



China Bright Culture Group

燦盛文化集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1859)

TERMS OF REFERENCE OF THE COMPLIANCE COMMITTEE

(Adopted on 25 November 2024)

1. Constitution

1.1. The Compliance Committee was established pursuant to a resolution passed by the board (“**Board**”) of directors (“**Directors**”, each a “**Director**”) of the Company on 25 November 2024.

2. Membership

2.1. Members of the Compliance Committee (“**Members**”, each a “**Member**”) shall be appointed by the Board from amongst the members of the Board.

2.2. The Compliance Committee shall consist of all the independent non-executive Directors.

2.3. The appointment of the Members may be revoked, or additional Members may be appointed to the Compliance Committee by separate resolutions passed by the Board and by the Compliance Committee. If a Member ceases to be a director, then his office as a Member shall ipso facto cease.

3. Chairman

3.1. The Compliance Committee shall be chaired by an independent non-executive Director.

3.2. The chairman of the Compliance Committee shall be appointed by the Board.

4. Secretary

- 4.1. The company secretary of the Company shall be the secretary of the Compliance Committee.
- 4.2. The Compliance Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Compliance Committee.

5. Meetings

- 5.1. The Compliance Committee shall meet at least once every quarter.
- 5.2. Notice of any meetings has to be given at least 7 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.
- 5.3. The quorum of the Compliance Committee shall be any two Members.
- 5.4. Meetings could be held in person, by telephone or by video conference. 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.
- 5.5. Resolutions of the Compliance Committee at any meetings shall be passed by a majority of votes of the Members present.
- 5.6. A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Compliance Committee duly convened and held.
- 5.7. Full minutes shall be kept by the secretary of the Compliance Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be open for directors' inspection.

6. Attendance at Meetings

- 6.1. At the invitation of the Compliance Committee, external advisers and other persons may be invited to attend all or part of any meeting.
- 6.2. Only Members of the Compliance Committee are entitled to vote at the meetings.

7. Annual General Meeting

The chairman of the Compliance Committee or in his absence, another Member shall attend the Company's annual general meetings and be prepared to respond to shareholders' questions on the Compliance Committee's activities and their responsibilities.

8. Responsibility

The Compliance Committee shall have the following responsibilities:

- 8.1. to formulate, review, approve and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- 8.2. to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- 8.3. to review and monitor the training and continuous professional development of directors and senior management of the Company and its subsidiaries;
- 8.4. to develop, review and monitor the codes of conduct applicable to the employees and directors of the Company and its subsidiaries;
- 8.5. to identify, address and rectify any potential and non-compliance issues in respect of, in relation to, in connection with or involving any member or employee of the Group (with the assistance of professional advisers engaged by the Group, if applicable);
- 8.6. to receive and handle any actual or suspected non-compliance matters reported by the employees of the Group and if necessary, engage external professional advisers to assist in the preparation of reports and recommendations in respect of such actual or suspected non-compliance matters;

- 8.7. to review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and disclosures in the Company's corporate governance report; and
- 8.8. to prepare and submit a summary report every half-yearly to the Board on the overall compliance performance and corporate governance practices of the Group.

9. Reporting Responsibilities

The Compliance Committee shall report to the Board when appropriate.

10. Authority

The Compliance Committee should be provided with sufficient resources to discharge its duties. Where necessary, the Compliance Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

Note: Arrangement to seek independent professional advice could be made through Company Secretary.

11. Effective Date and Amendments

11.1. These terms of reference shall come into effect on the date when they are approved by the Board.

11.2. Any amendments to these terms of reference shall be recommended by the Compliance Committee and come into effect on the date when they are approved by the Board.

As at the date of this announcement, the executive Directors are Mr. SU Lei, Mr. MA Hongsen, Mr. HAN Hao and Mr. SHAN Yiqi, the non-executive Director is Ms. WU Yaping, and the independent non-executive Directors are Mr. TO Siu Lun, Mr. TSUI Wing Tak and Mr. HUI Chun Tak.

* *For identification purpose only*