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**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)**

**ANNOUNCEMENT**  
**THE GRANT OF TRUST UNITS PURSUANT TO THE H SHARE**  
**INCENTIVE SCHEME**

References are made to announcement of the Company dated January 12, 2024 (the “**Announcement**”), the circular of the first extraordinary general meeting for the year 2024 dated March 7, 2024 (the “**Circular**”) and the poll results announcement dated March 25, 2024 of the Company, in relation to (among others) the deliberation and approval of the Company’s H Share Incentive Scheme. Capitalized terms used herein shall have the same meanings as those defined in the H Share Incentive Scheme set out in Appendix I to the Circular unless the context requires otherwise.

**THE GRANT OF TRUST UNITS PURSUANT TO THE H SHARE INCENTIVE SCHEME**

The Board is pleased to announce that on December 4, 2024, pursuant to the H Share Incentive Scheme, the Board resolved to make a grant of Trust Units representing 6,557,500 underlying H Shares to 73 Eligible Participants (including the grant to connected persons) (the “**Eligible Participants of the Grant**”) (the “**Grant**”), representing approximately 1.41% of the issued share capital of the Company as at the date of this announcement. The number of H Shares underlying the Trust Units granted to the connected persons represents 2,460,500 underlying H Shares, accounting for approximately 0.53% of the issued share capital of the Company as at the date of this announcement. All of the relevant H Shares were purchased by the Trustee from the secondary market in accordance with the terms of the H Share Incentive Scheme. For the avoidance of doubt, the Company will not issue or allot additional new Shares in respect of the Grant, and accordingly, the Grant will not result in any dilution effect on the shareholdings of existing Shareholders of the Company.

Details of the Grant are set out as follows:

1. **Grant date:** as stated in the Award Letter and before January 31, 2025
2. **The Eligible Participants of the Grant and the number of H Shares granted:** 73 Eligible Participants were granted, including the core management personnel and technical backbones of the Company.

<b>Eligible Participants</b>	<b>Position</b>	<b>Number of H Shares underlying the Trust Units</b>
<b>Connected Eligible Participants</b>		
HUANG Jian	Executive Director	332,500 H Shares
ZHENG Wenbin	Executive Director	332,500 H Shares
LI Youquan	Executive Director	997,500 H Shares
HUANG Danyan	Executive Director	166,250 H Shares
LIU Zhen	Non-Executive Director	166,250 H Shares
WANG Yalong	Non-Executive Director	166,250 H Shares
ZHENG Feng	Supervisor	166,250 H Shares
HUANG Junhao <sup>(1)</sup>	Vice director	133,000 H Shares
<b>Subtotal</b>		<b>2,460,500 H Shares</b>
<b>Independent Eligible Participants</b>		
65 managers, deputy managers, general employees and outstanding performance employees		4,097,000 H Shares
<b>Subtotal</b>		<b>4,097,000 H Shares</b>
<b>Total</b>		<b>6,557,500 H Shares</b>

*Note (1): Mr. Huang Junhao is the son of Mr. Huang Jian.*

Save as disclosed above, to the best of knowledge, information and belief of the Directors, none of other Eligible Participants of the Grant is a connected person of the Company as at the date of this announcement.

3. **Grant price:** HK\$4.85 per H Share.
4. **Vesting schedule:** subject to meeting the appraised conditions in respect of the Company's revenue and profits in the financial year prior to a given vesting date, the Trust Units under the Grant will be vested in the following manner:

	<b>Vesting dates</b>	<b>Proportion of Vesting</b>
First vesting date	July 2026	40.0%
Second vesting date	July 2027	30.0%
Third vesting date	July 2028	30.0%

5. **Award Letter:** the Company will prepare the Award Letters in accordance with the decision of the Board and/or its authorized persons and enter into the Award Letters with the Eligible Participants of the Grant, specifying the grant date, the number of Trust Units granted, the vesting conditions and period and the relevant terms and conditions.

## Reasons for and Benefits of the Grant

The purposes of the Grant are:

- i. promoting the achievement of long-term sustainable development and performance goals of the Group;
- ii. closely aligning the interests of the Grantees with those of the Shareholders, investors and the Company to enhance the cohesion of the Group and to facilitate the maximization of the value of the Group; and
- iii. improving the Group's incentive mechanism to attract, motivate and retain Directors, supervisors, senior management, core employees and Service Providers who have made outstanding contributions to the sustainable operation, development and long-term growth of the Group.

In determining the number of Trust Units to be granted to each of the grantees, the Board has considered various factors including but not limited to the employee's position, rank, length of service, and performance appraisal results. The remuneration and appraisal committee of the Board is of the view that the number of Trust Units to be granted to each of the grantees is fair and reasonable as the number of the Trust Units was determined with reference to, among other things, (i) the essential duties and responsibilities in the Group of each of the grantees; and (ii) the value of the proposed grant.

Having considered the above, the Board, including all the independent non-executive Directors, and excluding Mr. Huang Jian, Mr. Zheng Wenbin, Mr. Li Youquan, Ms. Huang Danyan, Mr. Liu Zhen and Mr. Wang Yalong, who abstained from voting on the relevant Board resolutions to approve the relevant grant to each of them (or their associate), considers that the terms of the proposed grant are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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 4, 2024

*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.*