

ASIA CEMENT (CHINA) HOLDINGS CORPORATION
(the “Company”)

TERMS OF REFERENCE
OF
INDEPENDENCE COMMITTEE
(the “Committee”)

1. Membership

- 1.1 Members of the independence committee (the “Committee”) shall be appointed and removed by the board of directors (the “Board”). The Committee shall be made up of at least three members (“Members”).
- 1.2 All Members of the Committee shall be independent non-executive directors (“INEDs”).
- 1.3 The Chairman of the Committee (“Committee Chairman”) shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining Members present shall elect one of their Members to chair the meeting.
- 1.4 The appointment of the Members of the Committee may be revoked, and new member can be appointed in place by resolutions passed by the Board and by the Committee.

2. Secretary

- 2.1 The company secretary or its/his/her/their nominee shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

3. Quorum, Attendance at Meetings and Resolutions

- 3.1 The quorum necessary for the transaction of business shall be two Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2 Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.
- 3.4 A resolution in writing signed by all the Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. Frequency of Meetings

4.1 The Committee shall meet at least once a year. Additional meetings should be held as and when the Committee considers necessary.

4.2 The Committee Chairman may convene additional meetings at his discretion.

5. Notice of Meetings

5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its Members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees as appropriate at least 3 clear days in advance of the meeting.

6. Minutes of Meetings

The Committee Chairman shall arrange for keeping of records of resolutions passed at Committee meetings, and circulate the same to all Members of the Committee within a reasonable time after each meeting and, once agreed, to all members of the Board.

7. Responsibility, Powers and Discretion

The Committee shall have the following responsibilities, powers and discretion:

7.1 to review all transactions between the Group, Asia Cement Group and Far Eastern Group to ensure that they are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, to recommend to the Board the corrective measures in such transactions if needed or not to proceed with such transactions, and to consider disclosure in annual report when required;

7.2 to establish, where applicable, guidelines for management to follow in its ongoing transactions between the Group, Asia Cement Group and Far Eastern Group;

7.3 to review and assess ongoing relationship between the Group, Asia Cement Group and Far Eastern Group to ensure compliance with the Committee's guidelines established as aforesaid and to ensure the continuation of such relationship remains fair to the Group;

7.4 to analyze and assess any potential conflict of interests between the Group, Asia Cement Group and Far Eastern Group;

7.5 to consider and review the "Supplementary Agreement to the Cement Sale and Purchase Agreement" and its proposed transactions (including the revised annual caps), to review the independent financial adviser's recommendations, and to provide suggestions to the independent shareholders of the Company in respect of the content of the "Supplementary Agreement to the Cement Sale and

Purchase Agreement ".

8. Reporting Responsibilities

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make recommendations to the Board it deems appropriate on any area where action or improvement is needed.

9. Authority

- 9.1 The Committee is authorised by the Board to seek any information it requires from senior management of the Company in order to perform its duties.
- 9.2 Where necessary, the Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference to perform its responsibilities.
- 9.3 The Committee shall be provided with sufficient resources to discharge its duties.

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