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燕之屋

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)*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2023 Annual Report”	the annual report of the Company for the year ended December 31, 2023, which has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yanzhiwu.com)
“AGM” or “Annual General Meeting”	the annual general meeting of the Company for the year ended December 31, 2023 to be held on Tuesday, May 21, 2024
“Amended and Restated Articles of Association”	the amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendment to be considered and approved for adoption by way of a special resolution at the AGM
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board of Directors” or “Board”	the board of directors of our Company
“Board Secretary”	secretary to the Board
“China,” “Mainland China” or “PRC”	People’s Republic of China, excluding, for the purposes of this annual report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company,” “our Company,” “Group,” “our Group,” “we” or “us”	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, or, where the context requires (as the case may be), its predecessor, Xiamen Yan Palace Biological Engineering Development Co., Ltd. (廈門燕之屋生物工程發展有限公司), a company established in the PRC with limited liability on October 31, 2014

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## DEFINITIONS

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“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Huang, Mr. Zheng, Mr. Li, Ms. Xue, Xiamen Suntama and Jinyan Tengfei LP
“Director(s)”	the director(s) of our Company
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB0.20 each, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	holder(s) of H Shares
“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the AGM, the general mandate to be given to the Board to, among others, exercise the power of the Company to allot, issue or deal with new Unlisted Shares and/or H Shares (which include the sale or transfer of treasury shares, if any) not more than 20% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of passing the relevant resolution at the AGM. Details of the Issue Mandate are set out in special resolution numbered 13 in the notice convening the AGM dated April 25, 2024
“Jinyan Tengfei LP”	Xiamen Jinyan Tengfei Equity Investment Partnership (Limited Partnership) (廈門金燕騰飛股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2020 and an employee incentive platform of our Group and one of our Controlling Shareholders
“Latest Practicable Date”	April 18, 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

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## DEFINITIONS

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“Mr. Huang”	Mr. HUANG Jian (黃健), our chairman of the Board of Directors, executive Director and one of our Controlling Shareholders
“Mr. Li”	Mr. LI Youquan (李有泉), our general manager, executive Director and one of our Controlling Shareholders
“Ms. Xue”	Ms. XUE Fengying (薛鳳英), one of our Controlling Shareholders and the spouse of Mr. Zheng
“Mr. Zheng”	Mr. ZHENG Wenbin (鄭文濱), our vice chairman of the Board of Directors, executive Director and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PRC”	the People’s Republic of China
“Proposed Amendment”	the proposed amendment to the existing Articles of Association as set out in Appendix 4 to this circular
“Prospectus”	the prospectus of the Company dated November 30, 2023
“Renminbi” or “RMB”	the lawful currency of the PRC
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the AGM, the general mandate to be given to the Board to exercise the power of the Company to repurchase H Shares of up to a maximum of 10% of the total number of H Shares (excluding treasury shares, if any) in issue as at the date of passing such resolution. Details of the Repurchase Mandate are set out in special resolution numbered 14 in the notice convening the AGM dated April 25, 2024
“SAFE”	State Administration of Foreign Exchange of the PRC and its branches
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of RMB0.20 each

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“treasury shares”	has the meaning ascribed thereto under the Listing Rules, which is expected to come into effect on June 11, 2024
“Unlisted Share(s)”	unlisted ordinary share(s) with a nominal value of RMB0.20 each, which are subscribed for and fully paid up in Renminbi
“Unlisted Share Shareholder(s)”	holder(s) of Unlisted Share(s)
“Xiamen Suntama”	Xiamen Shuangdanma Industrial Development Co., Ltd. (廈門市雙丹馬實業發展有限公司), a limited liability company established in the PRC on November 11, 1997 and one of our Controlling Shareholders



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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on voting in respect of the relevant resolutions at the AGM. The AGM of the Company will be held at 10:00 a.m. on Tuesday, May 21, 2024.

The resolutions to be proposed at the AGM for the Shareholders' approval include: (1) resolution on the report of the Directors for 2023; (2) resolution on the report of the independent non-executive Directors for 2023; (3) resolution on the report of the Supervisory Committee for 2023; (4) resolution on the 2023 annual report; (5) resolution on the profit distribution for 2023; (6) resolution on the budget plan for 2024; (7) resolution on the audited consolidated financial statements for 2023; (8) resolution on the proposed re-appointment of auditor for 2024; (9) resolution on the proposed re-election and remuneration of Directors; (10) resolution on the proposed re-election and remuneration of Supervisors; (11) resolution on the proposed change of registered address and amendments of Articles of Association; (12) resolution on the proposed bank credit limit and related authorization; (13) resolution on the proposed granting of general mandate to issue additional Shares and sale or transfer of treasury shares; and (14) resolution on the proposed general mandate to repurchase H Shares.

Except for resolutions numbered (11), (12), (13) and (14), all of the other resolutions are ordinary resolutions. Resolutions numbered (11), (12), (13) and (14) are special resolutions.

### 2. DETAILS OF RESOLUTIONS

#### (1) Resolution on the Report of the Directors for 2023

The full text of the report of the Directors for 2023 is set out in the section headed "Report of the Directors" in the 2023 Annual Report.

The report of the Directors for 2023 will be proposed at the AGM for consideration and approval.

#### (2) Resolution on the Report of the Independent Non-executive Directors for 2023

The full text of the report of the independent non-executive Directors for 2023 is set out in Appendix 1 to this circular.

The report of the independent non-executive Directors for 2023 will be proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### (3) Resolution on the report of the Supervisory Committee for 2023

The full text of the report of the Supervisory Committee for 2023 is set out in the section headed “Report of the Supervisors” in the 2023 Annual Report.

The report of the Supervisory Committee for 2023 will be proposed at the AGM for consideration and approval.

### (4) Resolution on the 2023 Annual Report

The 2023 Annual Report will be proposed at the AGM for consideration and approval.

### (5) Resolution on the Profit Distribution for 2023

#### *Final dividend distribution plan for the year of 2023*

The final dividend distribution plan of the Company for the year ended December 31, 2023 was considered and approved by the Board on March 22, 2024 and will be proposed at the AGM for consideration and approval, the specific details of which are as follows:

The aggregate amount of the dividends to be distributed by the Company for 2023 (the “**Final Dividend**”) is proposed to be approximately RMB100,082,500 (inclusive of applicable tax) in cash. Based on the total number of 465,500,000 Shares outstanding, being the total share capital of the Company as at December 31, 2023, the Final Dividend of RMB2.15 per every 10 Shares (inclusive of applicable tax) shall be payable in cash to all Shareholders.

The Final Dividend will be denominated and declared in Renminbi. The Unlisted Share Shareholders will be paid in Renminbi and the H Share Shareholders will be paid in Hong Kong dollars. The exchange rate for the Final Dividend to be paid in Hong Kong dollars will be the average of the exchange rates of Renminbi to Hong Kong dollars as announced by the PBOC during the five business days preceding the date of approval of the Final Dividend at the AGM.

The Company will appoint a receiving agent in Hong Kong and will pay to such receiving agent the Final Dividend (after deductions of relevant tax, if applicable) declared for payment to H Share Shareholders. The Final Dividend will be paid by the receiving agent on or before Monday, June 17, 2024. The cheques will be dispatched to H Share Shareholders by ordinary post at their own risks. An ordinary resolution will be proposed at the AGM to consider and approve the above final dividend distribution plan. The payment of the Final Dividend is subject to the Shareholders’ approval at the AGM.

The 2023 Profit Distribution will be proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### *Closure of Register of Members*

The Final Dividend will be paid on or before Monday, June 17, 2024 to all Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, May 30, 2024. For determining the entitlement of Shareholders to receive the Final Dividend, the register of members of the Company will be closed from Monday, May 27, 2024 to Thursday, May 30, 2024, both days inclusive, during which period no transfer of Shares will be registered.

In order to qualify for the Final Dividend, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Friday, May 24, 2024. Unlisted Share Shareholders should contact the Board Secretary for details concerning registration of transfers of Unlisted Shares. The contact details of the Board Secretary are: Caizihui, No. 188, Qianpu Road, Siming District, Xiamen City, Fujian Province, PRC; telephone No.: +86 0592 5063275; and facsimile No.: +86 0592 5209808.

### *Taxation*

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, shall be deemed as Shares held by non-resident enterprise Shareholders. Therefore, enterprise income tax shall be withheld from dividends payable to such Shareholders. If H Shareholders intend to change their shareholder status, please enquire about the relevant procedures with their agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H Shares as at Thursday, May 30, 2024.

