipping.



CULTURAL CONCEPT TRUST SHIPPING

1 Connotation of trust

Trust is the core of the culture of CMES Shipping. Soliciting business from all over the world is to solicit reliability and trust; while navigating to the five continents is to sail around the world with integrity and trust.

To truly achieve trust in shipping, the following five adherences shall be upheld:

Firstly, adhere to the awareness of persistent technical innovation in the industry so as to achieve outstanding results in global business;

Secondly, adhere to the long-term provision of practical and reliable services to win the trust of global customers;

Thirdly, adhere to the principle of stable output, efficient and consistent standards to obtain appreciation in global services;

Fourthly, adhere to the concept of constantly improving safety and rigorous behavior to gain recognition among organizations all over the world;

Fifthly, adhere to the Hailiao Spirit of exploration and striving to make great progress in global development.



2 TRUST concept

Technology - Awareness of technological innovation

CMES Shipping regards technological innovation and digital drive as the core forces for driving awareness in the sector. In the era of intelligent shipping, only by grasping technological innovation enterprises can keep developing sustainably.

Reliability - Practical and reliable ability

CMES Shipping regards practical operation and reliable services as the core attitude in terms of business operation. Due to increasingly fierce global competition, only through constant practicable and reliable services, can we win more trust from customers.

Unity - Efficient and consistent standards

CMES Shipping regards unity, efficiency and ship-shore integration as the core external requirements for the principles of its service. Since the trust of customers comes from the experience of servicing, only a united and efficient cooperation and a ship-shore integration mechanism can keep the loyalty of our customers.

Safety - Safe and rigorous concept

In terms of the concept of behavior, CMES Shipping regards safety first and proper performance of duties as its internal core requirements. As safety is the lifeline of shipping enterprises, possible growth may only be achieved by keeping this lifeline firm.

Tenacity - Spirit of perseverance and struggle

CMES Shipping regards China Merchants' culture of pioneering and perseverance and the Hailiao Spirit of patriotism, striving and exploration as its core corporate spirit of wealth. Sustainable development means that the enterprise has a profound brand of quality, and therefore CMES Shipping will have a true soul only by inheriting and developing these valuable qualities.

BRAND SLOGAN SAILING WITH ALL YOUR TRUST



1 Cherish every trust of customers

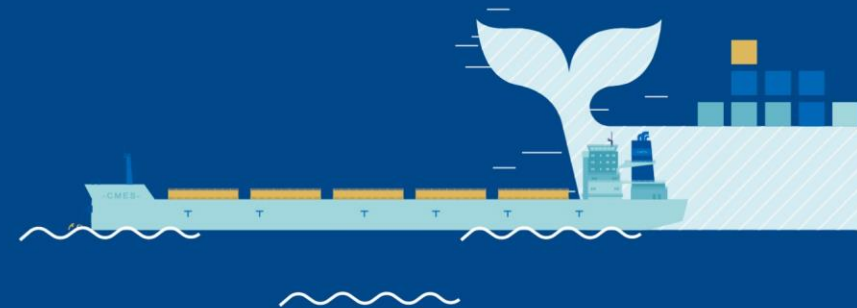
The China Merchants is a gold-lettered signboard. Every staff of CMES Shipping is required to safeguard its centennial history and assets. To provide true protection to customers and the market is to cherish every trust from them.

Regarding every trust as the first time of serving is the basis of gaining trust from customers. It is our commitment to them as well as to the market, and also the constant and sincere requirements for us.

2 Every sailing has accumulated a lot of trust for us

Excellent global shipping practitioner is not a superior role, but a standard that we should adhere to in each voyage, which is the only reason why customers will finally choose us.































Outstanding services are provided by outstanding enterprises, and excellent value is created together with practitioners. Every voyage lays the foundation for our customers' trust in us, which eventually build up of more trust.



BASIC NORMS OF THE BRAND OF CMES SHIPPING LOGO AND PORTFOLIO OF THE ENTERPRISE



BASIC NORMS OF THE BRAND OF CMES SHIPPING LOGO AND PORTFOLIO OF THE ENTERPRISE

					
PANTONE. 872C C: 20 M:35 Y:75 K:10 R: 198 G:161 B:74 #: CC9933					
PANTONE. 295C C: 100 M:56 Y:0 K:34 R:0 G:72 B:137 #: 003399					
PANTONE. 2735C C: 100 M:100 Y:20 K:0 R:30 G:38 B:120 #: 333366					
PANTONE. 638C C: 70 M:20 Y:25 K:0 R: 67 G:160 B:182 #: 3399CC					
PANTONE. 7465C C: 65 M:0 Y:40 K:0 R: 77 G:187 B:170 #: 66CC99					
PANTONE. Cool Gray 9C C: 0 M:0 Y:0 K:70 R:114 G:113 B:113 #: 666666					

