
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pu'er Lancang Ancient Tea Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PU'ER LANCANG ANCIENT TEA CO., LTD.

普洱瀾滄古茶股份有限公司

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

(Stock Code: 6911)

**(1) PROPOSED CHANGE IN USE OF PROCEEDS; AND
(2) NOTICE OF THE 2025 SECOND
EXTRAORDINARY GENERAL MEETING**

The notice convening the Extraordinary General Meeting of the Company to be held at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC on Friday, 30 May 2025 at 9:00 a.m. is set out on pages 9 to 10 of this circular. A proxy form for use at the Extraordinary General Meeting is also enclosed. Such proxy form is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.lcgc.cn).

Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed proxy form 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 but in any event not less than 24 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. not later than 9:00 a.m. on Thursday, 29 May 2025) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Extraordinary General Meeting if you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

13 May 2025

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DEFINITION

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

“Articles of Association” or “Articles”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China for the purpose of this circular and for geographical reference only, except where the context requires, references in this circular to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan region
“Company”	Pu’er Lancang Ancient Tea Co., Ltd. (普洱瀾滄古茶股份有限公司), a joint stock company incorporated in the PRC with limited liability, the issued H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6911)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“EGM” or “Extraordinary General Meeting”	the 2025 second extraordinary general meeting of the Company to be held on Friday, 30 May 2025 at 9:00 a.m. at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu’er, Yunnan Province, PRC, or any adjournment thereof
“Group”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
“H Share(s)”	overseas-listed foreign invested ordinary share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange

DEFINITION

“H Shareholder(s)”	the holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Notice of EGM”	the notice dated 13 May 2025 convening the EGM as set out on pages 9 to 10 of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD

PU'ER LANCANG ANCIENT TEA CO., LTD. 普洱瀾滄古茶股份有限公司

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

(Stock Code: 6911)

Executive Directors:

Ms. DU Chunyi (*Chairlady*)
Mr. ZHOU Xinzong (*General Manager*)
Mr. ZHANG Muheng
Ms. SHI Yijing
Mr. FU Gang
Mr. LIU Jiajie

Registered Office:

Pingzhang Road
West Suburb Hot Spring Community
Menglang Town
Lancang Lahu Ethnic Autonomous County
Pu'er
Yunnan Province
PRC

Independent Non-executive Directors:

Dr. XIE Xiaoyao
Mr. TANG Zhangliang
Dr. YANG Kequan

*Head Office and Principal Place of Business
in the PRC:*

Pingzhang Road
West Suburb Hot Spring Community
Menglang Town
Lancang Lahu Ethnic Autonomous County
Pu'er
Yunnan Province
PRC

Principal Place of Business in Hong Kong:

Room 1928
19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

13 May 2025

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED CHANGE IN USE OF PROCEEDS; AND (2) NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 13 May 2025. The purpose of this circular is to provide you with information regarding, among other things, (i) the proposed change in use of proceeds; and (ii) the notice of EGM, to enable you to make an informed decision as to whether to vote for or against the relevant resolution(s) to be proposed at the EGM.

LETTER FROM THE BOARD

ORDINARY RESOLUTION

I. PROPOSED CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus of the Company dated 14 December 2023 (the “**Prospectus**”) in relation to the future plans and use of proceeds (the “**Use of Proceeds**”) from global offering of the Company (the “**Global Offering**”) and (ii) the announcement dated 30 December 2024 and the circular dated 30 December 2024 of the Company in relation to the change in use of unutilised proceeds at the time (the “**Previous Change in Use of Proceeds**”). Unless otherwise defined, capitalised terms used in this circular shall have the same meaning as those defined in the Prospectus and the circular on Previous Change in Use of Proceeds.

Use of Proceeds as Disclosed in the Prospectus and as Amended by the Previous Change in Use of Proceeds

As set out in the Prospectus, after deducting the underwriting commission and other estimated expenses payable by the Company in connection with the Global Offering, the total net proceeds from the Global Offering amounted to RMB141.4 million (the “**Net Proceeds**”). The original allocation of Net Proceeds is disclosed in the section of “FUTURE PLANS AND USE OF PROCEEDS” in the Prospectus.

As mentioned in the circular on Previous Change in Use of Proceeds, the Company has made certain changes in use of the unutilised Net Proceeds of approximately RMB57.6 million as of 30 November 2024, the allocation of the Net Proceeds after the Previous Change in Use of Proceeds is set out in the paragraphs headed “Plan for Change in Use of Proceeds” below.