If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends to them under the relevant tax agreement with the PRC, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual H Shareholders be residents of the countries which had an agreed tax rate of less than 10% under the relevant tax agreement with the PRC, the Company shall withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. In that case, if the relevant individual H Shareholders wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the

relevant agreed preferential tax treatment provided that the relevant Shareholders submit the information required by the notice of the relevant tax agreement to the H share registrar of the Company. The Company will assist with the tax refund of the extra amount withheld after obtaining the approval of the competent tax authority. Should the individual H Shareholders be residents of the countries which had an agreed tax rate of over 10% but less than 20% under the relevant tax agreement with the PRC, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual H Shareholders are residents of the countries which have had an agreed tax rate of 20% under the relevant tax agreement with the PRC, or which have not entered into any tax agreement with the PRC, or in any other circumstances, the Company shall withhold and pay the individual income tax at a rate of 20%.

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation relating to the Final Dividend.

**(6) Resolution on the Budget Plan for 2024**

The budget plan of the Company for the year ending December 31, 2024 (the “2024 Budget Plan”) was considered and approved by the Board on March 22, 2024 and will be in an budget at a rate relevant-2.2or 2024

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## LETTER FROM THE BOARD

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### **(8) Resolution on the Proposed Re-appointment of Auditor for 2024**

The Board proposed the re-appointment of KPMG as the Company's auditor for the year ending December 31, 2024, and will submit to the AGM the aforementioned re-appointment proposal for approval and to authorize the Audit Committee to determine the remuneration of the auditor for the year ending December 31, 2024.

### **(9) Resolution on the Proposed Re-election and Remuneration of Directors**

#### *Nomination of candidates for the second session of the Board*

According to Article 101, the term of office of a Director shall be three years, and shall be renewed upon the expiration of the term of office if he or she is re-elected. In case the term of office of any independent non-executive Director exceeds nine years, the term of office of the director shall only be renewed after fulfilling the corresponding review and consideration procedure regulated by the listing rules of the place where the Shares of the Company are listed.

The term of office of the first session of the Board has been expired. In order to ensure the normal operation of the Board, prior to the establishment of the second session of the board of directors of the Company, the Directors of the first session of the Board shall perform their duties diligently in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association. Having considered the nomination policy and the board diversity policy of the Company, the Nomination Committee has recommended to the Board the candidates for the second session of the Board (the "Director Candidate(s)"), which were approved by the Board on March 22, 2024. The specific list is as follows:

*(a) Mr. HUANG Jian*

Mr. HUANG Jian was approved by the Board as an executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in "Appendix 2 – 1. Mr. HUANG Jian" to this circular.

For Mr. HUANG Jian, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

*(b) Mr. ZHENG Wenbin*

Mr. ZHENG Wenbin was approved by the Board as an executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the "Appendix 2 – 2. Mr. ZHENG Wenbin" to this circular.

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## LETTER FROM THE BOARD

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For Mr. ZHENG Wenbin, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(c) *Mr. LI Youquan*

Mr. LI Youquan was approved by the Board as an executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 3. Mr. LI Youquan” to this circular.

For Mr. LI Youquan, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(d) *Ms. HUANG Danyan*

Ms. HUANG Danyan was approved by the Board as an executive Director Candidate. She was a member of the first session of the Board and is a current Director. She confirmed that she has no disagreement on the nomination and her biography is set out in the “Appendix 2 – 4. Ms. HUANG Danyan” to this circular.

For Ms. HUANG Danyan, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(e) *Mr. LIU Zhen*

Mr. LIU Zhen was approved by the Board as a non-executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 5. Mr. LIU Zhen” to this circular.

For Mr. LIU Zhen, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(f) *Mr. WANG Yalong*

Mr. WANG Yalong was approved by the Board as a non-executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 6. Mr. WANG Yalong” to this circular.

For Mr. WANG Yalong, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

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## LETTER FROM THE BOARD

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(g) *Mr. XIAO Wei*

Mr. XIAO Wei was approved by the Board as an independent non-executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 7. Mr. XIAO Wei” to this circular.

For Mr. XIAO Wei, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(h) *Mr. CHEN Aihua*

Mr. CHEN Aihua was approved by the Board as an independent non-executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 8. Mr. CHEN Aihua” to this circular.

For Mr. CHEN Aihua, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

(i) *Mr. LAM Yiu Por*

Mr. LAM Yiu Por was approved by the Board as an independent non-executive Director Candidate. He was a member of the first session of the Board and is a current Director. He confirmed that he has no disagreement on the nomination and his biography is set out in the “Appendix 2 – 9. Mr. LAM Yiu Por” to this circular.

For Mr. LAM Yiu Por, an ordinary resolution shall be presented at the AGM for election, and consideration and approval.

The Nomination Committee and the Board shall consider the suitability of Directors for re-election in accordance with the Company’s nomination policy and board diversity policy. All Directors have abstained from voting and discussion at the Nomination Committee meeting (if applicable) and the Board meeting regarding the consideration of their or their associates’ respective Director Candidates matters. When recommending the Board to nominate the above three independent non-executive Director Candidates (namely Mr. XIAO Wei, Mr. CHEN Aihua and Mr. LAM Yiu Por), the Nomination Committee has considered that: (i) they have extensive professional experience in various fields, including business management, finance, accounting, law, etc., and their differences in gender, age, education, background, professional experience, skills and knowledge can provide the Board with valuable and diverse views and perspectives; (ii) during their tenure, they have actively performed their responsibilities as Directors, devoted sufficient time and attention to the Board and brought objective insights and independent judgment to the Board; and (iii) they have confirmed their respective independence in accordance with Rule 3.13 of the Listing Rules, have not participated in

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## LETTER FROM THE BOARD

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the daily management of the Company during their term of office, and have not been influenced by any relationship or circumstances that would materially interfere with the exercise of their independent judgment, and have been assessed to meet the independence requirements set out in Rule 3.13 of the Listing Rules. After considering the recommendation from the Nomination Committee, the Board believes that it is in the interest of the Company and its Shareholders as a whole to re-elect the independent non-executive Director candidates mentioned above to bring a diverse and independent perspective and judgment to the Board. None of the independent non-executive Director candidates hold directorships of seven or more in listed companies.

The Company will enter into an executive Director service contract, a letter of appointment of non-executive Director or a letter of appointment of independent non-executive Director with each member of the second session of the Board for a term of three years commencing from the approval of this resolution at the AGM.

### *Consideration and approval of the remuneration plan of directors for 2024*

The proposed remuneration plan of the Board for the year ending December 31, 2024 was approved by the Board on March 22, 2024. In accordance with the Company Law, the Articles of Association and the Company's remuneration policy and other requirements, the Board's remuneration and appraisal Committee has comprehensively taken into account the Company's actual circumstance and the remuneration level of directors in the same industry and other comparable companies. Details of the proposed remuneration plan for the members of the board of directors of the Company for the year ending December 31, 2024 are set out below:

Executive Directors will receive their remuneration and benefits based on their positions and administrative responsibilities, combined with their ability to perform duties, work performance and the company's operating performance in actual work. Non-executive directors and independent executive Directors will receive their remuneration based on their contributions to the Company and the Company's operating performance.

The proposed remuneration plan of the Board for the year ending December 31, 2024 will be presented at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### (10) Resolution on the Proposed Re-election and Remuneration of Supervisors

#### *Nomination of candidates for the second session of the Supervisory Committee*

According to Article 144, the term of office of a Supervisor shall be three years. Upon the expiration of the term of office, the Supervisor may serve another term of office if re-elected.

The term of office of the first session of the Supervisory Committee has been expired. In order to ensure the normal operation of the Supervisory Committee, prior to the establishment of the second session of the Supervisory Committee, the Supervisors of the first session of the Supervisory Committee shall perform their duties diligently in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association. The Supervisory Committee approved the nomination of the following candidates as supervisors for the second session of the Supervisory Committee:

(a) *Mr. ZHENG Feng*

Mr. ZHENG Feng is a member of the first session of the Supervisory Committee and a current Supervisor. He confirmed that he has no disagreement on the nominations. He meets the qualifications and conditions of a Supervisor as required by laws, regulations and the Articles of Association, and there is no circumstance in which he may not serve as a Supervisor as required by Article 146 of the Company Law. His biography is set out in “Appendix 3 – 1. Mr. ZHENG Feng” to this circular.

For Mr. ZHENG Feng, an ordinary resolution shall be presented at the AGM for election, consideration and approval.