VISUAL SUPPORTING GRAPHICS OF THE ENTERPRISE

(For detailed norms of the brand, please refer to
<CMES Shipping VI handbook 2020 version>)



VLCC

VLOC

RORO

ADEN

RUDDER
ANCHOR

WHALE

SHIP
SIDE

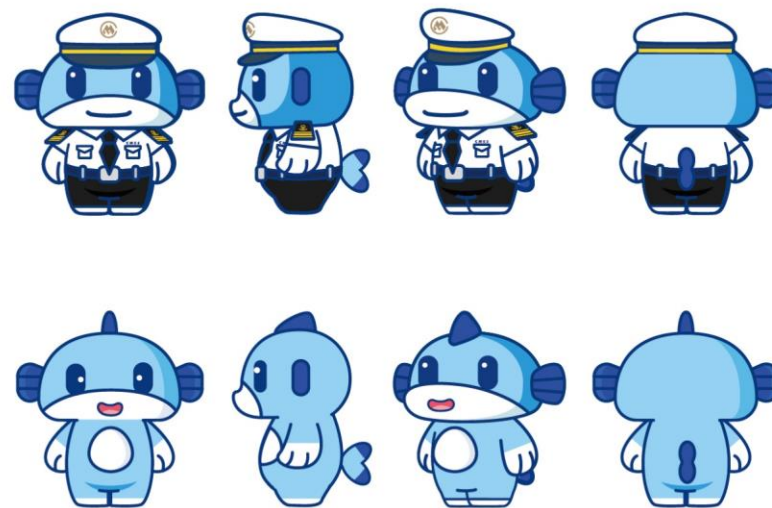
MASCOT OF THE BRAND OF CMES SHIPPING CAPTAIN SMART



CAPTAIN SMART

"Captain Smart" is based on ancient Chinese mythology and legendary beast Makara. In the legend, Makara is the ninth son of the dragon, a long scale insect, the guardian of the ocean and the cultural symbol of marine culture, symbolizing auspiciousness, protection and eternity.

Captain Smart is dressed in the captain uniform of CMES Shipping, whose design inspired from the navigational elements such as searchlight, radar and propeller. His expression and appearance demonstrate his firm sense of responsibility and the friendly expression of affection. Captain Smart indicates that CMES Shipping is actively building "Intelligent shipping and smart ships in the sector".



CORPORATE COMMUNICATION PLATFORM

Website WWW.CMENERGYSHIPPING.COM



PC



Mobile

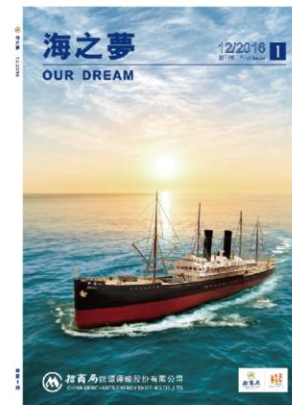
WeChat Official Account



Monthly Newsletter



Bimonthly Magazine



APPENDIX INTRODUCTION OF CHINA MERCHANTS GROUP



China Merchants Group (referred to as "CMG") is a key state-owned enterprise directly managed by the central government, which is headquartered in Hong Kong and is also listed as one of the four major Chinese-funded enterprises in Hong Kong. In 2019, the economic indicators of China Merchants Group hit a new record, as it achieved an income of RMB714.4 billion in its operation, representing a year-on-year growth of 9.9%; a total profit of RMB163.1 billion and a net profit of RMB126.6 billion, representing a year-on-year growth of 12.4% and 18.3%; as of the end of 2019, the total assets of CMG reached RMB9.1 trillion, representing a year-on-year growth of 14.6%.

The CMG ranked first among central enterprises in terms of total profit, net profit and total assets. China Merchants Group became one of the eight state-owned enterprises that have received A grade in the central enterprises' business performance appraisal conducted by the SASAC of the State Council for 15 consecutive years and has been awarded "Enterprises with Outstanding Performance" for five consecutive terms. In the Fortune Global 500 list released in 2019, CMG and its subsidiary China Merchants Bank were shortlisted again, making CMG an enterprise listed on Fortune Global 500 companies for 2 times.

China Merchants Group was founded in 1872 during the Westernization Movement in the late

Qing Dynasty. It is a pioneer of the Chinese industry and commerce circle. CMG once formed the first merchant fleet, established the first bank and the first insurance company in modern China, and initiated the national shipping industry and many other economic fields in modern China, playing an important role in the economies, history and social development of modern China.

