



中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(the “**Company**” together with its subsidiaries, the “**Group**”)
(*incorporated in the Cayman Islands with limited liability*)
(**Stock Code: 8128**)

NOMINATION POLICY

1 PURPOSE AND OBJECTIVES

- 1.1 This policy (the “**Policy**”) aims to set out the key criteria and procedures for the nomination committee of the Company (the “**Nomination Committee**”) to select and recommend candidates for directorship of the Company, including appointment and re appointment of the directors (the “**Director(s)**”).
- 1.2 The Company recognises the importance of having a qualified and competent Board to achieve the Group corporate strategy as well as promote shareholder value. The Policy aims to ensure that the board of directors of the Company (the “**Board**”) has a suitable balance of skills, experience, knowledge and diversity of perspectives appropriate to the Company’s business and strategic objectives.
- 1.3 The ultimate responsibility for selection and appointment of directors rests with the entire Board.

2 SELECTION CRITERIA

- 2.1 In assessing the suitability of the proposed candidate, the Nomination Committee shall consider factors including but not limited to:
 - (1) character and integrity of the proposed candidate;
 - (2) whether the proposed candidate can commit sufficient time and attention to the Company’s business;
 - (3) potential contribution the proposed candidate can bring to the Board in terms of qualifications, skills, experience and diversity of perspective;
 - (4) diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. For details, please refer to the “Board Diversity Policy” of the Company, which is available on the Company’s website;
 - (5) compliance with the criteria of independence as prescribed under Rule 5.09 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the appointment of an independent non-executive director; and

- (6) any other relevant factors as the Nomination Committee or the Board considered necessary from time to time in the best interest of the Company and the Company's shareholders.

3 NOMINATION PROCEDURES

- 3.1 The Nomination Committee will identify suitable candidates through different recruitment channels, including referrals from directors, shareholders, management, business acquaintances, industry peers and external executive search firms.
- 3.2 In order to ensure a fair and open recruitment process, the Nomination Committee shall select the most suitable candidate to fill a Broad vacancy based on merit with regard to the balance of skills, knowledge and experience as well as the overall Board diversity.
- 3.3 The Secretary of the Nomination Committee shall convene a meeting to consider the proposed candidates. In the case of appointment of new director, the Nomination Committee shall undertake adequate due diligence in respect of such individual, evaluate the candidate in accordance with the selection criteria set out in the Policy, and make recommendations for the Board's consideration and approval.
- 3.4 In the case of re-appointment of director, the Nomination Committee shall review the overall contribution to the Company of the retiring director as well as the selection criteria set out in the Policy. The Nomination Committee will then make recommendations to the Board for its consideration and recommendation, for the proposed candidate to stand for re-election at a general meeting.
- 3.5 For procedures regarding a candidate nominated by a shareholder to be elected as a director, please refer to the "Procedures for Nomination of Directors by Shareholders", which is available on the Company's website.

4 MONITORING AND REVIEW OF THIS POLICY

- 4.1 This Policy has been approved by the Board. The Nomination Committee will monitor and review this Policy from time to time to ensure the effectiveness of this Policy and that it reflects current regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval where appropriate.

5 DISCLOSURE OF THIS POLICY

- 5.1 This Policy will be published on the Company's website for public information.
- 5.2 A summary of this Policy will be disclosed in the annual Corporate Governance Report.

(If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.)