(b) *Ms. WEI Wei*

Ms. WEI Wei is a member of the first session of the Supervisory Committee and a current Supervisor. She confirmed that she has no disagreement on the nominations. She meets the qualifications and conditions of Supervisor as required by laws, regulations and the Articles of Association, and there is no circumstance in which she may not serve as a Supervisor as required by Article 146 of the Company Law. Her biography is set out in “Appendix 3 – 2. Ms. WEI Wei” to this circular.

For Ms. WEI Wei, an ordinary resolution shall be presented at the AGM for election, consideration and approval.

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## LETTER FROM THE BOARD

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(c) *Ms. ZHANG Ning*

Ms. ZHANG Ning is a member of the first session of the Supervisory Committee and a current Supervisor. She confirmed that she has no disagreement on the nominations. She meets the qualifications and conditions of Supervisor as required by laws, regulations and the Articles of Association, and there is no circumstance in which she may not serve as a Supervisor as required by Article 146 of the Company Law. Her biography is set out in “Appendix 3 – 3. Ms. ZHANG Ning” to this circular.

For Ms. ZHANG Ning, an ordinary resolution shall be presented at the AGM for election, consideration and approval.

The Company will enter into a supervisor service contract with each member of the second session of the Supervisory Committee for a term of three years commencing from the approval of this resolution at the AGM.

### *Consideration and approval of the remuneration plan of Supervisors for 2024*

The proposed remuneration plan of the Supervisory Committee for the year ending December 31, 2024 was approved by the Board and the Supervisory Committee on March 22, 2024. Details of the proposed remuneration plan for the members of the Supervisory Committee for 2024 are set out below:

Supervisors who hold administrative positions in the Company receive remuneration and benefits based on their positions, administrative responsibilities, and actual work performance capabilities and work performance. Supervisors who do not hold administrative positions in the Company receive remuneration based on their contribution to the company and the company’s operating performance.

The proposed remuneration plan of the supervisory committee for the year ending December 31, 2024 will be presented at the AGM for consideration and approval.

### **(11) Resolution on the Proposed Change of Registered Address and Amendments of Articles of Association**

In order to meet the actual needs of business development, the Board proposed to change the Company’s registered address from “Unit 4, Unit 102, No. 3, Xiangming Road, Xiamen Torch High-tech Zone (Xiang’an), Industrial Zone Xiamen City, Fujian Province, the PRC” to “Unit 1, Unit 301, No. 3, Xiangming Road, Xiamen Torch High-tech Zone (Xiang’an), Industrial Zone Xiamen City, Fujian Province, the PRC”. The change in registered address will be subject to review and approval by the industrial and commercial registration authorities.

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## LETTER FROM THE BOARD

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In view of the above proposed change of registered address, the Board proposed to make corresponding amendment to the Articles of Association. The full particulars of the Proposed Amendment brought about by the adoption of the Articles of Association are set out in Appendix 4 to this circular.

A special resolution will be proposed at the AGM in relation to the proposed change of registered address and the corresponding amendment to the Articles of Association, details of which are set out in special resolution numbered (11) of the notice of the AGM.

### **(12) Resolution on the Proposed Bank Credit Limit and Related Authorization**

On March 22, 2024, the Board has resolved that, in light of the business development and operation of the Group, the Company intends to renew the bank credit in 2024 (the “**Bank Credit Limit**”), being not exceeding RMB598.0 million, which shall be revolving during the term of the validity period, in order to ensure the continuity of the Company’s bank credit and to better support the Company’s business expansion.

In the course of application for, and negotiation with, such banks and financial institutions for the financing, such banks and financial institutions generally require the Company to, among others, enter into guarantees for its subsidiaries in favour of such banks and financial institutions (the “**Guarantees**”) as security for such financing. The Company estimates that the Guarantees will be provided by the wholly-owned subsidiaries of the Group and no external guarantee will be provided.

As of March 15, 2024, the Company’s valid credit limit was approximately RMB264.0 million.

The Company’s chairman of the Board, vice chairman of the Board, and the general manager shall be authorized to sign the relevant legal documents with the banks on behalf of the Company within the period from the date of approval by the Shareholders at the AGM to the date of the annual general meeting next year. The aforementioned credit terms shall be subject to the actual credit limit approved by the banks.

The Board considers that the Guarantees are conducive to improve the overall financing efficiency of the Group, and the proposed Bank Credit Limit is estimated based on the Company’s business development plan and the operating needs of its subsidiaries. Given the Guarantees are provided for the Group’s subsidiaries rather than external parties, the Board considers that risks associated with such Bank Credit Limit and Guarantees are manageable. The Company considers that it is in the best interests of the Company and its Shareholders taken as a whole that the Company renews the proposed Bank Credit Limit and provides the Guarantees and that the aforementioned related authorization is granted, such that the Group would be able to obtain the financing for the business development and operation of the subsidiaries. The Company will monitor the balance and the performance ability of the subsidiaries, strengthen management and control measures to control the associated risks.

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## LETTER FROM THE BOARD

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A special resolution will be proposed at the AGM in relation to the proposed Bank Credit Limit and related authorization, details of which are set out in special resolution numbered (12) of the notice of the AGM.

### **(13) Resolution on the Proposed Granting of General Mandate to Issue Additional Shares and Sale or Transfer of Treasury Shares**

In order to satisfy the needs of business development and further increase the capital strength and comprehensive capability of the Company, the Board intends to propose the Shareholders to, on the premise of compliance with the securities regulatory requirements of the place where the Shares of the Company are listed, authorize the Board and its authorized persons, on a general and unconditional basis, to decide to separately or concurrently allot, issue and deal with new Unlisted Shares and/or H Shares (which include the sale or transfer of treasury shares, if any) not more than 20% of the total number of Shares in issue (excluding treasury shares, if any) of the Company as at the date of this resolution being considered and approved at the AGM according to the provisions of the Company Law of the PRC and the Articles of Association. The details of such general mandate are set out in special resolution numbered (13) in the notice convening the AGM.

As at the Latest Practicable Date, there were 136,580,700 Unlisted Shares and 328,919,300 H Shares in issue, and there was no Share which is held as treasury shares. Subject to the passing of the proposed special resolution approving the grant of the Issue Mandate to the Board and on the basis that no Shares will be issued (including no treasury shares will be sold or transferred) by the Company prior to the AGM, a maximum of 93,100,000 Shares, can be allotted, issued and/or dealt with by the Board pursuant to the Issue Mandate to be granted by the Shareholders (which include the sale or transfer of treasury shares, if any). The Issue Mandate will expire upon the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution;
- (b) the expiration of a 12-month period following the passing of the relevant resolution at the AGM; or
- (c) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

Subject to the approval by the Shareholders of the Issue Mandate, the Issue Mandate relating to the sale or transfer of treasury shares will only become into effect on the date when the relevant Listing Rules become into effect, which is expected to be June 11, 2024.

Special resolution will be proposed at the AGM in relation to the granting of the Issue Mandate to the Directors to issue, allot and/or deal with additional Shares (which include the sale or transfer of treasury shares, if any), details of which are set out in special resolution numbered (13) of the notice of the AGM.

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## LETTER FROM THE BOARD

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### **(14) Resolution on the Proposed General Mandate to Repurchase H Shares**

The Company Law (to which the Company is subject to) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as rewards to the staff of the company; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with a merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. The Articles of Association provides that subject to the approval of the relevant regulatory authorities and compliance with the Articles of Association, share repurchase may be effected by the Company for the purposes of reducing its share capital; merging with other companies holding the shares of the Company; using the shares as an employee stock ownership plan or equity incentive plan; at the request of its shareholders who disagree with shareholders' resolutions in connection with a merger or division of the Company; using the shares for conversion of convertible corporate bonds issued by the Company; maintaining the Company's value and protecting the shareholders' interests; or in circumstances permitted by law or administrative regulations.

The Listing Rules permit shareholders of a joint stock limited company duly incorporated in the PRC to grant a general mandate to its directors to repurchase H shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting.

As the H Shares are traded on the Stock Exchange in Hong Kong dollars, the amount payable by the Company upon any repurchase of its H Shares will, therefore, be paid in Hong Kong dollars.