CMG devoted itself to the reform and opening-up in 1978, and began to develop the Shekou Industrial Zone, which is China's first industrial zone opened to the world in 1979, giving a wide impact at home and abroad. It successively founded China Merchants Bank, China's first joint-stock commercial bank wholly owned by corporate legal persons, and Ping An Insurance Company, China's first corporate joint-stock insurance company, for providing useful experience for China's reform and opening-up.

CMG is an integrated enterprise with diversified business. Currently, the business of CMG mainly focuses on three main sectors, which are integrated transportation, featured finance, as well as comprehensive development and operation of cities and parks. Yet, it is now transforming to three platforms which are industrial operation, financial services, investment and capital operation.

CORPORATE CULTURE CONNOTATION OF CHINA MERCHANTS GROUP

CORPORATE MISSION OF CHINA MERCHANTS GROUP

To lead the times with business success

China Merchants Group was born during the Westernization Movement in the late Qing Dynasty, at the forefront of competition, the pinnacle of the times, and the milestone of the destiny of the country from the very beginning. This is why CMG has always aimed at a more ambitious goal, seeking for "business performance" while "planning for the nation"; pursuing "business success" while following the "progress of times". Its mission is "to lead the times by achieving success" in business which the spirit has been embodied in "China Merchants' Inheritance, the Shekou Gene, and the Hailiao Spirit".

China Merchants' Inheritance

Inheritance in China Merchants means to promote the spirit of moving on from the Westernization Movement by utilizing the "national system, business environment, financial resources, and military strength" at the beginning of its establishment. As an important initiator of China's modernization, CMG has been carrying the historical responsibility of prosperity, independence and national rejuvenation since its birth, and has conducted various explorations in the modernization of the nation's economy, system and ideology.

Shekou Gene

The Shekou Gene implies the process of injecting growth factor for social progress during the reform and opening-up through changes at business-level. As a pioneer of developing market economy, CMG attempts to jump out of conventional ideological confinement, follow the economic laws, boldly promote innovative practice, liberate and develop social productive forces, promote continuous prosperity for the social economy, and promote the liberation at the level of thought, talents and productivity.

Hailiao Spirit

The China Merchants, which is at a turning point in the development of the country, resolutely chose the correct political direction for promoting the shipping industry and economic construction of New China through the rebirth of the enterprise. On 19 September 1949, the crew of "Hailiao" ship under the China Merchants revolted, holding high the banner of patriotism and bravely running towards the light. Looking back on the thrilling uprising, the pioneers of the China Merchants used their blood and loyalty to create the Hailiao Spirit that embodied "patriotism, striving and exploration".

Patriotism – by serving the country and the people with a firm conviction

"Hailiao" ship has written with dedication and sacrifice an infinite love for the country. "Serving the country and the people, and leading the times with business success" is the original intention and mission of China Merchants, which is in line with the original intention and mission of the Communist Party of China, and has become the spiritual direction that maps major decisions for China Merchants.

Striving – based on indomitable unity and unyielding will

"Hailiao" ship was an ordinary merchant ship that was unable to fight back in the face of attack, one can imagine how hard it is to bring out an up-rising. However, under the leadership of Captain Fang Zhenliu, all crew members were not afraid of sacrificing and united together, as the spirit of unity and indomitable struggle demonstrated by the predecessors in the revolt has become the precious model of China Merchants.

Pioneering – with the courage to be explorers in the forefront

"Hailiao" ship was the first merchant ship overseas revolting for New China, following is the torrent of merger of a large number of Chinese-funded institutions returning to the country. The spirit of marching forward courageously and being a pioneer presented by the revolt of "Hailiao" ship has become the most distinctive background for China Merchants to walk in the forefront of the times.

CORE VALUES OF CHINA MERCHANTS GROUP

To share fate with our country and develop with time's call.

The China Merchants' history of more than 100 years is closely related to the destiny of the country and the ethnic, and its development process is closely connected with China's modernization process, demonstrating the tenacious vitality over time.

In 1872, the China Merchants was founded in the Westernization Movement. Being China's first company on list, it is not only the pioneer to the modernization of the nation's shipping industry, but also the first company forming the first Chinese merchant fleet in modern China, issuing China's first stock, establishing the first bank and the first insurance company ... It is the pioneer in the modern economy of China.

As China started a new round of modernization a century later, reform and opening-up became the mainstream of the time. Standing at the tide of waves of time, CMG has developed and constructed Shekou Industrial Zone in Guangdong, and conducted a series of explorations, benefiting and becoming a pioneer of China's reform.

