

*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)**

**DISCLOSEABLE TRANSACTIONS  
THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS**

**THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS**

On January 3, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement I with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product I of RMB45 million from China Everbright Bank. The subscription of the Structured Deposit Product I was fully redeemed on March 3, 2025.

On January 6, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement II with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product II of RMB50 million from China Everbright Bank. The subscription of the Structured Deposit Product II was fully redeemed on February 17, 2025.

On February 17, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement III with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product III of RMB50 million from China Everbright Bank.

On March 5, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement IV with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product IV of RMB30 million from China Everbright Bank.

## **LISTING RULES IMPLICATIONS**

The respective subscription of each of the Structured Deposit Product I, Structured Deposit Product II, Structured Deposit Product III and Structured Deposit Product IV, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Structured Deposit Products subscribed by Yan Palace Silon Biotechnology under the Structured Deposit Product Agreement I, Structured Deposit Product Agreement II, Structured Deposit Product Agreement III and Structured Deposit Product Agreement IV were offered by the same bank within a 12 month-period and were of similar nature, (i) the subscriptions of Structured Deposit Product I and Structured Deposit Product II, and (ii) the subscriptions of Structured Deposit Product III and Structured Deposit Product IV would be aggregated before being redeemed, respectively, for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregated basis, as calculated under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, such Subscriptions constitute discloseable transactions of the Company which would be subject to the announcement requirement but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Giving the principal-guaranteed nature of the Structured Deposit Products, the Company was of the mistaken belief that the Subscriptions did not constitute as a transaction as defined under Chapter 14 of the Listing Rules, and therefore the Company did not announce the Subscriptions in a timely manner due to its unintentional and inadvertent oversight.

## **THE SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS**

### **Structured Deposit Product Agreement I**

On January 3, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement I with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product I of RMB45 million from China Everbright Bank. The subscription of the Structured Deposit Product I was fully redeemed on March 3, 2025.

The key terms of the Structured Deposit Product Agreement I are set out in the table below.

(1) Date of the subscription:	January 3, 2025
(2) Name of product:	Structured Deposit
(3) Parties:	(i) China Everbright Bank (ii) Yan Palace Silon Biotechnology
(4) Type of product:	Principal-guaranteed floating yield product
(5) Risk level of product (internal risk rating by the bank):	Low

(6) Principal amount of the subscription:	RMB45 million
(7) Term of investment:	59 days
(8) Value date:	January 3, 2025
(9) Expiry date:	March 3, 2025
(10) Expected annualized rate of return:	Ranging from 1.00% to 2.27% per annum
(11) Investment scope of the product:	The interest on such deposit is linked to the foreign exchange derivatives, interest rate derivatives and precious metals index.
(12) Termination and redemption:	Yan Palace Silon Biotechnology has no right of early termination or redemption.
(13) Redemption status:	Fully redeemed on March 3, 2025

### **Structured Deposit Product Agreement II**

On January 6, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement II with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product II of RMB50 million from China Everbright Bank. The subscription of the Structured Deposit Product II was fully redeemed on February 17, 2025.

The key terms of the Structured Deposit Product Agreement II are set out in the table below.

(1) Date of the subscription:	January 6, 2025
(2) Name of product:	Structured Deposit
(3) Parties:	(i) China Everbright Bank (ii) Yan Palace Silon Biotechnology
(4) Type of product:	Principal-guaranteed floating yield product
(5) Risk level of product (internal risk rating by the bank):	Low
(6) Principal amount of the subscription:	RMB50 million
(7) Term of investment:	42 days
(8) Value date:	January 6, 2025
(9) Expiry date:	February 17, 2025

- |  |  |
|--|--|
| (10) Expected annualized rate of return: | Ranging from 1.00% to 2.25% per annum  |
| (11) Investment scope of the product:    | The interest on such deposit is linked to the foreign exchange derivatives, interest rate derivatives and precious metals index. |
| (12) Termination and redemption:         | Yan Palace Silon Biotechnology has no right of early termination or redemption.  |
| (13) Redemption status:                  | Fully redeemed on February 17, 2025  |

### **Structured Deposit Product Agreement III**

On February 17, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement III with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product III of RMB50 million from China Everbright Bank.

The key terms of the Structured Deposit Product Agreement III are set out in the table below.

