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燕之屋
YAN PALACE

XIAMEN YAN PALACE BIRD'S NEST INDUSTRY CO., LTD.

廈門燕之屋燕窩產業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1497)

PROFIT WARNING

This announcement is made by 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**”, and its subsidiaries (collectively, the “**Group**”), pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended December 31, 2024, and taking into account the information currently available to the Board, it is expected that (i) the Group expected to record revenue of approximately RMB2,000 million to RMB2,100 million for the year ended December 31, 2024, representing an increase of approximately 2% to 7% as compared to the revenue for the year ended December 31, 2023, and (ii) the Group expected to record net profit of approximately RMB158.7 million to RMB179.8 million for the year ended December 31, 2024, representing a decrease of approximately 15% to 25% as compared to the net profit for the year ended December 31, 2023.

The Board considers that such an expected decrease in net profit is mainly attributable to the following reasons:

1. In order to deepen the strategic layout of high-end branding, the Group completed the development of a dual spokesperson matrix during the year ended December 31, 2024, and signed the international actress Ms. Gong Li (鞏俐) and the young actor Mr. Wang Yibo (王一博) to form a brand resonance effect. Based on the prospective investment in brand strategy, the brand effect was gradually released, and net profit in the second half of the year increased year-on-year, as a result that decline in net profit for the whole year was significantly reduced;
2. In order to build up the supply chain capacity for the Company's development in the next five to ten years, according to the Company's plan for the use of proceeds, the Company completed the relocation and production of the new green intelligent factory in May 2024. The construction of the new factory led to a slight increase in production cost, which will gradually return to the normal level with the gradual release of production capacity of the new factory and the improvement of production efficiency in the future; and

- Affected by the structural adjustment to the macro-consumption environment, revenue from offline channels declined slightly due to the trend of conservative spending by offline customers, and the revenue from online channels achieved a steady growth.

The results of the Group for the year ended December 31, 2024 are subject to finalization and the actual results of the Group for the year ended December 31, 2024 will be disclosed in the annual results announcement in accordance with the Listing Rules.

The Company would like to remind the Shareholders and potential investors of the Company that the information set out in this announcement is based on a preliminary assessment with reference to the information currently available to the Board and has not been reviewed by the audit committee of the Company and the independent auditor of the Company, respectively, and may differ with the actual annual results for the year ended December 31, 2024 of the Group. Should there be other matters that will have any further material impact on the estimated net profit of the Group for the year ended December 31, 2024, further announcement(s) will be made as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the annual results announcement of the Company for the year ended December 31, 2024, which is expected to be published in March 2025.

By Order of the Board
Xiamen Yan Palace Bird's Nest Industry Co., Ltd.
廈門燕之屋燕窩產業股份有限公司
HUANG Jian
Chairman and Executive Director

Hong Kong, February 14, 2025

As at the date of this announcement, the Board comprises (i) Mr. HUANG Jian, Mr. ZHENG Wenbin, Mr. LI Youquan and Ms. HUANG Danyan as executive Directors; (ii) Mr. LIU Zhen and Mr. WANG Yalong as non-executive Directors; and (iii) Mr. XIAO Wei, Mr. CHEN Aihua and Mr. LAM Yiu Por as independent non-executive Directors.