Plan for Change in Use of Proceeds

As of 30 April 2025, approximately RMB23.5 million of the Net Proceeds remained unutilised. Taking into consideration of the reasons set out in the paragraphs headed “Reasons for and Benefits of the Change in Use of Net Proceeds” below, the Board has resolved to reallocate a total of RMB14.0 million of the Net Proceeds for working capital and other general corporate purposes (the “**Change in Use of Proceeds**”), which includes:

- (i) To reallocate RMB10.3 million from the unutilised Net Proceeds of RMB13.3 million, which is originally allocated for the sales channel building, for working capital and other general corporate purposes. The remaining of RMB3.0 million will continue to be invested in optimizing the sales network; and
- (ii) To reallocate RMB3.7 million from the unutilised Net Proceeds of RMB4.3 million, which is originally allocated for upgrading our information technology infrastructure and strengthening our research and development capabilities, for working capital and other general corporate purposes. The remaining of RMB0.6 million will continue to be invested in upgrading our information technology infrastructure.

LETTER FROM THE BOARD

The use of Net Proceeds after the Change in Use of Proceeds is as follows:

Use of Proceeds	Planned use of Net Proceeds after previous change		Use of Net Proceeds after the Change in Use of Proceeds			Unutilised Net Proceeds as of 30 April 2025		Expected timeline for full utilisation
	Amount of approximate Net Proceeds (RMB million)	Approximate percentage of the total Net Proceeds	Amount of Change in Use of Proceeds (RMB million)	Amount of approximate Net Proceeds (RMB million)	Approximate percentage of the total Net Proceeds	Utilised Net Proceeds as of 30 April 2025 (RMB million)	following the Change in Use of Proceeds (RMB million)	
Building modernised logistics and warehousing centers, building new production facilities and upgrading current production facilities	11.7	8.3%	–	11.7	8.3%	11.7	–	2025
Sales channel building	19.3	13.6%	-10.3	9.0	6.4%	6.0	3.0	2025
Brand building and product marketing	25.4	18.0%	–	25.4	18.0%	22.1	3.3	2025
Upgrading our information technology infrastructure and strengthening our research and development capabilities	7.1	5.0%	-3.7	3.4	2.4%	2.8	0.6	2025
Working capital and other general corporate purposes	21.9	15.5%	14.0	35.9	25.4%	21.9	14.0	2025
Investment in the Shanquan Fermentation Project	30.0	21.2%	–	30.0	21.2%	27.4	2.6	2025
Repayment of the borrowings	26.0	18.4%	–	26.0	18.4%	26.0	–	2025
Total	141.4	100.0%	–	141.4	100.0%	117.9	23.5	

LETTER FROM THE BOARD

Reasons for and Benefits of the Change in Use of Net Proceeds

The change in use of Net Proceeds is mainly to adjust the total amount of RMB14.0 million from “sales channel building” and “upgrading our information technology infrastructure and strengthening our research and development capabilities” to “working capital and other general corporate purposes”, with the adjusted amount accounting for 9.9% of the Net Proceeds of RMB141.4 million.

The “sales channel building” project was originally planned to be mainly used for the establishment and investment of self-operated stores. As of 30 April 2025, the Company had invested RMB6.0 million from the Net Proceeds in the sales channel building project, which was mainly used for the establishment and operation of self-operated stores. Taking an overall look at the Company’s operation in 2024 and the slow recovery of the consumer market in 2025 so far, and taking into account the fact that self-operated stores require relatively large investment in terms of funds and human resources, the Company believes that further large-scale investment in self-operated stores at this stage is not in line with the Company’s actual needs, and that the use of part of the funds designated for the “sales channel building” project to replenish the “working capital and other general corporate purposes” will help the Company alleviate the pressure on funds due to the impact of the market environment, and will also be conducive to the Company’s further improvement of the efficiency of fund utilization and the enhancement of the Company’s financial flexibility and soundness. With respect to the sales channel building, the Company will consider investing in such project using its own funds, bank loans, or other methods deemed appropriate based on market conditions and its development.

