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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)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**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**

Reference is made to the announcement of the Company dated December 29, 2025 in relation to the renewal of continuing connected transactions in relation to the 2023 Agreements (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to supplement the following additional information regarding the pricing policies of and the reasons for renewal of the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement:

**Pricing Policies and Internal Control Procedures**

The Company has adopted the internal control procedures in determining and monitoring the price of continuing connected transactions, including but not limited to:

- (i) for the purposes of standardizing the Company's product pricing process and clarifying the responsibilities of different departments of the Company in the pricing process, the Company has codified and implemented the Product Pricing Process Management Measures (產品定價流程管理辦法), regulating the procedures such as project initiation, cost control and product pricing. In the meantime, the sales department and the finance department retains the sales records in the Company's ERP system;

- (ii) upon the initiation process of new products, according to the Product Pricing Process Management Measures, the product managers of the Company will (1) sort out the selling price of (a) at least two to three benchmark core key competing products offered by industry peers and (b) the Company's comparable products, (2) analyze the cost of the Company's products, (3) based on the market price of the relevant competing products, and the cost of the Company's new products, evaluate the pricing strategy, profit margin and other factors with the sales department, (4) determine the product standard retail price and (5) submit the relevant product's standard retail price for internal approval. In principle, once the standard retail price of a single product is determined, it is updated into the standard retail price list, which is applicable to all the Company's offline distributors, including Union Yutai. When the Company introduces new products based on its pipelines, product sales, and market research on the EBN market every year, it follows the same pricing process as described above. Meanwhile, the standard retail prices of the products which are no longer available for sale are removed from the standard retail price list. Through such update procedure, the standard retail prices of the Company's products could be ensured to be fair and reasonable compared to the industry peers;
- (iii) all the Company's products available for sale have standard retail prices. The relevant selling price offered by the Company to Union Yutai is calculated based on a discount rate of the standard retail price, which is in line with those the Company offers to all the comparable independent offline distributors;
- (iv) to ensure Union Yutai's compliance with the 2025 Union Yutai EBN Products Purchase and Sales Framework in relation to its exclusive right in Tianjin City, (1) as a part of the ongoing market supervision procedures, the Company pays regular or special visits to its distributors and inspects, among others, Union Yutai's operation; (2) the Company verifies the authorized distribution regions of its shipped products by examining the relevant shipping records; and (3) the Company has set up a feedback communication channel for the distributors to report the misconducts of the Company's other distributors;
- (v) at the end of each financial year, based on the factors such as the market condition, economic condition, the overall performance of the distributors and the Company's operation, the relevant personnel from the Chain Business Department (連鎖事業部) discussed and determined the sales rebate policy for the following financial year, which is submitted to the Company's general manager for approval. All distributors meeting their respective minimum sales target are eligible for sales rebates, which are calculated by multiplying their actual purchase amount with an agreed-upon percentage. Union Yutai will obtain an amount of sales rebate equivalent to those provided by the Company to other comparable independent offline distributors with the same actual purchase amount; and
- (vi) the Board and the finance department of the Group will monitor the connected transactions on a monthly basis and the management will review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements, including the agreed pricing terms on an annual basis.

## **Reasons for Renewal of 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement**

The Company agrees to renew the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement mainly because the Company has built up a long-term stable business cooperation relationship with Union Yutai since 2015. Incorporated and headquartered in Tianjin City in 2011, Union Yutai focuses on local trading business in Tianjin City, and therefore has accumulated abundant distribution experience and sales channels there. Union Yutai only sells EBN products under brands owned by the Group. In addition, the Company conducts a stringent annual assessment to review the business relationships with its existing distributors. The Company's primary evaluation criteria, among others, are the actual annual purchase amount, store establishment as well as advertising and marketing activities. Historically, Union Yutai passed such assessment every year. Generally the Company designates one distributor within a specific city to ensure efficient management of distributor network and avoid cannibalization risk. Taking into consideration the long-term business relationship with Union Yutai, the historical performance of Union Yutai, and the significantly time-consuming and costly procedure to identify, evaluate and select a replacing distributor, the Company has no intention to change its exclusive distributor in Tianjin City from Union Yutai to other distributors. Therefore, the Company decides to renew the 2025 Union Yutai EBN Products Purchase and Sales Framework Agreement and extends the validity period of Union Yutai and its associates' exclusive right to sell the Company's EBN products and related services in Tianjin City.

This announcement is supplemental to and should be read in conjunction with the Announcement. The above additional information does not affect other information and content set out in the Announcement. Save as disclosed herein, the contents of the Announcement remain unchanged and shall continue to be valid for all purposes.

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, February 4, 2026

*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.*