

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)*

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

**(1) 2025 UNION YUTAI EBN PRODUCTS PURCHASE AND SALES
FRAMEWORK AGREEMENT AND**
**(2) 2025 ZHONGSHI HONGYUN ADVERTISEMENT SERVICE
FRAMEWORK AGREEMENT**

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus in relation to the 2023 Agreements.

The Board announces that on December 29, 2025, the Company entered into the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement with Union Yutai, and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement with Zhongshi Hongyun, respectively, in order to continue and renew the 2023 Agreements on or before their expiry date on December 31, 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Union Yutai is owned by Mr. Zheng as to 38.5% and ZHENG Wei (鄭偉) as to 6.5%, respectively. Zhongshi Hongyun is wholly owned by ZHANG Yongfu (張永福). Mr. Zheng is the vice chairman of the Board, executive Director and a controlling shareholder of the Company, and ZHENG Wei is the niece of Mr. Zheng. ZHANG Yongfu takes instructions from Mr. Liu, who is a non-executive Director and the controller of one of the substantial Shareholders. Accordingly, each of Mr. Zheng and Mr. Liu is a connected person of the Company, and each of Union Yutai, ZHENG Wei and Zhongshi Hongyun is considered as a connected person of the Company by virtue of being an associate of the directors of the Company under Rule 14A.07(4) 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 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are each 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

Reference is made to the Prospectus in relation to the 2023 Agreements.

The Board announces that on December 29, 2025, the Company entered into the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement with Union Yutai, and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement with Zhongshi Hongyun, respectively, in order to continue and renew the 2023 Agreements on or before their expiry date on December 31, 2025.

The principal terms of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are substantially identical to those agreed under the 2023 Agreements and set out below.

PRINCIPAL TERMS

2025 UNION YUTAI EBN PRODUCTS PURCHASE AND SALES FRAMEWORK AGREEMENT

The principal terms of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement are set out below:

Date: December 29, 2025

Parties:
(i) The Company; and
(ii) Union Yutai

Term: From January 1, 2026 to December 31, 2028, subject to mutual negotiation between both parties.

Transaction description: The Company agrees to grant Union Yutai and its associates exclusive right to sell the Company's EBN products and related services in Tianjin City, the PRC, and Union Yutai agrees to purchase and procure its associates to purchase from the Company and sell to third parties EBN product and related services in Tianjin City, the PRC. Each party also agrees that they may enter into separate underlying agreements pursuant to such framework agreement to set out details of specific transactions thereunder. The terms of transactions with Union Yutai are based on the standard terms and conditions of the Company's distributors, which is in line with those the Company provides to a similar independent distributor, including pricing, credit terms, sales rebate and return policies. For details of the terms of distributorship, please refer to the section headed "Business – Our Sales Network – Major Terms of Distribution Agreements" in the Prospectus.

Pricing Policies

The Company determines the sales price charged by the Company from Union Yutai and sales rebate enjoyed by Union Yutai for purchases and sales of the Company's product based on the same general guide on sales price and rebate policies of such goods as provided by the Company to all the distributors (including independent distributors). The rebates policy are determined on an arm's length basis with reference to the sales volume and historical performance in accordance with the rebate policies to all distributors (including independent distributors). Specific price and payment will be made according to the respective product purchase and sales contracts as further entered into between Union Yutai and the Company under the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, which shall generally be in line with the term and conditions the Company provides to a similar independent distributor. Please refer to the section headed "Business – Our Sales Network – Major Terms of Distribution Agreements" in the Prospectus for more information.

Historical transaction amounts

During the year ended December 31, 2023, 2024 and the ten months ended October 31, 2025, the total sales from Union Yutai for purchases of the Company's products was RMB18.3 million, RMB18.3 million and RMB13.2 million, respectively.

Annual cap

The Directors estimate that the total sales to be generated from Union Yutai's purchases of the Company's products will not exceed RMB20.0 million, RMB25.0 million and RMB30.0 million for the year ending December 31, 2026, 2027 and 2028, respectively.

Basis for the annual cap

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

- (i) the historical transaction amounts of the Company's products;
- (ii) the historical growth rate of sales of Company's products;
- (iii) the estimated demands and future growth of the EBN product sales in Tianjin City, the PRC; and
- (iv) the assumptions that the Company will increase the investment in the promotion of the products, the launch of new products, and development of new on-site sales channels in Tianjin City, the PRC, leading to the growth of sales.