The “upgrading our information technology infrastructure and strengthening our research and development capabilities” project mainly plans to enhance the level of information technology by upgrading the information system, etc. and to strengthen the product development and iteration capabilities by purchasing research and development equipment and materials, etc. As of 30 April 2025, the Company had invested RMB2.8 million from the Net Proceeds in the project. The Company is well aware of the significance of enhancing the level of information technology and strengthening the research and development capabilities to the long-term development of enterprises; however, the development of information technology and strengthening of research and development capabilities are characterized by long-term investment and gradual adjustments and changes, and at this stage when the Company’s business development is affected by the slow recovery of the consumer market, the adjustment of a portion of the proceeds from the project to working capital is more urgent for the Company’s operating activities. With respect to the enhancement of the level of information technology and research and development capabilities, the Company will consider investing in such project using its own funds, bank loans, or other methods deemed appropriate based on market conditions and its development.

The proceeds intended to be used for “working capital and other general corporate purposes” will be fully utilized for production and operating activities related to the Company’s principal business, and the Board will ensure that the funds are used in a lawful and compliant manner to effectively serve the Company’s core business development.

LETTER FROM THE BOARD

The use of Net Proceeds is subject to combined effects of macro economy, industrial development, actual operation performance of the Company and other factors. The Board will continue to assess such evolving situations and if necessary, revise or modify such plans in respond to risks associated with evolving market conditions and changes in the Company's own operations, to ensure a sustainable growth of the Company for a long term.

II. THE EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will be held at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC on Friday, 30 May 2025 at 9:00 a.m.. The notice convening the Extraordinary General Meeting is set out on pages 9 to 10 of this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lcgc.cn).

A proxy form to be used at the EGM is also enclosed herein and published on the website of the Stock Exchange (www.hkexnews.hk). H Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

For H Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarized copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during this period no transfer of H Shares will be registered. H Shareholders whose names appear on the H Shares register of members of the Company on Friday, 30 May 2025 are entitled to attend and vote at the EGM.

In order to attend the EGM, H Shareholders shall lodge all transfer documents together with the relevant share certificates to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 26 May 2025.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the Chairlady, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution proposed at the EGM will be voted by poll.

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting at the Extraordinary General Meeting.

LETTER FROM THE BOARD

III. RECOMMENDATION

The Board considers that the resolution proposed at the Extraordinary General Meeting is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the proposed resolution.

IV. 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 purpose 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.

By order of the Board
PU'ER LANCANG ANCIENT TEA CO., LTD.
普洱瀾滄古茶股份有限公司
Ms. DU Chunyi
Chairlady and Executive Director

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

PU'ER LANCANG ANCIENT TEA CO., LTD.

普洱瀾滄古茶股份有限公司

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

(Stock Code: 6911)

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Pu'er Lancang Ancient Tea Co., Ltd. (the “**Company**”) will be held at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC on Friday, 30 May 2025 at 9:00 a.m. to consider and, if thought fit, pass the following resolution. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 13 May 2025 (the “**Circular**”):

ORDINARY RESOLUTION

1. To consider and approve the change in use of proceeds.

By order of the Board

PU'ER LANCANG ANCIENT TEA CO., LTD.

普洱瀾滄古茶股份有限公司

Ms. DU Chunyi

Chairlady and Executive Director

The PRC, 13 May 2025

NOTICE OF THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. The resolution at the EGM will be taken by poll (except where the chairlady decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The results of the poll will be published on the websites of the Company at www.lcgc.cn and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.
2. All the Shareholders of the Company are eligible for attending the EGM. Any Shareholder of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. 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 but in any event not less than 24 hours before the time appointed for the holding of the EGM (for the H Shareholders); or to the domestic business place of the Company, at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC not less than 24 hours before the time appointed for the holding of the EGM (for the Shareholders of unlisted Domestic Shares).
4. For the purposes of determining the list of Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares must lodge all completed transfer documents accompanied by the relevant share certificates with 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 not later than 4:30 p.m. on Monday, 26 May 2025.
5. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The EGM is expected to take for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A Shareholder or his/her proxy should produce proof of identity when attending the EGM.
8. References to date and time in this notice are to Hong Kong dates and time.
9. Contact details of the Company are set out as follows:

Contact person: Ms. Shi Yijing
Telephone No.: +86-0871-7222621

As at the date of this notice, the board of directors of the Company comprises (i) Ms. Du Chunyi, Mr. Zhou Xinzong, Mr. Zhang Muheng, Ms. Shi Yijing, Mr. Fu Gang and Mr. Liu Jiajie as executive directors; and (ii) Dr. Xie Xiaoyao, Mr. Tang Zhangliang and Dr. Yang Kequan as independent non-executive directors.