In accordance with the requirements of Article 188 of the Articles of Association applicable to capital reduction, the Company is required to prepare a balance sheet and an inventory of assets upon the reduction of its registered capital. The Company will have to notify its creditors of the passing of such special resolution and the reduction of the registered capital of the Company that would occur should the Company decide to exercise the Repurchase Mandate. Such notification should be given in writing to the Company's creditors and be published by way of an announcement within 10 days and 30 days after the passing of such special resolution, respectively. Creditors then have a period of up to 30 days after receipt of the Company's written notification or if no such notification has been received, up to 45 days after the publication of the announcement to require the Company to repay amounts due to them or to provide guarantees thereof. The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum level required by laws.

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares, approval is proposed to be sought from the Shareholders for the Repurchase Mandate. In accordance with the legal and regulatory requirements described above, the Directors have given notices to convene the AGM. At the AGM, a special resolution will be proposed to grant to the Directors the Repurchase Mandate, i.e. a conditional general mandate to repurchase H Shares up to a maximum of 10% of the total number of H Shares (excluding treasury shares, if any) in issue as at the date of passing such special resolution on the Stock Exchange.

The Repurchase Mandate will be conditional upon:

- (a) the passing of the special resolution approving the grant of the Repurchase Mandate at the AGM;
- (b) the obtaining of the approvals of the relevant regulatory authorities as required by the laws, rules and regulations of the PRC (if applicable); and
- (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 188 of the Articles of Association.

If the Company determines to repay any amount to any of its creditors in the circumstances described under condition (c) above, it expects to do so out of its internal generated fund. If the conditions are not fulfilled, the Repurchase Mandate will not be exercised by the Directors.

The Repurchase Mandate, if approved at the AGM, would expire on the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution; or
- (b) the expiration of a 12-month period following the passing of the relevant resolution at the AGM; or

A special resolution will be proposed at the AGM in relation to the grant of the Repurchase Mandate of H Shares to the Directors, details of which are set out in special resolution numbered (14) of the notice of the AGM.

### **3. CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions set out in the notice of AGM will be decided by way of a poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 7. RECOMMENDATION

The Board considers that each of the matters to be put to the Shareholders for voting at the AGM are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolutions at the AGM as set forth in the notice of the AGM.

### 8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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*

**XIAMEN YAN PALACE BIRD'S NEST INDUSTRY CO., LTD.****(廈門燕之屋燕窩產業股份有限公司)****(THE "COMPANY")****REPORT OF INDEPENDENT  
NON-EXECUTIVE DIRECTORS FOR 2023**

We, as independent non-executive directors of the Company (the "Independent Non-Executive Directors"), leveraged on our independent status and professional expertise and honestly, diligently, responsibly and faithfully performed the duties of Independent Non-Executive Directors with our sense of responsibility towards all the shareholders of the Company (the "Shareholders") in compliance with the Company Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and other relevant rules as well as the provisions and requirements of the articles of association of the Company (the "Articles of Association"). We have actively attended the relevant meetings, expressed our independent opinions in an objective, fair and impartial manner on significant matters of the Company, played an important role as Independent Non-Executive Directors and safeguarded the legitimate rights and interests of the Shareholders taken as a whole, especially the minority Shareholders. The duty performance for the year ended December 31, 2023 is set out as follows:

**I. BASIC INFORMATION****(1) Biographical details of the Independent Non-Executive Directors**

The biographical details of the Independent Non-Executive Directors are consistent with those set out in the "Directors, Supervisors and Senior Management" in the 2023 annual report of the Company (the "2023 Annual Report"). For details, please refer to relevant contents in the 2023 annual report of the Company published on websites of The Stock Exchange of Hong Kong Limited and the Company on April 25, 2024.

**(2) Statement on whether the independence was affected**

We are qualified as Independent Non-Executive Directors. As Independent Non-Executive Directors, we did not hold any position in the Company other than as Independent Non-Executive Directors, nor did we hold any position in the substantial shareholders of the Company. There was no relationship between us and the Company and its substantial shareholders that might have impact on our independent and objective judgments.

**II. OVERVIEW OF THE PERFORMANCE OF DUTIES FOR 2023**

Since our appointment as Independent Non-Executive Directors, we performed our duties as Independent Non-Executive Directors and safeguarded the interests of the Company and its Shareholders, especially minority Shareholders, with the principle of being independent and objective and with diligent and responsible attitude.

**(1) Attendance at meetings for the year ended December 31, 2023**

Attendance at meetings for the year ended December 31, 2023 is consistent with those set out in the “Corporate Governance Report” in the 2023 Annual Report.

**(2) Expression of independent opinions**

The Independent Non-Executive Directors have reviewed the continuing connected transactions mentioned in the section “Continuing Connected Transactions” in the 2023 Annual Report pursuant to Rule 14A.55 of the Listing Rules and confirmed that the aforesaid continuing connected transactions:

- (i) were entered into in the ordinary and usual course of business of the Group;
- (ii) were on normal commercial terms or better to the Group; and
- (iii) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

**(3) On-site inspection and the Company’s supports for the work of the Independent Non-Executive Directors**

The Company provided us with the following necessary supports to perform our duties according to the Company Law of the People’s Republic of China, the Listing Rules and other relevant rules as well as the provisions and requirements of the articles of association of the Company:

- (i) The management of the Company provided us with updates on, among others, the operation, management and financial information of the Company from time to time;
- (ii) When we attended the meetings, the Company was able to provide relevant materials and information in a timely manner and answered the relevant questions raised at the meetings, thus protecting the information rights of the Independent Non-Executive Directors;
- (iii) Prior to giving our independent opinions, the Company was able to provide the intermediaries’ professional opinions (if applicable) on related matters as well as special instructions and other materials (if applicable) issued by the responsible department of the Company as we requested, thus providing the corresponding reference for our independent opinions;
- (iv) The Company delivered us the information of general meetings, meetings of the board of directors of the Company (the “Board”) and meetings of special committees in a timely manner for our review;

- (v) The Company promptly notified us of significant events and material information via telephone, emails, WeChat and other various manners, which enabled us to keep abreast of the Company's condition and provided us with important reference for our decision-making.

**(4) Information on proposing the convening of Board meetings and appointment or removal of auditors, and independently appointing external auditors and advisors**

In 2023, we, as Independent Non-Executive Directors, did not propose the convening of any Board meetings or appointment or removal of auditors, nor did we, as Independent Non-Executive Directors, independently appoint any external auditors or advisors.

**(5) Other work conducted to protect the legitimate rights and interests of the minority Shareholders**

During the term of office in 2023, as Independent Non-Executive Directors, we could be in compliance with the relevant provisions of laws, regulations and the articles of association of the Company, attended the Board meetings and meetings of the special committees of the Company, conscientiously reviewed and verified all relevant matters considered by the Board, made use of our professional expertise and experience to provide independent, objective and reasonable opinions and recommendations on the operation, management, finance and relevant matters of the Company, performed the function of independence of Independent Non-Executive Directors, and effectively safeguarded the legitimate rights and interests of all notg.

The following are the particulars of the Director candidates for the second session of the Board proposed to be re-elected at the AGM:

**BIOGRAPHIC DETAILS OF DIRECTOR CANDIDATES****1. Mr. HUANG Jian**

**HUANG Jian (黃健)**, aged 57, has been our founder, an executive Director and chairman of the Board. He has been a Director and the chairman of the Board since October 2014 and was re-designated as an executive Director on May 25, 2023. Mr. Huang is primarily responsible for formulating the Group’s overall corporate strategy and make key business and operational decisions of the Group. Prior to joining our Group, Mr. Huang has been serving as the general manager and executive director of Xiamen Suntama since November 1997.

Mr. Huang graduated from Fujian Normal University (福建師範大學) in July 1986 with a bachelor’s degree in Mathematics.

Mr. HUANG Jian is one of the controlling shareholders of the Company (as defined in the Listing Rules), and is the brother of Ms. HUANG Danyan. See “History, Development and Corporate Structure” and “Relationship with Our Controlling Shareholders” sections in the Prospectus for details.

**2. Mr. ZHENG Wenbin**

**ZHENG Wenbin (鄭文濱)**, aged 54, has been an executive Director and vice chairman of the Board. He has been a Director and vice chairman of the Board since July 2016, and was re-designated as an executive Director on May 25, 2023. Mr. Zheng is primarily responsible for formulating the Group’s overall corporate strategy and make key business and operational decisions of the Group. Prior to joining our Group, he has been serving as a director of Harbin Dazhong Pharmaceutical Co., Ltd. (哈爾濱大中製藥有限公司) from January 2004 to July 2022. He served as an executive director and general manager of Heilongjiang Yanglifang Pharmaceutical Co., Ltd. (黑龍江省養立方藥業有限公司) (formerly known as Heilongjiang Zhongce Deguang Pharmaceutical Sales Co., Ltd. (黑龍江省中策德廣醫藥銷售有限公司) from June 2008 to January 2020.

