

CBK Holdings Limited

國茂控股有限公司

(a company incorporated in Cayman Islands with limited liability)

LEGAL COMPLIANCE COMMITTEE TERMS OF REFERENCE

Constitution

1. The board of directors (the “**Board**”) of CBK Holdings Limited (the “**Company**”) which together with its subsidiaries, the “**Group**”) has resolved to establish a committee of the Board to be known as the Legal Compliance Committee (the “**Committee**”) at a meeting held on 20 January 2017.

Membership and Quorum

2. The Committee shall comprise the compliance office, the financial controller and/or the independent non-executive Directors of the Company and shall be appointed or removed by the Board. A quorum shall be more than one-half of the members.
3. The chairman of the Committee shall either be the chairman of the Board or an independent non-executive director and appointed by the Board.

Authority and Duties

4. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
5. The Committee is authorised by the Board to investigate any activity within the scope of these terms of reference and the Group should provide the Committee with sufficient resources to perform its duties. It is authorised to seek any information it requires from any employee of the Group and members of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to co-operate with any request made by the Committee within the scope of these terms of reference.
6. The duties of the Committee shall be:
 - (a) to review the effectiveness of the Group’s regulatory compliance procedures and system, including operational and compliance procedures and risk management functions;
 - (b) to assess and review the adequacy of resources, staff qualifications and experience, and training programmes in relation to the Group’s regulatory compliance functions;
 - (c) to assist the audit committee of the Company in overseeing the Group’s corporate governance functions, which includes (i) developing and reviewing the policies and practices on corporate governance and making recommendations to the audit committee on a quarterly basis; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Group’s policies and practices on compliance with legal and regulatory requirements; and (iv) reviewing the compliance with the Corporate Governance Code set out in Appendix 15 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and the disclosure in the corporate governance report to be included in the annual report of the Company;
 - (d) to receive and handle any actual or suspected non-compliance matters reported by the employees of the Group and engage external professional advisers to assist in the preparation of reports and recommendations in respect of such actual or suspected non-compliance matters; and

- (e) to review the effectiveness of the Group's ongoing measures to prevent future non-compliance incidents and provide updates on the applicable laws related to the Group's business operations with the assistance of external professional parties including legal advisers as to Hong Kong law, compliance adviser, and internal control consultant from time to time.

Secretary

- 7. Save as otherwise appointed by the Committee, the secretary of the Company (or his delegate) shall be the secretary of the Committee (the "**Secretary**").

Meetings

- 8. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet not less than once a year.
- 9. An agenda and accompanying papers shall be sent in full to all members of the Committee in a timely manner and at least 7 days before the intended date of the meeting of the Committee (or such other period as agreed by its members).
- 10. The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.
- 11. In the case of an equality of votes at a meeting of the Committee, the chairman of the meeting shall have the casting vote.

Reporting Procedures

- 12. The Secretary shall keep minutes of each Committee's meeting. Draft and final versions of minutes of the Committee's meetings shall be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time from such meeting.
- 13. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

Adopted by the Board on 20 January 2017.