Today, the China Merchants with more than a hundred years of history, is still showing tenacious vitality, while making steady progress towards a world-class enterprise, which has become an important participant in many major economic activities of the country.

In the long history of China Merchants striding crossing three centuries, it has continuously responded to the proposition of times, and has been growing with the ups and downs of the nation. From the day of its birth, its foundation has been regarded as a foresighted and grand strategy, and its emergence is the result of a country and the exploration and reflection on destiny of its people. China Merchants is born with the historical mission of prosperity, independence and national rejuvenation, which is the unchanging intention and meaning of its existence.

CORPORATE VISION OF CHINA MERCHANTS GROUP

To build a "first-class" enterprise with global competitiveness.

"Global competitiveness" means the qualities of an enterprise required to maintain a leading position in the global value chain. These include global vision, global resource allocation and global management capabilities. "First-class" does not mean only to constantly improve global competitiveness and influences on driving forward in accordance with the "international standards" of a world-class enterprise, but also to give full play to its political advantage as a state-owned enterprise, namely the party's leadership with Chinese characteristics, and testify the work and effectiveness of the organization and the results of its reform and development under the leadership of the party.



CORPORATE PHILOSOPHY OF CHINA MERCHANTS GROUP

Commercialism Innovation Balance Win-win.



Commercialism

Business logic: represents advocating performance awareness, rules awareness and risk control awareness

Business relationship: emphasizes on collaboration, communication and sharing

Business atmosphere: represents simplicity, openness, pragmatism and efficiency



Innovation

CMG has always been upholding the spirit of innovation, and adhering to the concept of innovation, product innovation, system innovation and technological innovation.



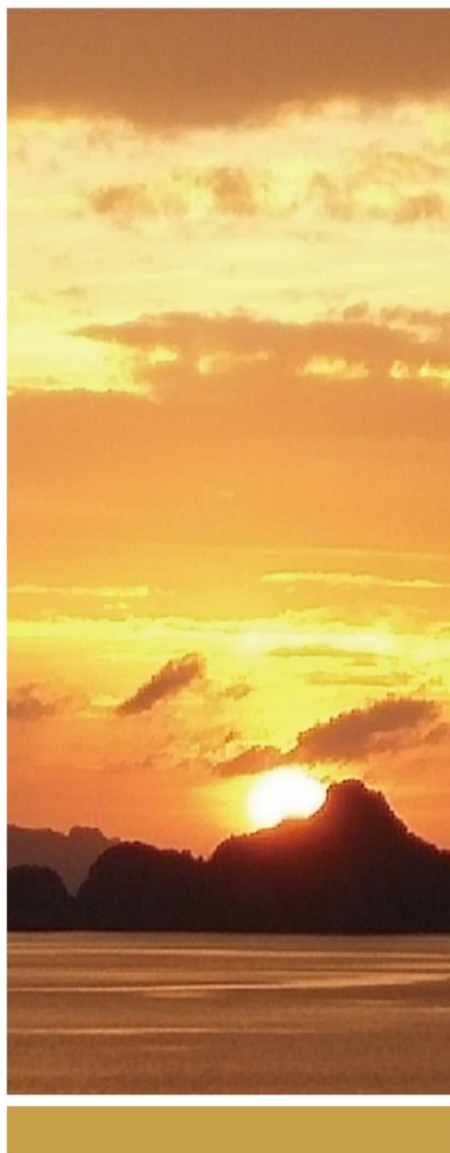
Balance

Adhere to the "balanced" strategic concept and achieve a balanced development of "quality first, efficiency first, and moderate scale".



Win-win

Advocate the establishment of open-minded attitude, breaking the conventional concept of zero-sum gaming strategy during decision-making process.



CORPORATE SPIRIT OF CHINA MERCHANTS GROUP

Patriotism Self-strengthening Pioneering Integrity



Patriotism represents lofty mental stature.

CMG will always make contribution to the prosperity of the country through its continuous development, and will always focus on people's interests in the process of development.



Self-strengthening is the basis of establishing business.

CMG will always maintain its spirit of self-strengthening, keep fighting and matching forward bravely, regardless of any kind of situation.



Pioneering reflects the spirit of times.

China Merchants Group, which has created many "China's First", will inherit and carry forward the aggressive spirit of its predecessors, grasp firmly the opportunities and create constantly new glories.



Integrity is the business ethic that CMG upholds and advocates.

Though in the middle of fierce market competition, CMG adheres to observing contracts, keeping credibility strictly, treating people with sincerity, winning trust with sincerity, promoting friendly cooperation and seeking for long-term development.