Mr. Zheng is one of the controlling shareholders of the Company (as defined in the Listing Rules). See “History, Development and Corporate Structure” and “Relationship with Our Controlling Shareholders” sections in the Prospectus for details.

**3. Mr. LI Youquan**

**LI Youquan (李有泉)**, aged 50, has been an executive Director and general manager of the Company. He has been a Director and general manager since July 2016, and was re-designated as an executive Director on May 25, 2023. Mr. Li is primarily responsible for the overall operation and management of the Group. Prior to joining our Group, he worked in Guangdong Runsheng Pharmaceutical Co., Ltd (廣東潤生藥業有限公司) from November 2007 to October 2014, where he was mainly responsible for supervising the overall strategy and operation management.

Mr. Li graduated from the School of Economics and Management in Shanxi University (山西大學) in 1998 with a bachelor's degree in Economics.

Mr. Li is one of the controlling shareholders of the Company (as defined in the Listing Rules). See "History, Development and Corporate Structure" and "Relationship with Our Controlling Shareholders" sections in the Prospectus for details.

**4. Ms. HUANG Danyan**

**HUANG Danyan (黃丹艷)**, aged 61, has been an executive Director and deputy general manager of the Company. She has been a director and deputy general manager of the Company since October 2014 and July 2016, and was re-designated as an executive Director on May 25, 2023. Ms. Huang is primarily responsible for the company's supply chain sector, production and procurement business. Prior to joining our Group, she served as the deputy general manager of Xiamen Suntama from November 1997 to October 2014.

Ms. HUANG Danyan is the sister of Mr. HUANG Jian.

**5. Mr. LIU Zhen**

**LIU Zhen (劉震)**, aged 47, has been a non-executive Director. He joined our Group as a Director since July 2016 and was re-designated as a non-executive Director on May 25, 2023. He is primarily responsible for providing professional opinion and judgment to the Board of Directors. He served as the president of Glory Manna Media Group (光耀天潤傳媒集團) from January 2013 to August 2014. He is the partner of Guangyao Tianxiang, since September 2015.

Mr. Liu graduated from Beijing University of Technology (北京工業大學) in June 2000 with a bachelor's degree in computer science, and from Chinese Academy of Sciences (中國科學院) (formerly known as University of Chinese Academy of Sciences (中國科學院研究生院)) in June 2008 with a master's degree in business administration.

**6. Mr. WANG Yalong**

**WANG Yalong (王亞龍)**, aged 41, has been a non-executive Director. He has been appointed as a Director since January 2018, and was re-designated as a non-executive Director on May 25, 2023. Mr. Wang is primarily responsible for providing advice and reviewing overall policies and operations. He has been serving as the general manager of Beijing Yanshi Investment Management Center LP (北京焰石投資管理中心(有限合夥)) since February 2017. He served as vice president of investment and financing department of Everbright Financial Holdings (Tianjin) Industrial Investment Fund Management Co., Ltd. (光大金控(天津)產業投資基金管理有限公司) and vice president of equity investment business of investment and financing department of Everbright Financial Holdings Asset Management Co., Ltd. (光大金控資產管理有限公司) from June 2012 to February 2017.

Mr. Wang graduated from Tianjin University of Commerce (天津商業大學) in June 2004 with a bachelor's degree in marketing, and from Peking University (北京大學) in November 2011 with a master's degree in business administration.

**7. Mr. XIAO Wei**

**XIAO Wei (肖偉)**, aged 58, has been an independent non-executive Director. He joined our Group as an independent Director since December 2020 and was re-designated as an independent non-executive Director on May 25, 2023. He is primarily responsible for supervising and providing independent advice on the operation and management of our Group.

Mr. Xiao has been serving as a teacher, associate professor and professor of Xiamen University Law School (廈門大學法學院) since August 2001. He served as director, secretary of the board of directors, and general counsel of Xiamen International Trade Group Co., Ltd. (廈門國貿集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600755) from July 1991 to July 2001. He also served as an independent director of Suzhou Jinhongshun Automotive Parts Co., Ltd. (蘇州金鴻順汽車部件股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 603922) from July 2018 to May 2020, an independent director of Fujian Longma Environmental Sanitation Equipment Co., Ltd. (福建龍馬環衛裝備股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 603686) from September 2019 to September 2022, an independent director of Ruida Futures Co., Ltd. (瑞達期貨股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002961) from January 2019 to January 2022, and an independent director of Fujian Longjing Environmental Protection Co., Ltd. (福建龍淨環保股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 600388) from November 2014 to November 2020, and rejoined in June 2022 as an independent director who is primarily responsible for providing independent advice to the Board. He is currently a director of Xiamen International Trade Group Co., Ltd., an independent director of Motic (Xiamen) Electric Group Co., Ltd. (麥克奧迪(廈門)電氣股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300341), an independent director of Xiamen Faratronic Co., Ltd., (廈門法拉電子股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600563), and an independent director of Dabo Medical Technology Co., Ltd. (大博醫療科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002901). Mr. Xiao is also a

supervisor of Xiamen University Chen An International Law Development Foundation (廈門大學陳安國際法學發展基金會), a law professor of Xizang Minzu University (西藏民族學院), an executive council member of PRC Securities Law Research Association (中國證券法研究會), an arbitrator of Xiamen Arbitration Commission (廈門仲裁委員會), a vice president of Fujian Enterprise Legal Work Association (福建省企業法律工作協會), a lawyer of Yinghe Law Firm (福建英合律師事務所), a president of Fujian Economic Law Research Association (福建省經濟法學研究會會長), a vice president of Fujian International Economic Law Research Association (福建省國際經濟法學研究會副會長), an arbitrator of Quanzhou Arbitration Commission (泉州仲裁委員會), arbitrator of Harbin Arbitration Commission (哈爾濱仲裁委員會), a mediator of Cross-Strait Arbitration Center (海峽兩岸仲裁中心), a deputy director of the research office of Intermediate People's Court of Xiamen City, Fujian Province (福建省廈門市中級人民法院) and a director of China World Trade Organization Research Association (中國世界貿易組織研究會).

Mr. Xiao graduated from Xiamen University (廈門大學) in July 1988 with a bachelor's degree in international economic law, in July 1991 with a master's degree in civil and commercial law and in July 2000 with a doctoral degree in international law. Mr. Xiao obtained the PRC lawyer qualification (中國律師資格) in June 2020, law professor appointment certificate (法學教授聘任證書) in 2003 and qualifications for independent directors of listed companies (上市公司獨董任職資格) in August 2010.

#### 8. Mr. CHEN Aihua

**CHEN Aihua (陳愛華)**, aged 38, has been an independent non-executive Director. He joined our Group as an independent Director since December 2020 and was re-designated as an independent non-executive Director on May 25, 2023. He is primarily responsible for supervising and providing independent advice on the operation and management of our Group.

Since September 2013, Mr. Chen has been a lecturer, associate professor and professor of Xiamen National Accounting Institute (廈門國家會計學院). He is currently an independent director of Fujian Zhangzhou Development Co., Ltd. (福建漳州發展股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000753), an independent director of Beijing Dataway Horizon Co., Ltd. (北京零點有數數據科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301169), an independent director of Shantui Construction Machinery Co., Ltd. (山推工程機械股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000680), an independent director of Goldstate Securities Co., Ltd (金元證券股份有限公司) and an external supervisor of Shanghai Hengshi Financial Consulting Co., Ltd. (上海衡息財務諮詢有限公司). He served as an independent director of Power HF Co., Ltd. (華豐動力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 605100) from August 2019 to October 2022.

Mr. Chen graduated from Central South University (中南大學) in June 2008 with a bachelor's degree in business administration, and from Xiamen University (廈門大學) in June 2013 with a combined master and doctor degree in accounting. Since December 2012, Mr. Chen is a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and obtained the PRC lawyer qualification (中國律師資格) in March 2012.

**9. Mr. LAM Yiu Por**

**LAM Yiu Por (林曉波)**, aged 47, has been an independent non-executive Director. He joined our Group as an independent non-executive Director since November 20, 2023. He is primarily responsible for supervising and providing independent advice on the operation and management of our Group. He has been an independent non-executive director of JNBY Design Limited (江南布衣有限公司) (a company listed on the Stock Exchange, stock code: 3306) since October 2016 and a chief financial officer and company secretary of Dingdang Health Technology Group Co., Ltd (叮噹健康科技集團有限公司) (a company listed on the Stock Exchange, stock code: 9886) since January 2021.

