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## **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

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|---|--|
| (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  |

**Structure of the 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.

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|---|--|
| (1) Date of the subscription:                                 | January 6, 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:                                       | 42 days  |
| (8) Value date:   | January 6, 2025  |
| (9) Expiry date:  | February 17, 2025  |

(10) EDgptual rimd anni/izmd rate of return:



## **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**

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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.

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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.

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 Product 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 finatem12.9 (subscotch as )TjI a

- (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 “	

“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”	

“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  
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廈門燕之屋燕窩產業股份有限公司  
HUANG J 黃 健  
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.*