2025 ZHONGSHI HONGYUN ADVERTISEMENT SERVICE FRAMEWORK AGREEMENT

The principal terms of the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are set out below:

Date: December 29, 2025

Parties:

- (i) The Company; and
- (ii) Zhongshi Hongyun

Term: From January 1, 2026 to December 31, 2028, subject to mutual negotiation between both parties.

Transaction description: Zhongshi Hongyun agrees that it and its associates (collectively, “**Zhongshi Hongyun Entities**”) will provide advertising services to the Company, including placing advertisements of the Company’s products and brands on relevant television and media platform.

Pricing Policies

Before entering into any advertising services agreement pursuant to the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement, the Company will assess its business needs and compare the advertising services fees proposed by the Zhongshi Hongyun Entities with fees offered by at least two other comparable independent service providers. The service fee will be agreed by the parties through arm’s length negotiations based on the markets rates and quality of services. The Company will only enter into an advertising services agreement with the Zhongshi Hongyun Entities if the terms and conditions are fair and reasonable and based on normal or better terms than those offered by other independent third party service providers.

Historical transaction amounts

During the year ended December 31, 2023, 2024 and the ten months ended October 31, 2025, the total fees paid by the Company to Zhongshi Hongyun for purchase of advertising services was RMB32.2 million, RMB33.7 million and RMB13.9 million, respectively.

Annual cap

The Directors estimate that the total fees to be paid by the Group to Zhongshi Hongyun for purchasing advertising services will not exceed RMB30.9 million, RMB34.0 million and RMB37.4 million for the year ending December 31, 2026, 2027 and 2028, respectively.

Basis for the annual cap

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

- (i) the expect growth in the Company's sales, as well as higher customer exposure and continual needs on promoting the Company's products on the media platform; and
- (ii) the estimated increase in the amount of fees to conform with the overall growth of the Company's business. The historical transaction amount in the ten months ended October 31, 2025 decreased from the same period in 2024 mainly because the Company strategically reduced its investment in traditional advertising channels, as a result of adjustment in the advertising strategies in 2025. In order to improve the Company's brand image, the Directors expect that there will be an increasing advertising expenditure in the collaborations with authoritative media and reputable television programs from 2026 to 2028.

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 OF 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.

Union Yutai

Union Yutai is a company incorporated in the PRC with limited liability, which is principally engaged in the offline distribution of EBN products of the Group in Tianjin City. Union Yutai is held as to 38.5 % by Mr. Zheng, 50.0% by FU Hongbo (傅洪波), 6.5% by ZHENG Wei (鄭偉) and 5.0% by NI Jun (倪駿).

Zhongshi Hongyun

Zhongshi Hongyun a company incorporated in the PRC with limited liability, which is principally engaged in the provision of advertising services. Zhongshi Hongyun is wholly-owned by ZHANG Yongfu (張永福), a business partner of Mr. Liu, who is ultimately taking instructions from Mr. Liu.

To the best knowledge of the Company, FU Hongbo and NI Jun are the independent third parties of the Company.

REASONS AND BENEFITS FOR ENTERING INTO THE 2025 UNION YUTAI EBN PRODUCTS PURCHASE AND SALES FRAMEWORK AGREEMENT AND THE 2025 ZHONGSHI HONGYUN ADVERTISEMENT SERVICE FRAMEWORK AGREEMENT

Given the large sales network of Union Yutai in Tianjin City, the PRC, the Company benefits from the business cooperation between the Company and Union Yutai in sales of the Company's products, and expansion and promotion of the Company's products and brand among the retail stores in Tianjin City, the PRC, enabling the Company to enhance its competitiveness.

Zhongshi Hongyun is a professional service provider of advertising services and is a qualified supplier of the Company's target advertising placement platform. The Company's main business is the development, production and sale of high-quality modern EBN products. In order to further increase brand recognition and expand the Company's customer base, the Directors believe that advertisements would facilitate the promotion of the Company's brand in the market and increase its visibility. National televisions and media platforms are generally considered as among the most important platforms for promoting consumer goods and related brands. The Directors believe that placing advertisements of the Company's products in authoritative media could further enhance brand visibility, establish brand image, shape brand value, and achieve greater market coverage and brand awareness. Television stations typically do not directly engage with advertisers for placements, instead, advertisers generally need to engage related advertising agencies for advertising matters, which handle coordination and operations for targeted television and media platform. During the term of the 2023 Zhongshi Hongyun Advertisement Service Framework Agreement, Zhongshi Hongyun provided advertising services for advertisements of the Company's products on various national media platforms, including but not limited to China National Radio (中央廣播電視總台) and China Central Television (中央電視台). The Company's cooperation with Zhongshi Hongyun has been smooth, with a reasonable business background and favorable price.

