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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
CONTINUING CONNECTED TRANSACTION
PRODUCT SALES AND PURCHASE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated April 30, 2025 in relation to the continuing connected transaction in relation to the Product Sales and Purchase Framework Agreement (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 the Product Sales and Purchase Framework Agreement: the Company has adopted the internal control procedures in determining and monitoring the price of the continuing connected transaction, 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 at least two to three benchmark core key competing products offered by industry peers or the Company's comparable products, (2) analyze the cost of the Company's products, (3) 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 standard retail price for internal approval;

- (iii) the Company may determine the selling price of different products on different basis. With respect to the EBN products, the relevant selling price is calculated based on a discount rate of the standard retail price, which is in line with those the Company provides to all the comparable independent distributors. With respect to the EBN peptide products, the relevant selling price is calculated based on the cost of the EBN peptide products and a mark-up rate. The Company conducts a preliminary survey into the average industry profit margin range and determines the mark-up rate accordingly, ensuring that the mark-up rate falls within the relevant range; and
- (iv) 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.

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, May 23, 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.