He served as independent non-executive director of Tian Ge Interactive Holdings Limited (天鵝互動控股有限公司) (a company listed on the Stock Exchange, stock code: 1980) from January 2021 to June 2022, the vice president and chief financial officer of Greentech Technology International Limited (綠科科技國際有限公司) (formerly known as L'sea Resources International Holdings Ltd. (利海資源國際控股有限公司) (a company listed on the Stock Exchange, stock code: 0195) from November 2013 to July 2020, an independent non-executive director of Denox Environmental & Technology Holdings Limited (迪諾斯環保科技控股有限公司) (a company listed on the Stock Exchange, stock code: 1452) from October 2015 to June 2020, an independent non-executive director of China Tontine Wines Group Co., Ltd. (中國通天酒業集團有限公司) (a company listed on the Stock Exchange, stock code: 0389) from November 2016 to November 2018, an non-executive director of Zhong Ao Home Group Limited (中奧到家集團有限公司) (a company listed on the Stock Exchange, stock code: 1538) from April 2015 to May 2017, an independent non-executive director of Yat Sing Holdings Limited (日成控股有限公司) (a company listed on the Stock Exchange, stock code: 3708) (currently known as China Supply Chain Holdings Limited (中國供應鏈產業集團有限公司) from December 2014 to March 2016, an independent non-executive director of GR Properties Limited (建懋國際有限公司) (a company listed on the Stock Exchange, stock code: 0108) (currently known as GR Properties Limited (國銳地產有限公司)) from June 2012 to February 2014, the chief financial officer and company secretary of Lijun International Pharmaceutical (Holding) Co., Ltd. (利君國際醫藥(控股)有限公司) (currently known as SSY Group Limited (石四藥集團有限公司)) (a company listed on the Stock Exchange, stock code: 2005) from December 2005 to May 2008 and the chief financial officer and qualified accountant of Zhongtian International Holdings Limited (中天國際控股有限公司) (currently known as China Clean Energy Technology Group Limited (中國清潔能源科技集團有限公司)) (a company listed on the Stock Exchange, stock code: 2379) from July 2004 to December 2005.

Mr. Lam graduated from the Hong Kong Polytechnic University (香港理工大學) with a bachelor degree of arts in accountancy in November 1997. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants since October 2004, an associate of The Hong Kong Chartered Governance Institute since March 2006, a chartered financial analyst of the CFA Institute since September 2006 and a fellow of the Association of Chartered Certified Accountants since November 2007.

## OTHER INFORMATION

As at the Latest Practicable Date, the following Directors had interests in the Shares of the Company within the meaning of Part XV of the SFO:

Name	Class of Shares <sup>(8)</sup>	Capacity/Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage shareholding in our Unlisted Shares <sup>(8)</sup> / H Shares	Approximate percentage in our total share capital
Mr. Huang <sup>(4)</sup>	Unlisted Shares	Beneficial owner	–	–	–
	H Shares		4,335,000	1.32%	0.93%
	Unlisted Shares	Interest held jointly	33,261,090	24.35%	7.15%
	H Shares	with another person <sup>(2)</sup>	41,886,095	12.73%	9.00%
	Unlisted Shares	Interest in	45,892,780	33.60%	9.86%
	H Shares	controlled corporation <sup>(3)</sup>	45,892,780	13.95%	9.86%
Mr. Zheng	Unlisted Shares	Interest in	–	–	–
	H Shares	controlled corporation <sup>(4)</sup>	8,208,320	2.50%	1.76%
	Unlisted Shares	Beneficial owner	16,636,520	12.18%	3.57%
	H Shares		16,636,520	5.06%	3.57%
	Unlisted Shares	Interest held jointly	62,517,350	45.77%	13.43%
	H Shares	with another person <sup>(2)</sup>	75,060,675	22.82%	1.62%
Mr. Li	Unlisted Shares	Interest of spouse <sup>(5)</sup>	–	–	–
	H Shares		8,625,000	2.62%	1.85%
	Unlisted Shares	Beneficial owner	16,624,570	12.17%	3.57%
	H Shares		16,624,575	5.05%	3.57%
LIU Zhen	Unlisted Shares	Interest held jointly	62,529,300	45.78%	13.43%
	H Shares	with another person <sup>(2)</sup>	83,697,620	25.45%	17.98%
	Unlisted Shares	Beneficial owner	–	–	–
	H Shares		12,020,475	3.65%	2.58%
WANG Yalong	Unlisted Shares	Interest in	30,000,000	21.97%	6.44%
	H Shares	controlled corporation <sup>(6)</sup>	30,000,000	9.12%	6.44%
	Unlisted Shares	Interest in	–	–	–
	H Shares	controlled corporation <sup>(7)</sup>	38,857,460	11.81%	8.35%

- (1) All interests stated are long positions.
- (2) (i) Mr. Huang, our founder, chairman and executive Director; (ii) Xiamen Suntama, an entity controlled by Mr. Huang; (iii) Mr. Zheng, our vice chairman and executive Director; and (iv) Mr. Li, our general manager and executive Director, are acting in concert (Mr. Huang, Mr. Zheng, Mr. Li and Xiamen Suntama, together the “Concert Parties”). See “History, Development and Corporate Structure – Concert Party Arrangement” in the Prospectus for more information. The equity interest held by Xiamen Jinyan Tengfei Equity Investment Partnership (Limited Partnership) (廈門金燕騰飛股權投資合夥企業(有限合夥)) (“Jinyan Tengfei LP”) (the employee incentive share platform controlled by Mr. Huang, who is the general partner of such limited partnership) and by Ms. Xue Fengying (the spouse of Mr. Zheng, “Ms. Xue”), are also deemed to be controlled by the Concert Parties pursuant to the Listing Rules.
- (3) Xiamen Suntama is controlled by Mr. Huang as of December 31, 2023. Mr. Huang is therefore deemed to be interested in the Shares held by Xiamen Suntama under the SFO.
- (4) As of the Latest Practicable Date, Mr. Huang was the sole general partner of Jinyan Tengfei LP. Mr. Huang is deemed to be interested in the Shares in which Jinyan Tengfei LP is interested in.
- (5) Ms. Xue is the spouse of Mr. Zheng. Accordingly, Mr. Zheng is deemed to be interested in the same number of Shares of Ms. Xue is interested in for the purpose of the SFO.
- (6) Xiamen Guangyao Tianxiang Investment Co., Ltd. is the sole general partner of Xiamen Guangyao Tianxiang Equity Investment Partnership LP (廈門光耀天祥股權投資合夥企業(有限合夥)) (“Guangyao Tianxiang LP”) and is therefore deemed to be interest in the Shares held by Guangyao Tianxiang LP under the SFO. LIU Zhen held approximately 80% of the limited partnership interests of Guangyao Tianxiang LP and controls Xiamen Guangyao Tianxiang Investment. Co., Ltd. as of the Latest Practicable Date. LIU Zhen is therefore deemed to be interested in the Shares held by Guangyao Tianxiang LP under the SFO.
- (7) WANG Yalong held approximately 45% of Beijing Yanshi Investment Management Center Limited Partnership (北京焰石投資管理中心(有限合夥)) as of Latest Practicable Date, which is the general partner of Beijing Hongyan Equity Investment Center (Limited Partnership) (北京弘燕股權投資中心(有限合夥)). WANG Yalong is therefore deemed to be interested in the Shares held by Beijing Hongyan Equity Investment Center (Limited Partnership) under the SFO.
- (8) The Company has applied for the conversion of all the outstanding 136,580,700 Unlisted Shares into H Shares, including the Unlisted Shares held by the aforementioned Director candidate, the filing of which with China Securities Regulatory Commission has been completed in March 2024. The Company will apply for the listing of, and permission to deal in, such Shares on the Stock Exchange and complete such conversion in due course. See the Company’s announcements dated January 24, 2024 and March 11, 2024 for details.

Save as disclosed above, Ms. HUANG Danyan is also a limited partner of Jinyan Tengfei LP, a shareholder of the Company, and thus is indirectly interested in 425,191 Shares of the Company as calculated by multiplying her percentage of limited partnership interests in Jinyan Tengfei LP by the total number of Shares held by Jinyan Tengfei LP. See “Appendix IV – Statutory and General Information” section in the Prospectus for more details.

