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燕之屋
YAN PALACE

XIAMEN YAN PALACE BIRD'S NEST INDUSTRY CO., LTD.

廈門燕之屋燕窩產業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1497)

**CONTINUING CONNECTED TRANSACTION
PRODUCT SALES AND PURCHASE FRAMEWORK AGREEMENT**

PRODUCT SALES AND PURCHASE FRAMEWORK AGREEMENT

The Board is pleased to announce that on April 30, 2025, for the purpose of developing new market for the Group and the launch of new products, the Company, Shenzhen Yan Palace and Singapore Yan Palace entered into the Product Sales and Purchase Framework Agreement in relation to the sales of EBN products.

Pursuant to the Product Sales and Purchase Framework Agreement, the relevant annual cap for the provision of EBN related products to Shenzhen Yan Palace and Singapore Yan Palace for the year ended December 31, 2025 shall not exceed RMB12.0 million in aggregate.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Shenzhen Yan Palace and Singapore Yan Palace is owned by Mr. Huang Junhao and Ms. Huang Danhua as to 10% and 15%, respectively. Both Mr. Huang Junhao and Ms. Huang Danhua are family members of Mr. Huang, one of the controlling Shareholders of the Company. Accordingly, both Mr. Huang Junhao and Ms. Huang Danhua are connected persons of the Company, and each of Shenzhen Yan Palace and Singapore Yan Palace is considered as a connected person of the Company by virtue of being a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules.

The transactions contemplated under the Product Sales and Purchase Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual cap are more than 0.1% but lower than 5%, the transactions contemplated under the Product Sales and Purchase Framework Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on April 30, 2025, for the purpose of developing new market for the Group and the launch of new products, the Company, Shenzhen Yan Palace Bird's Nest Peptide Bioengineering Development Co., Ltd. (深圳燕之屋燕窩肽生物工程發展有限責任公司) (“**Shenzhen Yan Palace**”) and Yan Palace Bird's Nest (S) Pte. Ltd. (“**Singapore Yan Palace**”) entered into the Product Sales and Purchase Framework Agreement in relation to the sales of EBN products.

PRODUCT SALES AND PURCHASE FRAMEWORK AGREEMENT

The principal terms of the Product Sales and Purchase Framework Agreement are set out below:

Date:	April 30, 2025
Parties:	(i) The Company; (ii) Shenzhen Yan Palace; and (iii) Singapore Yan Palace
Term:	From April 30, 2025 to December 31, 2025. Subject to the compliance with the Listing Rules and other applicable laws and regulations, the Company, Singapore Yan Palace and Shenzhen Yan Palace may renew the term of the Product Sales and Purchase Framework Agreement.
Transaction description:	Pursuant to the Product Sales and Purchase Framework Agreement, the Company may from time to time sell to Shenzhen Yan Palace and Singapore Yan Palace various types of EBN products.

Pricing Policies

Before entering into any sales contract pursuant to the Product Sales and Purchase Framework Agreement, the Company will assess the selling price of the EBN related products to Shenzhen Yan Palace and Singapore Yan Palace with reference to the prevailing market condition. In addition, the Company will take into account a number of factors, including but not limited to (1) the selling price offered to independent third parties, (2) the cost for manufacturing the relevant products, and (3) the purchasing power and demand of the local consumers. The Company will only enter into a sales contract with Shenzhen Yan Palace and Singapore Yan Palace if the terms and conditions are fair and reasonable and based on normal or no less favorable commercial terms than those offered by other independent third parties.

Historical transaction amounts

As of the date of this announcement, there was no sales of EBN products from the Company to Shenzhen Yan Palace or Singapore Yan Palace.

Annual cap

Pursuant to the Product Sales and Purchase Framework Agreement, the relevant annual cap for the provision of EBN related products to Shenzhen Yan Palace and Singapore Yan Palace for the year ended December 31, 2025 shall not exceed RMB12.0 million in aggregate.

Basis for the annual cap

In determining the annual cap, the Directors have considered the following factors:

- (i) both Chinese and Singaporean people have certain awareness of the EBN market, a commonly shared culture of consuming EBN and related products, cultural background and demand of bird's nest related products in the local market;
- (ii) Singapore is an international city with high-end consumers, who have pursuit of high quality health products. Therefore, the Company has considered the consumer profile of the Company's self-operated stores and sales performance in other comparable first-tiered cities, such as Beijing;
- (iii) the Company has considered the comparable competitors' and the existing competing products' performance in the relevant markets; and
- (iv) the Company has been actively recruiting experienced local teams to operate the relevant business.

