Royale Home Holdings Limited

(Stock code: 1198)

(the "Company")

Nomination Committee Terms of Reference

1. CONSTITUTION

The board of directors of the Company (the "**Board**") hereby constitutes and established a nomination committee (the "**Nomination Committee**") with the authority, responsibility, and specific duties as described below.

2. MEMBERSHIP

2.1 The Nomination Committee shall be appointed by the Board and shall consist of not less than three (3) members.

2.2 The majority of the members of the Nomination Committee shall be independent non-executive directors, and the nomination committee shall include at least one member of a different gender.

2.3 The members of the Nomination Committee (the "**Members**") shall appoint its chairman who must be the chairman of the Board or an independent non-executive director. A quorum shall be two (2) Members.

3. RESPONSIBILITY

The function of the Nomination Committee is to make recommendations to the Board on appointment of the directors, so as to ensure that all nominations are fair and transparent.

4. AUTHORITY

The Nomination Committee is granted the authority by the Board to investigate any activity within its terms of reference and all employees of the Company are directed to cooperate as requested by the Members. The Nomination Committee is authorised by the Board to obtain legal or other independent professional advice as necessary, at the Company's expense, to assist the Nomination Committee and shall be provided with sufficient resources by the Company to perform its duties.

5. DUTIES

5.1 The duties of the Nomination Committee include:

(a) to 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;

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

(c) to assess the independence of independent non-executive directors;

(d) to 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 officer;

(e) support the Company's regular evaluation of the Board's performance; and

(f) to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board.

6. FREQUENCY OF MEETINGS

6.1 The Nomination Committee shall meet at least once annually.

6.2 Additional meetings shall be held if circumstances require.

7. ATTENDANCE

7.1 As necessary or desirable, the chairman of the Nomination Committee may request that members of management be present at meetings of the Nomination Committee. Other directors of the Board shall also have the right of attendance.

7.2 Meetings can be held by way of telephone conference.

8. SECRETARY

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

9. MINUTES

9.1 Minutes of the Nomination Committee meetings shall be kept by the Company Secretary and draft and final versions of minutes of the meetings shall be sent to all Members for their comments and records respectively in both cases within a reasonable time after the meeting.

9.2 The Company Secretary shall circulate the minutes of meetings of the Nomination Committee to all directors of the Board.

10. ANNUAL GENERAL MEETING

The chairman of the Nomination Committee shall, as far as practicable, attend the annual general meeting of the Company and be prepared to respond to any Shareholder's questions on the Nomination Committee's activities.

11. GENERAL

The Nomination Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Stock Exchange of Hong Kong Limited and the website of the Company.