Save as disclosed herein, each of the Director candidates (i) does not hold any other positions in the Company or any members of the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company; (iii) is not interested in any shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years prior to the Latest Practicable Date. As at the Latest Practicable Date, there is no other information of each of the Director candidates that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to their proposed appointment as Directors that need to be brought to the attention of the Shareholders.

The following are the particulars of the Supervisor candidates for the second session of the Board proposed to be re-elected at the AGM:

### BIOGRAPHIC DETAILS OF SUPERVISOR CANDIDATES

#### 1. Mr. ZHENG Feng

**ZHENG Feng (鄭峰)**, aged 53, has been a Supervisor since October 2014 and appointed as the chairman of the board of Supervisors in September 2022. He is responsible for supervising the performance of duties by our Directors and members of the senior management of our Group. He served as a general manager at Xiamen Huarui Zhongying Holding Group Co., Ltd. (廈門華瑞中盈控股集團有限公司) (formerly known as Xiamen Huarui Zhongying Investment Management Co., Ltd. (廈門市華瑞中盈投資管理有限公司)) since January 2006. He served as a general manager of Xiamen Yiding Auction House (廈門一鼎拍賣行) from April 2003 to December 2005. Mr. Zheng holds 20% of the limited partnership interests in our Shareholder, Guangyao Tianxiang LP.

Mr. Zheng graduated from Xiamen Jimei Finance College (廈門集美財政專科學校) in June 1993 majoring in investment economic management.

#### 2. Ms. WEI Wei

**WEI Wei (魏激)**, aged 40, has been a Supervisor since July 2016. She is responsible for supervising the performance of duties by our Directors and members of the senior management of our Group. She has been served as the purchasing manager from December 2008 and promoted to serve as deputy director of production center at Yan Sinong in December, 2023. Prior to joining our Group, she served as secretary to the general manager and the administrative commissioner of the human resource department of Xiamen Suntama from October 2006 to November 2008. Ms. Wei holds 3.65% of the limited partnership interests in our Shareholder, Jinyan Tengfei LP.

Ms. Wei graduated from Guizhou University of Finance and Economics (貴州財經大學) in July 2006 with a bachelor's degree in financial management.

#### 3. Ms. ZHANG Ning

**ZHANG Ning (張寧)**, aged 35, has been a Supervisor since September 2022. She is responsible for supervising the performance of duties by our Directors and members of the senior management of our Group. Ms. Zhang served as secretary to the Chairman of our Group, manager of the legal department from July 2015 to December 2020 and senior manager of legal department of our Group since December 2020. Prior to joining our Group, she served as a legal consultant and chairman's secretary at Xiamen Suntama from March 2013 to June 2015. She served as the campus principal and partner of the Longwen campus at Zhangzhou Longwen Hanlin Education Consulting Co., Ltd. (漳州市龍文翰林教育諮詢有限公司) from March 2012

to March 2013. She served as Campus Director at Beijing Longwen Global Education Technology Co., Ltd. Xiamen Branch (北京龍文環球教育科技有限公司廈門分公司) from December 2010 to December 2012. She served as Office Director of the Nanjing Yurun project department at China Construction Seventh Engineering Division (Shanghai) Co., Ltd. (中建七局(上海)有限公司) from August 2010 to November 2010. Ms. Zhang holds 2.13% of the limited partnership interests in our Shareholder, Jinyan Tengfei LP.

Ms. Zhang graduated from Chongqing University (重慶大學) in June 2010 with a bachelor's degree in law.

### **OTHER INFORMATION**

Ms. WEI Wei and Ms. ZHANG Ning are also limited partners of Jinyan Tengfei LP, a shareholder of the Company, and thus are indirectly interested in 299,604 and 174,837 Shares of the Company, respectively, as calculated by multiplying their respective percentage of limited partnership interests in Jinyan Tengfei LP by the total number of Shares held by Jinyan Tengfei LP. See “Appendix IV – Statutory and General Information” section in the Prospectus for more details.

Save as disclosed herein, each of the Supervisor candidates (i) does not hold any other positions in the Company or any members of the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company; (iii) does not have any interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years prior to the Latest Practicable Date. As at the Latest Practicable Date, there is no other information relating to each of the supervisor candidates which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in respect of their proposed appointment as Supervisors.

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**APPENDIX 4 PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION**

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The following are the Proposed Amendment to the existing Articles of Association. Unless otherwise specified, clauses and articles referred to herein are clauses and articles of the Amended and Restated Articles of Association.

All capitalized terms in the Proposed Amendment contained in this Appendix are terms defined in the existing Articles of Association which shall have the corresponding meanings ascribed to them in the existing Articles of Association.

<b>Article</b>	<b>Before amendment</b>	<b>After amendment</b>
5	Address: Unit 4, Unit 102, No. 3, Xiangming Road, Xiamen Torch High-tech Zone (Xiang'an), Industrial Zone	Address: Unit 1, Unit 301, No. 3, Xiangming Road, Xiamen Torch High-tech Zone (Xiang'an), Industrial Zone

Save for the proposed amendment set out above, other provisions in the Articles of Association remain unchanged.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the special resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 136,580,700 Unlisted Shares with a nominal value of RMB0.20 each and 328,919,300 H Shares with a nominal value of RMB0.20 each, and there was no Share which is held as treasury Shares.

### **2. REASONS FOR REPURCHASE OF H SHARES**

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to seek a mandate from the Shareholders to enable the Company to repurchase H Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders taken as a whole.

### **3. EXERCISE OF THE REPURCHASE MANDATE**

Subject to the passing of the relevant special resolution set out in the respective notices of the AGM, the Directors will be granted the Repurchase Mandate until the end of the Relevant Period (as defined in the notice of the AGM). In addition, the exercise of the Repurchase Mandate is subject to the approvals of the applicable laws, regulations and rules and/or requirements of the Stock Exchange or any other governmental or regulatory body being obtained and to the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 188 of the Articles of Association.

As at the Latest Practicable Date, assuming the Repurchase Mandate is approved at the AGM, the exercise in full of the Repurchase Mandate would result in up to 32,891,930 H Shares (assuming there is no issue of additional H Shares nor if applicable, sale or transfer of treasury shares from the Latest Practicable Date up to the date of the AGM) being repurchased by the Company during the Relevant Period (as defined in the notice of the AGM).

### **4. FUNDING OF REPURCHASE OF H SHARES**

The Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of PRC and/or any other applicable laws, as the case may be.

In accordance with the requirements of PRC applicable laws or administrative regulations, and subject to the approval of relevant authority, the Company is entitled by its Articles of Association to purchase its H Shares. The Company may not repurchase H Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Based on the financial position disclosed in the recently published audited accounts for the year ended December 31, 2023, the Directors consider that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing and in the best interests of the Company.

## 5. STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall be held as treasury shares or cancelled. The Company may cancel any H Shares it repurchased and/or hold them as treasury shares subject to market conditions and its capital management needs at the relevant time of the repurchases as well as applicable laws and regulations. Should the H Shares repurchased by the Company be cancelled, all the relevant share certificates shall be cancelled and destroyed and the Company will ensure that the documents of title of the repurchased H Shares are cancelled and destroyed as soon as practicable following settlement of any such repurchase. Should the H Shares repurchased by the Company be held as treasury shares, the listing of all H Shares which are held as treasury shares shall be retained, and the Company will ensure that the treasury shares are appropriately identified, segregated and retained in accordance with applicable laws and regulations.

## 6. MARKET PRICES OF H SHARES

The highest and lowest prices per H Share at which H Shares have traded on the Stock Exchange during the period from December 12, 2023, the date when the Company's H Shares was initially listed on the main board of the Stock Exchange up to and including the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
December 2023	10.70	6.85
January 2024	10.02	8.71
February 2024	11.40	9.35
March 2024	10.58	9.04
April 2024 ( <i>up to the Latest Practicable Date</i> )	9.60	8.28

## 7. GENERAL INFORMATION

The Directors consider that there would not be a material adverse impact on the working capital or on the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period (as compared with the position disclosed in the latest published audited accounts of the Company for the year ended December 31, 2023). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Board at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

The Directors will exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company has confirmed that neither the Explanatory Statement nor the proposed share repurchase has any usual features.

To the best of the knowledge of the Directors having made all reasonable enquiries, none of the Directors or any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any H Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders. The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

## **8. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, our Controlling Shareholders are entitled to exercise approximately 38.56% of the voting rights of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, our Controlling Shareholders would be entitled to exercise approximately 42.84% of the voting rights of the Company.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code and/or result in the aggregate number of H Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any purchases to be made under the Repurchase Mandate. The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the Repurchase Mandate is approved and the conditions (if any) to which the Repurchase Mandate are fulfilled.

