YUE YUEN INDUSTRIAL (HOLDINGS) LIMITED
裕元工業（集團）有限公司**

(Incorporated in Bermuda with limited liability)
(Stock Code: 00551)

TERMS OF REFERENCE
OF
NOMINATION COMMITTEE

The board (the "Board") of directors (the "Director(s)") of Yue Yuen Industrial (Holdings) Limited (the "Company") resolved to establish a nomination committee (the "Committee") on December 29, 2011 and adopted the terms of reference for the Committee with authority, responsibilities, and specific duties as described below.

Purpose

The purpose of the Committee is to assist the Board in the identification of suitable individuals who are qualified to become Board members, regularly review the structure, size, composition and diversity of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

Membership

Members of the Committee shall be appointed by the Board from amongst the Directors. The Committee shall consist of not less than three (3) members and the majority of whom should be independent non-executive Directors who shall meet and maintain the independence requirements from time to time as stipulated under Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Committee shall have at least one member of a different gender.

The Board shall appoint the Committee chairman who shall be the chairman of the Board or an independent non-executive Director (the "Committee Chairman"). In the absence of the Committee Chairman from any meetings, the remaining members present shall elect one of themselves (who shall be the chairman of the Board or an independent non-executive Director) to chair the meeting. The Committee Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

The company secretary of the Company (the "Company Secretary") shall be the secretary of the Committee.

Authority

The Company shall provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

**For identification purpose only*

Frequency of meetings

The Committee shall meet at least once a year or at such other times as the Committee Chairman shall require.

Quorum of meetings

The quorum necessary for the transaction of business shall be two (2) and one (1) of them must be independent non-executive Director.

Proceedings of meetings

Unless waived by all members of the Committee on the notice, the duly appointed secretary of the meeting (who should normally be the Company Secretary) shall give seven (7) days (or if agreeable by all members of the Committee, any shorter period) prior notice to the members in writing or verbally or by electronic means for any meeting to be convened and circulate the meeting agenda to the 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, power and discretions vested in or exercisable by the Committee.

With the consent of all members, resolutions of the Committee can be passed as written resolutions.

Any resolution shall be passed by majority votes of the members of the Committee.

Proceedings of the meetings shall be governed by the provisions of the Bye-laws of the Company unless otherwise specified herein.

Minutes

Full minutes of the Committee meetings should record in sufficient detail the matters considered and decisions reached, including any concerns raised by members of the Committee or dissenting views expressed and should be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary).

Draft and final versions of minutes of the meetings should be sent to all members of the Committee for their comment and records within a reasonable time after the meeting.

Final version of the minutes of the meetings should be sent to all members of the Board as soon as practicable after such minutes have been prepared and finalised. The minutes should be opened for inspection at any reasonable time on reasonable notice by any Director.

Annual General Meeting

The Committee Chairman, or in his absence, another member of the Committee, or failing this his duly appointed delegate shall attend the annual general meetings of the Company and respond to questions from shareholders of the Company (the "Shareholders") on the Committee's activities at the meetings.

Duties

The Committee shall:

1. review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. assess the independence of independent non-executive Directors, and where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

   (a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

   (b) why the Board believes the individual would still be able to devote sufficient time to the Board, taking into account the number of directorships of the proposed independent non-executive Director;

   (c) the perspectives, skills and experience that the individual can bring to the Board; and

   (d) how the individual contributes to the diversity of the Board.

4. make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;

5. support the Company's regular evaluation of the Board's performance;

6. make recommendations to the Board concerning membership of the Company's audit and risk management committee and remuneration committee, in consultation with the chairmen of those committees;

7. ensure that on appointment to the Board, Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

8. review and update, as appropriate:

   (a) the implementation of policies concerning the diversity (the "Board Diversity Policy") and nomination (the "Nomination Policy") of Board members;

(b) the measurable objectives that the Board has set for implementing the Board Diversity Policy and Nomination Policy, and monitor the progress made on achieving the objectives and make appropriate recommendations to the Board; and

(c) the related disclosures in the Company's corporate governance report contained in the annual report, including but not limited to disclosures of the Board Diversity Policy or a summary of it and the review results of the progress on achieving the abovementioned objectives, as well as the following disclosures in respect of the Nomination Policy, and make appropriate recommendations to the Board:

i. a summary of the Nomination Policy, including the nomination procedures and the process and criteria adopted by the Committee to select and recommend candidates for directorship during the year;

ii. its assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, their existing directorships of issuers listed on the Main Board or GEM of the Stock Exchange and other significant external time commitments of such Director, and other factors or circumstances relevant to the Director's character, integrity, independence and experience;

iii. Board performance review; and

iv. Board skill matrix.

(Revised on August 11, 2025)

(The English version shall always prevail in case of any discrepancies or inconsistencies between the English version and its Chinese translation of these terms of reference.)