- |   |  |
|---|--|
| (1) Date of the subscription:                                 | February 17, 2025  |
| (2) Name of product:  | Structured Deposit   |
| (3) Parties:  | (i) China Everbright Bank<br>(ii) Yan Palace Silon Biotechnology   |
| (4) Type of product:  | Principal-guaranteed floating yield product  |
| (5) Risk level of product (internal risk rating by the bank): | Low  |
| (6) Principal amount of the subscription:                     | RMB50 million  |
| (7) Term of investment:                                       | 38 days  |
| (8) Value date:   | February 17, 2025  |
| (9) Expiry date:  | March 27, 2025   |
| (10) Expected annualized rate of return:                      | Ranging from 1.00% to 2.11% per annum  |
| (11) Investment scope of the product:                         | The interest on such deposit is linked to the foreign exchange derivatives, interest rate derivatives and precious metals index. |
| (12) Termination and redemption:                              | Yan Palace Silon Biotechnology has no right of early termination or redemption.  |

## Structured Deposit Product Agreement IV

On March 5, 2025, Yan Palace Silon Biotechnology, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Product Agreement IV with China Everbright Bank, pursuant to which, Yan Palace Silon Biotechnology agreed to subscribe the Structured Deposit Product IV of RMB30 million from China Everbright Bank.

The key terms of the Structured Deposit Product Agreement IV are set out in the table below.

(1) Date of the subscription:	March 5, 2025
(2) Name of product:	Structured Deposit
(3) Parties:	(i) China Everbright Bank (ii) Yan Palace Silon Biotechnology
(4) Type of product:	Principal-guaranteed floating yield product
(5) Risk level of product (internal risk rating by the bank):	Low
(6) Principal amount of the subscription:	RMB30 million
(7) Term of investment:	22 days
(8) Value date:	March 5, 2025
(9) Expiry date:	March 27, 2025
(10) Expected annualized rate of return:	Ranging from 1.00% to 2.05% per annum
(11) Investment scope of the product:	The interest on such deposit is linked to the foreign exchange derivatives, interest rate derivatives and precious metals index.
(12) Termination and redemption:	Yan Palace Silon Biotechnology has no right of early termination or redemption.

## **BASIS OF DETERMINING THE CONSIDERATION**

The Directors confirmed that the consideration and the terms of the Subscriptions were determined after arm's length negotiation between the Company and China Everbright Bank.

## **REASONS AND BENEFIT OF THE SUBSCRIPTIONS**

The Structured Deposit Products subscribed by the Group offered by China Everbright Bank are of a principal-guaranteed nature, and the Subscriptions were used by the Company to optimize the value appreciation of idle funds of the Group. Given that (i) the Structured Deposit Products are principal-guaranteed and with low risk involved, which aligned with the Group's prudent investment principles, (ii) compared with the deposit interest rates generally offered by commercial banks in the PRC, the expected annualized return of Structured Deposit Products are relatively competitive; and (iii) Structured Deposit Products were funded by the Group's internal financial resources (idle funds) with a relatively short term which will not affect the operational liquidity or business expansion plans of the Group, the Group decided to subscribe for Structured Deposit Products to improve the utilization of its idle funds and generate better returns for the Group. The Company has implemented adequate and appropriate internal control procedures to ensure the Subscriptions strictly adhered to the Group's fund management system and effectively enhanced capital utilization efficiency while ensuring financial safety, and that such investments would be conducted on the principle of protecting the interests of the Company and the Shareholders as a whole.

In light of the above, the Directors (including independent non-executive Directors) are of the view that the Subscriptions are on normal commercial terms, and the terms contained therein are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

In addition, the Company did not utilize any of the net proceeds raised from the Global Offering for the Subscriptions.

## **PARTIES INFORMATION**

### **Information on the Company**

The Company is a joint stock company established in the PRC with limited liability on December 23, 2020. 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. The Company is principally engaged in the research, development, manufacture and commercialization of EBN products.

### **Information on Yan Palace Silon Biotechnology**

Yan Palace Silon Biotechnology is a limited liability company established in the PRC on October 26, 2023, which is a wholly-owned subsidiary of the Company. Yan Palace Silon Biotechnology is principally engaged in research, development and production of EBN products.

## **Information on China Everbright Bank**

China Everbright Bank is a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 6818) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601818). China Everbright Bank principally engages in the provision of banking and the relevant financial services.

As of the date of this announcement and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of China Everbright Bank and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

## **LISTING RULES IMPLICATIONS**

The respective subscription of each of the Structured Deposit Product I, Structured Deposit Product II, Structured Deposit Product III and Structured Deposit Product IV, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Structured Deposit Products subscribed by Yan Palace Silon Biotechnology under the Structured Deposit Product Agreement I, Structured Deposit Product Agreement II, Structured Deposit Product Agreement III and Structured Deposit Product Agreement IV were offered by the same bank within a 12 month-period and were of similar nature, (i) the subscriptions of Structured Deposit Product I and Structured Deposit Product II, and (ii) the subscriptions of Structured Deposit Product III and Structured Deposit Product IV would be aggregated before being redeemed, respectively, for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregated basis, as calculated under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, such Subscriptions constitute discloseable transactions of the Company which would be subject to the announcement requirement but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Giving the principal-guaranteed nature of the Structured Deposit Products, the Company was of the mistaken belief that the Subscriptions did not constitute as a transaction as defined under Chapter 14 of the Listing Rules, and therefore the Company did not announce the Subscriptions in a timely manner due to its unintentional and inadvertent oversight.