## **9. SHARE REPURCHASE MADE BY THE COMPANY**

During the period from December 12, 2023, the date when the Company's H Shares was initially listed on the main board of the Stock Exchange, up to and including the Latest Practicable Date, the Company had not repurchased any of its H Shares (whether on the Stock Exchange or otherwise).

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**燕之屋**  
YAN PALACE

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## NOTICE OF ANNUAL GENERAL MEETING

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8. the resolution on the proposed re-appointment of auditor for 2024
  
9. the resolution on the proposed re-election and remuneration of Directors for the second session of the Board:
  - (1) the resolution on the proposed re-election of Mr. HUANG Jian as an executive Director;
  - (2) the resolution on the proposed re-election of Mr. ZHENG Wenbin as an executive Director;
  - (3) the resolution on the proposed re-election of Mr. LI Youquan as an executive Director;
  - (4) the resolution on the proposed re-election of Ms. HUANG Danyan as an executive Director;
  - (5) the resolution on the proposed re-election of Mr. LIU Zhen as a non-executive Director;
  - (6) the resolution on the proposed re-election of Mr. WANG Yalong as a non-executive Director;
  - (7) the resolution on the proposed re-election of Mr. XIAO Wei as an independent non-executive Director;
  - (8) the resolution on the proposed re-election of Mr. CHEN Aihua as an independent non-executive Director;
  - (9) the resolution on the proposed re-election of Mr. LAM Yiu Por as an independent non-executive Director; and
  - (10) the resolution on the proposed remuneration of Directors.
  
10. the resolution on the proposed re-election and remuneration of Supervisors for the second session of the Supervisory Committee:
  - (1) the resolution on the proposed re-election of Mr. ZHENG Feng as a Supervisor;
  - (2) the resolution on the proposed re-election of Ms. WEI Wei as a Supervisor;
  - (3) the resolution on the proposed re-election of Ms. ZHANG Ning as a Supervisor; and
  - (4) the resolution on the proposed remuneration of Supervisors.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

By way of special resolutions, to consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

11. the resolution on the proposed change of registered address and amendments of Articles of Association
12. the resolution on the proposed bank credit limit and related authorization
13. the resolution on the proposed granting of general mandate to issue additional Shares and sale or transfer of treasury shares
  - (a) the Board be and is hereby granted an unconditional general mandate to separately or concurrently issue, allot and deal with additional Shares (which includes the sale or transfer of treasury shares, if any) in the share capital of the Company and to make any proposals, enter into any agreement or grant any conversion rights in respect thereof, subject to the following terms:
    - a. such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make any proposals, enter into any agreement or grant any conversion rights which might require the exercise of such powers after the end of the Relevant Period;
    - b. the number of new Shares to be allotted or agreed conditionally or unconditionally to be allotted and issued (which includes the sale or transfer of treasury shares, if any) (whether or not by way of an exercise of conversion rights or by any other means) by the Board shall not exceed 20% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of passing this resolution, being 93,100,000 Shares;
    - c. the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including but not limited to Rules 13.36(6) and 13.36(7)) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained (if applicable); and
    - d. the Board will only exercise its power under such mandate to sale or transfer of treasury shares, if any, when and only if the relevant Listing Rules become into effect.

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) for the purpose of this resolution:

“**treasury shares**” has the meaning ascribed thereto under the Listing Rules;

“**Relevant Period**” means the period from the passing of this resolution until the earliest of the three periods below:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of a 12-month period following the passing of this resolution; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the Shareholders of the Company in a general meeting.

(c) contingent on the Board’s resolving to issue Shares (which includes the sale or transfer of treasury shares, if any) pursuant to paragraph (a) of this resolution, the Board or its authorized person be and is hereby authorized to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider relevant in connection with the issue of such new Shares (which includes the sale or transfer of treasury shares, if any), including, but not limited to, determining the time and place of issue (which includes the sale or transfer of treasury shares, if any), making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and other authorities, and to make such amendments to the Articles of Association as it thinks fit so as to reflect the increase in registered capital of the Company and to reflect the new share capital structure of the Company under the intended allotment and issue of the Shares of the Company (which includes the sale or transfer of treasury shares, if any) pursuant to the resolution under paragraph (a) of this resolution.

14. the resolution on the proposed general mandate to repurchase H Shares

(a) subject to paragraphs (b) and (c) below, the Board be and is hereby authorized to exercise all the powers of the Company to repurchase the H Shares in issue of the Company on the Stock Exchange during the Relevant Period (as defined in paragraph 13(b) above), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the PRC, the Stock Exchange or any other governmental or regulatory bodies.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the total number of H Shares of the Company authorized to be repurchased subject to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of the H Shares in issue (excluding treasury shares, if any) of the Company as at the date of the passing of this resolution.
  
- (c) the approval in paragraph (a) above shall be conditional upon:
  - a. the passing of a special resolution at the AGM of the Company to be held on May 21, 2024;
  
  - b. the approval of the relevant PRC regulatory authorities as may be required by laws, rules and regulations of the PRC being obtained by the Company (if applicable); and
  
  - c. the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 188 of the Articles of Association of the Company.
  
- (d) subject to approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted (if applicable), and contingent on the Board's resolving to repurchase H Shares pursuant to paragraph (a) of this resolution, the Board or its authorized person be and is hereby authorized to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider relevant in connection with the repurchase, including but not limited:
  - (a) formulate and implement the specific repurchase plans, including but not limited to repurchase price and number of repurchased H Shares, and determine the time and duration of repurchase, etc.;
  
  - (b) notify creditors and issue announcements in accordance with the requirements of the relevant laws, regulations, normative documents and the Articles of Association;
  
  - (c) open overseas share accounts and carry out the related changes of foreign exchange registration procedures;
  
  - (d) carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the H Shares are listed;

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- (e) carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of H Shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;
- (f) if applicable, carry out the cancellation procedures for repurchased H Shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;
- (g) if applicable, carry out the necessary procedures for converting the repurchased H Shares as treasury shares, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; and
- (h) execute and handle other documents and matters related to the repurchase of H Shares.

For details of the foregoing resolutions, please refer to the Circular.

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*

Xiamen, the PRC, April 25, 2024

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Unless the context requires otherwise, the terms used in this notice of AGM shall have the meaning same as those used in the Circular.
2. For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from May 16, 2024 to May 21, 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all H Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on May 14, 2024. Unlisted Share Shareholders should contact the Board Secretary for details concerning registration of transfers of Unlisted Shares. The contact details of the Board Secretary are: Caizihui, No. 188, Qianpu Road, Siming District, Xiamen City, Fujian Province, PRC; telephone No.: +86 0592 5063275; and facsimile No.: +86 0592 5209808.

For determining the entitlement of Shareholders to receive the final dividend, the register of members of the Company will be closed from May 27, 2024 to May 30, 2024, both days inclusive, during which period no transfer of Shares will be registered. To qualify for the final dividend, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on May 24, 2024. Unlisted Share Shareholders should contact the Board Secretary for details concerning registration of transfers of Unlisted Shares. The contact details of the Board Secretary are: Caizihui, No. 188, Qianpu Road, Siming District, Xiamen City, Fujian Province, PRC; telephone No.: +86 0592 5063275; and facsimile No.: +86 0592 5209808.

3. H Share Shareholders and Unlisted Share Shareholders who have the right to attend and vote at the AGM are entitled to appoint one or more proxies (whether or not a Shareholder) to attend and vote on his/her/its behalf. For those Shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of poll.
4. In order to be valid, the proxy form must be completed and signed in accordance with the instructions printed thereon and return it to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the AGM (for the H Share Shareholders); or to the business address of the Company in the PRC, at 22/F, Caizihui No. 188, Qianpu Road, Siming District, Xiamen City, Fujian Province, PRC not less than 24 hours before the time appointed for the holding of the AGM (for the Unlisted Share Shareholders).
5. If a proxy is appointed to attend the AGM on behalf of a Shareholder, the proxy must produce a proxy form which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized. The proxy form shall specify the number of shares represented by the proxy of the Shareholder. Where a Shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy.
6. All persons who are registered holders of shares of the Company at the close of business (Hong Kong time) on Tuesday, May 14, 2024 will be entitled to attend and vote at the meeting.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions set out in this notice will be decided by poll at the AGM. For details of the above resolutions, please refer to the circular of the Company dated April 25, 2024.

*As at the date of this notice, 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.*