Considering that (1) the Group's procurement of advertising services from Zhongshi Hongyun is no less favorable than other advertising partners, (2) Zhongshi Hongyun is a long-standing advertising partners of China Central Television, the national flagship terrestrial television network of the PRC, (3) Zhongshi Hongyun has been granted agency rights for advertisements in several program by China Media Group Company Limited (央廣傳媒集團有限公司), and (4) the Company's stable business relationship with Zhongshi Hongyun, the Directors believe that it is in the best interests of the Group to continue to collaborate with Zhongshi Hongyun, rather than other independent advertising agents, and that it is more efficient and effective for the Group to engage them to provide relevant services to the Group for publicizing and promoting the brand image of "Yan Palace" and the products of the Group, building up and maintaining of the overall image of "Yan Palace" as well as satisfying the needs for advertising services among the members of the Group.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement and the transactions contemplated thereunder and the annual caps under each of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are (a) on normal commercial terms or better; (b) in the ordinary and usual course of business of the Group; and (c) fair and reasonable, and the entering into of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement and the transactions contemplated thereunder and the annual caps under each of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Union Yutai is owned by Mr. Zheng as to 38.5% and ZHENG Wei as to 6.5%, respectively. Zhongshi Hongyun is wholly owned by ZHANG Yongfu. Mr. Zheng is the vice chairman of the Board, executive Director and a controlling shareholder of the Company, and ZHENG Wei is the niece of Mr. Zheng. ZHANG Yongfu takes instructions from Mr. Liu, who is a non-executive Director and the controller of one of the substantial Shareholders. Accordingly, each of Mr. Zheng and Mr. Liu is a connected person of the Company, and each of Union Yutai, ZHENG Wei and Zhongshi Hongyun is considered as a connected person of the Company by virtue of being an associate of the directors of the Company under Rule 14A.07(4) of the Listing Rules.

The transactions contemplated under the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, and the 2025 Zhongshi Hongyun Advertisement Service 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 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, and the 2025 Zhongshi Hongyun Advertisement Service Framework Agreement are each 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 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement, and the 2025 Zhongshi Hongyun Advertisement Service 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:

“2023 Agreements”	2023 Union Yutai EBN Products Purchase and Sales Framework Agreement and 2023 Zhongshi Hongyun Advertisement Service Framework Agreement
“2023 Union Yutai EBN Products Purchase and Sales Framework Agreement”	the agreement in relation to the provision of the purchase and sales of EBN products entered into between the Company and Union Yutai on November 20, 2023
“2025 Union Yutai EBN Products Purchase and Sales Framework Agreement”	the agreement in relation to the provision of the purchase and sales of EBN products entered into between the Company and Union Yutai on December 29, 2025
“2023 Zhongshi Hongyun Advertisement Service Framework Agreement”	the agreement in relation to the provision of advertising services entered into between the Company and Zhongshi Hongyun on November 20, 2023
“2025 Zhongshi Hongyun Advertisement Service Framework Agreement”	the agreement in relation to the provision of advertising services entered into between the Company and Zhongshi Hongyun on December 29, 2025
“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
“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
“Mr. Huang”	Mr. HUANG Jian (黃健), the chairman of the Board, an executive Director and one of the controlling shareholders of the Company
“Mr. Liu”	Mr. LIU Zhen (劉震), a non-executive Director and the controller of one of the Company’s substantial Shareholders, Xiamen Guangyao Tianxiang Equity Investment Partnership LP (廈門光耀天祥股權投資合夥企業(有限合夥))
“Mr. Zheng”	Mr. ZHENG Wenbin (鄭文濱), the vice chairman of the Board, executive Director and one of the controlling shareholders of the Company
“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
“Union Yutai”	Tianjin Union Yutai Trading Co., Ltd. (天津市合聯裕泰商貿有限公司), a company incorporated in the PRC with limited liability on November 4, 2011
“Zhongshi Hongyun”	Beijing Zhongshi Hongyun Advertising Co., Ltd. (北京中視鴻韻廣告有限公司), a company incorporated in the PRC with limited liability on January 18, 2006
“%”	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, December 29, 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.