## **REMEDIAL ACTIONS**

The Company would like to stress that the delay in announcing the Subscriptions was inadvertent and unintentional. To prevent the recurrence of similar incidents in the future, the Company has implemented the following remedial actions with immediate effect:

- (i) the Company has been improving its reporting system which require the finance department of the Group to report to the Group's management in advance about any proposed subscription, and shall only subscribe for these products after the finance department has evaluated the implications of the Listing Rules and the Company has complied with the applicable requirements under the Listing Rules;



- (ii) the Company has been improving the communication, coordination and reporting arrangements for notifiable transactions among the relevant departments of the Group, including among its finance team, legal team, and the office of the Board;
- (iii) the Company shall, as and when appropriate and necessary, consult financial advisers, legal advisers and/or other professional advisers before entering into possible notifiable transaction or when notifiable transactions are being contemplated, including any future subscription or disposal of financial products; and
- (iv) the Company will discuss and review its internal control and compliance system annually to identify any weakness and consider further remedial actions to address them.

Going forward, the Company will continue to comply with the management procedures of its subscription for any financial products and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

## DEFINITIONS

“Board”	the board of directors of the Company
“China Everbright Bank”	China Everbright Bank Company Limited, a joint stock company incorporated in the People’s Republic of China with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 6818) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601818)
“Company” or “Group”	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, the H shares of which are listed on the main board of the Hong Kong Stock Exchange
“Directors”	director(s) of the Company
“EBN”	nests created by swiftlets with their saliva. EBN is highly valued in Chinese culture and has been a renowned delicacy in Chinese cuisine for over 400 years. It is known for its nutritional profile, which includes, among others, sialic acid, amino acid, collagen, glycoprotein, antioxidants, calcium, potassium, iron, magnesium and hormones. Traditional Chinese medicine attributes various health benefits to EBN, such as promoting overall wellness, boosting the immune system, enhancing focus and concentration, increasing energy and metabolism and regulating circulation. Modern scientific studies conducted by authoritative sources have further validated the perceived health benefits of EBN products
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated November 30, 2023
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of RMB0.20 each
“Shareholder(s)”	holder(s) of Share(s)
“Subscriptions”	Subscriptions of the Structured Deposit Product I, Structured Deposit Product II, Structured Deposit Product III and the Structured Deposit Product IV
“Structured Deposit Products”	the Structured Deposit Product I, Structured Deposit Product II, Structured Deposit Product III and the Structured Deposit Product IV
“Structured Deposit Product Agreement I”	the agreement entered into between Yan Palace Silon Biotechnology and China Everbright Bank on January 3, 2025 in relation to the subscription of Structured Deposit Product I of RMB45 million
“Structured Deposit Product Agreement II”	the agreement entered into between Yan Palace Silon Biotechnology and China Everbright Bank on January 6, 2025 in relation to the subscription of Structured Deposit Product II of RMB50 million
“Structured Deposit Product Agreement III”	the agreement entered into between Yan Palace Silon Biotechnology and China Everbright Bank on February 17, 2025 in relation to the subscription of Structured Deposit Product III of RMB50 million
“Structured Deposit Product Agreement IV”	the agreement entered into between Yan Palace Silon Biotechnology and China Everbright Bank on March 5, 2025 in relation to the subscription of Structured Deposit Product IV of RMB30 million
“Structured Deposit Product I”	the structured deposit product of RMB45 million subscribed by Yan Palace Silon Biotechnology on January 3, 2025 pursuant to the Structured Deposit Product Agreement I, which was fully redeemed on March 3, 2025
“Structured Deposit Product II”	the structured deposit product of RMB50 million subscribed by Yan Palace Silon Biotechnology on January 6, 2025 pursuant to the Structured Deposit Product Agreement II, which was fully redeemed on February 17, 2025

“Structured Deposit Product III”	the structured deposit product of RMB50 million subscribed by Yan Palace Silon Biotechnology on February 17, 2025 pursuant to the Structured Deposit Product Agreement III
“Structured Deposit Product IV”	the structured deposit product of RMB30 million subscribed by Yan Palace Silon Biotechnology on February 17, 2025 pursuant to the Structured Deposit Product Agreement IV
“Yan Palace Silon Biotechnology”	Xiamen Yan Palace Silon Biotechnology Co., Ltd. (廈門市燕之屋絲濃生物科技有限公司), a limited liability company established under the laws of the PRC on October 26, 2023 and a wholly-owned subsidiary of the Company
“%”	per cent

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, March 14, 2025

*As at 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.*