

Huaxin Cement Co., Ltd.*
華　水泥股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6655)

Rules of Procedures for the Strategy Committee to the Board of Directors

Chapter One: General Provisions

Article 1 Pursuant to the *Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Articles of Association of Huaxin Cement Co., Ltd., Rules of Procedures for the Board of Directors of Huaxin Cement Co., Ltd.* and other relevant provisions, Huaxin Cement Co., Ltd. (the "**Company**") has established the Strategy Committee (the "**Committee**") under the Board of Directors (the "**Board**") and formulated these Rules of Procedures, so as to well establish the investment decision-making procedure, uplift the scientificity and quality of major investment decisions, improve the oversight of risk management, improve the governance structure of the Company and enhance the core competitiveness of the Company.

Article 2 The Committee is a special organization under the Board to carry out studies and put forth suggestions over the Company's long-term development strategies and major investment decisions, and to assist the Board with its responsibilities for the organization's mission, vision and strategic direction.

Article 3 The Committee shall have free and unfettered access to all personnel and other parties (internal and external) as required by the Committee to carry out its duties.

Article 4 In performing the duties, the Committee may seek independent professional advice for company related matters, at Huaxin's reasonable expense.

The expense budget of the Committee for the aforementioned purposes shall be submitted to the chairman of the Company for approval.

Article 5 The Committee shall conduct regular review and assessment annually over the duty performance of the Committee and the implementation of these Rules of Procedures.

Article 6 The secretary to the Committee shall be appointed by the Committee and shall be responsible, in conjunction with the Convener of the Committee (the Convener), for drawing up and deciding the meeting agenda (supported by explanatory documentation and papers).

For identification purpose only

Article 7

Chapter Three: Terms of Reference

Article 12 The main terms of reference of the Committee are as follows:

(1) Ensuring the Company has suitable processes in place for risk management and strategy development and the professional managers in place who are able to follow these processes;

(2) Carrying out studies and putting forward suggestions on the long-term strategic development planning of the Company;

(3) Carrying out studies and putting forward suggestions on major investment and financing plans that are subject to the approval of the Board as stipulated in the Articles of Association of the Company;

(4) Carrying out studies and putting forward suggestions on major capital and asset operations that are subject to the approval of the Board as stipulated in the Articles of Association of the Company;

(5) Carrying out studies and putting forward suggestions on other major issues that may affect the development of the Company;

(6) Checking and examining the implementation of the aforesaid matters; and

(7) Other matters authorized by the Board.

Article 13 The role of the Committee in supervising the Company's risk control mainly involves:

(1) The Committee shall lay an emphasis on the Company's investment risks, business risks and other risks have not been covered by other committees; and

(2) The Committee shall discuss with the Top Management about the major risks that have been revealed and measures taken by the Top Management against such risks, including the Company's risk assessment methodology and risk management policies.

Article 14 The role of the Committee in supervising the Company's strategic planning mainly involves:

(1) The Committee shall assist the Board in ensuring that Top Management develops, executes, assesses and, as necessary, modifies the Company's strategy for long-term growth, profitability and shareholder value.

(2) The Committee shall attach special importance to:

Article 15 The Committee shall be entitled to regular receipt of the following reports from the Company:

- Progress on strategic plan implementation (quarterly);
- Operational and financial assessment (quarterly);
- Industry trends summary/business environment assessment (annual);
- Competitor assessment (annual); and
- Investment Scorecards (annual).

Chapter Four: Rules of Procedure

Article 16 The Committee holds regular and ad hoc meetings. All members shall be notified seven days prior to the convening of a meeting.

Article 17 The Committee shall hold at least two regular meetings each year. For the Committee to fulfill its responsibilities, the Convener of the Committee may organize ad hoc meetings when necessary.

The Convener shall convoke a meeting of the Committee when other Directors, the CEO or the Head of Strategy of the Company demand such a meeting.

Article 18 A meeting of the Committee shall be convened only with the presence of no less than two thirds of its members. In general, the members shall attend a meeting in person or authorize another member to attend on his/her behalf. In circumstances deemed appropriate by the Convener, a meeting can be held over phone or by other communication means.

Each member shall accept no more than one authorization from other members.

Article 19 Meetings shall be presided over by the Convener of the Committee. In case the Convener cannot attend a meeting due to special reasons, the members present at the meeting shall elect a Director to chair the meeting.

Article 20 A Director who is not a member of the Committee may attend a meeting of the Committee as a nonvoting delegate of his/her own accord. Senior Management of the Company and any third parties may be invited to a Committee meeting without voting rights.

Non-members of the Committee may be asked by the Convener to withdraw from all or any part of a meeting.

Article 21 Each member shall have one vote on proposals or issues to be reviewed by the Committee. The Convener shall have just one vote like all other members.

Article 22 Where the Convener puts a proposal or issue to a vote, the proposal or issue shall become a valid resolution only when it is passed by a simple majority.

Article 23 Where a member of the Committee is the interested person/party of any matter being discussed by a meeting, such member shall withdray e 2 edra