



**Dongwu Cement International Limited**  
**東吳水泥國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 695)

**Terms of Reference of the Audit Committee**  
**Adopted and passed on 28 May 2012 by the Board**  
**The revised version coming into effect on 28 December 2018**

**DEFINITIONS**

<b>Company</b>	means Dongwu Cement International Limited 東吳水泥國際有限公司
<b>Group</b>	means the Company and its subsidiaries
<b>Board</b>	means the board of Directors of the Company
<b>Audit Committee</b>	means the Audit Committee of the Board of the Company
<b>Director(s)</b>	means director(s) of the Company
<b>Independent Non-Executive Directors</b>	means the independent non-executive Directors as defined in the Listing Rules
<b>Hong Kong Stock Exchange</b>	means The Stock Exchange of Hong Kong Limited
<b>Listing Rules</b>	means the Rules Governing the Listing of Securities on the Stock Exchange
<b>Senior Management</b>	means the staff regarded as senior management under the Listing Rules

**PURPOSE OF THE AUDIT COMMITTEE**

The purpose of the Audit Committee is to assist the Board to conduct accounting, auditing, financial reporting, internal control, risk management matters of the Group and to comply with relevant laws and regulations and entrusted obligations, including but not limited to assist the Board to monitor (a) the completeness of financial reports of the Company, (b) the compliance with the laws and regulations by the Company, (c) the qualifications and independence of independent auditors of the Company, and (d) the performance of independent auditors and internal audit department of the Company.

## **CONSTITUTION**

1. The Audit Committee was established by a resolution passed in the Board meeting on 28 May 2012.
2. The members of the Audit Committee shall be appointed by the Board and shall consist of not less than three Directors. Membership shall be confined to non-executive Directors only, a majority of whom should be Independent Non-Executive Directors. Pursuant to the Listing Rules, at least one member of the Audit Committee should have appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules and meet the standards as set out in Listing Rules.
3. A former partner of the Company's existing auditor should be prohibited from acting as a member of the Audit Committee for a period of two years commencing from the date of his/her ceasing to:
  - (i) be a partner of the firm; or
  - (ii) have any financial interest in the firm, whichever is the later.
4. If any member of the Audit Committee is incapable of performing his/her duty for any reason, the Board of the Directors shall promptly appoint appropriate member(s) to the Audit Committee to ensure the number of the members of the Audit Committee meets the quorum.
5. The Chairman of the Audit Committee shall be appointed by the Board and shall be an Independent Non-Executive Director. In the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.
6. The secretary of the Audit Committee shall be the company secretary of the Company.

## **DECLARATION OF INTEREST**

7. Each member in the Audit Committee shall declare to the Audit Committee any of his/her personal financial interest in connection with any matter to be resolved by the Audit Committee and any potential conflict of interest in connection with such matter. Any member with such interest or relates to such potential conflict of interest shall be abstained from voting in the Audit Committee's resolution and discussion in respect of the related matters. The interested member shall resign if requested by the Board.