Reasons and benefits for entering into the Product Sales and Purchase Framework Agreement

The Company has been actively exploring new channels and innovating to enrich the product matrix. Shenzhen Yan Palace's attempt to sell EBN peptide related products will encourage the Company to further conduct innovative research on the use of EBN peptide, develop EBN peptide compound formula products, and expand the growth curve brought by technological bird's nest. In the meantime, the Company entered into the Product Sales and Purchase Framework Agreement aiming to commence the Company's overseas expansion, with the reliance on the overseas Chinese community's understanding of EBN products. The opening of physical stores and commencement of online sales in Singapore is a key step in the overseas expansion for Yan Palace from "China's leading bird's nest brand" to "global nourishing brand".

Mr. Huang Junhao is responsible for the management and operation of Shenzhen Yan Palace. He has rich experience in sales channel construction and corporate management.

Ms. Huang Danhua is mainly responsible for the store management and financial management of Singapore Yan Palace. She has lived in Singapore for long and is familiar with the Singapore market and culture, which could provide support for the Company's development in the Singapore market.

In light of the above, the Directors (including the independent non-executive Directors) have, after due and careful consideration, determined that terms of the Product Sales and Purchase Framework Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable, on normal commercial terms (or better for the Company), have been entered into in the ordinary and usual course of business, and are in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group will adopt the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

- (i) the Group has adopted and implemented a management system on connected transactions and the Board and various internal departments of the Company will be responsible for the control and daily management in respect of the continuing connected transactions;
- (ii) the Board and various internal departments of the Company will be jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- (iii) the Board and the finance department of the Group will regularly monitor the connected transactions and the management will regularly review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements;
- (iv) the Group shall engage the auditors to, and the independent non-executive Directors will, conduct annual review on the connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements; and
- (v) the Group will comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions.

INFORMATION ON THE PARTIES

The Company

The Company is a leading brand in China's EBN product market, dedicated to the development, production and marketing of high-quality modern EBN products.

Shenzhen Yan Palace

Shenzhen Yan Place is a subsidiary of the Company established in the PRC, which is principally engaged in the sales of EBN peptide related products. Shenzhen Yan Place is owned by the Company as to 80%, Mr. Huang Junhao (黃俊豪) as to 10% and Aidehui (Shenzhen) Investment Co., Ltd. (艾德匯(深圳)投資有限公司) as to 10%, respectively.

Singapore Yan Palace

Singapore Yan Palace is a subsidiary of the Company established in Singapore, which is principally engaged in the operation of stores in Singapore and sales of EBN products. Singapore Yan Palace is owned by Yan Place Bio Health (International) Co., Limited, a wholly-owned subsidiary of the Company, as to 55%, Li Meixiao (李美孝) as to 30% and Ms. Huang Danhua (黃丹華) as to 15%, respectively.

To the best knowledge of the Company, Aidehui (Shenzhen) Investment Co., Ltd. and Li Meixiao are independent third parties of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Shenzhen Yan Palace and Singapore Yan Palace is owned by Mr. Huang Junhao and Ms. Huang Danhua as to 10% and 15%, respectively. Both Mr. Huang Junhao and Ms. Huang Danhua are family members of Mr. Huang, one of the controlling Shareholders of the Company. Accordingly, both Mr. Huang Junhao and Ms. Huang Danhua are connected persons of the Company, and each of Shenzhen Yan Palace and Singapore Yan Palace is considered as a connected person of the Company by virtue of being a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules.

The transactions contemplated under the Product Sales and Purchase Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual cap are more than 0.1% but lower than 5%, the transactions contemplated under the Product Sales and Purchase Framework Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

The Company will disclose the information in relation to the Product Sales and Purchase Framework Agreement in its subsequent published annual reports and accounts in accordance with Rule 14A.49 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company,” or “Yan Palace”	Xiamen Yan Palace Bird’s Nest Industry Co., Ltd. (廈門燕之屋燕窩產業股份有限公司) (formerly known as Xiamen Yan Palace Bioengineering Co., Ltd. (廈門燕之屋生物工程股份有限公司), a joint stock company established in the PRC with limited liability on December 23, 2020
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“EBN”	edible bird’s nest
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Mr. Huang”	Mr. HUANG Jian (黃健), the chairman of the Board, an executive Director and one of the controlling Shareholders of the Company
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Product Sales and Purchase Framework Agreement”	the product sales and purchase framework agreement dated April 30, 2025 entered into among the Company, Shenzhen Yan Palace and Singapore Yan Palace
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of RMB0.20 each
“Shareholder”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By order of the Board
Xiamen Yan Palace Bird’s Nest Industry Co., Ltd.
 廈門燕之屋燕窩產業股份有限公司
HUANG Jian
Chairman and Executive Director

Hong Kong, April 30, 2025

As of the date of this announcement, the Board comprises (i) Mr. HUANG Jian, Mr. ZHENG Wenbin, Mr. LI Youquan and Ms. HUANG Danyan as executive Directors; (ii) Mr. LIU Zhen and Mr. WANG Yalong as non-executive Directors; and (iii) Mr. XIAO Wei, Mr. CHEN Aihua and Mr. LAM Yiu Por as independent non-executive Directors.