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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 form of proxy, 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;
(2) PROPOSED CHANGE OF AUDITORS;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION; AND
(4) NOTICE OF THE 2024 FIRST
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 Wednesday, 7 August 2024 at 9:00 a.m. is set out on pages 20 to 21 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy 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 form of proxy 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 Tuesday, 6 August 2024) or any adjournment thereof. Completion and return of the form of proxy 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.

19 July 2024

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DEFINITION

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

| | |
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| “Announcement” | the announcement of the Company dated 17 July 2024, in relation to the (1) Proposed Change in Use of Proceeds (2) proposed change of auditors of the Company and (3) proposed amendments to the Articles of Association |
| “Annual Report” | the annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 |
| “Articles of Association” or “Articles” | the articles of association of our Company, as amended, modified or otherwise supplemental from time to time |
| “Board” or “Board of Directors” | the board of Directors of our 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”, “our Company” or “Lancang Ancient Tea” | 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 our Company |
| “Domestic Share(s)” | ordinary shares in the share capital of our 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 2024 first extraordinary general meeting of the Company to be held on Wednesday, 7 August 2024 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, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 20 to 21 of this circular, or any adjournment thereof |

DEFINITION

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|--------------------------------------|--|
| “Global Offering” | the global offering of the H Shares in December 2023 |
| “Group” | our Company and its subsidiaries (or our 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 our Company with nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange |
| “H Shareholder(s)” | the holder(s) of H Shares |
| “HK\$” | Hong Kong Dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Latest Practicable Date” | 30 June 2024, being the latest practicable date prior to the date 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 from time to time) |
| “Net Proceeds” | the net proceeds of approximately HK\$155.6 million (equivalent to approximately RMB141.4 million) from the Global Offering |
| “Notice of EGM” | the notice dated 19 July 2024 convening the EGM as set out on pages 20 to 21 of this circular |
| “Proposed Change in Use of Proceeds” | the proposed change in use of Net Proceeds, details of which are set out under the section headed “I. PROPOSED CHANGE IN USE OF PROCEEDS” in the Letter from the Board |
| “Prospectus” | the prospectus issued by the Company dated 14 December 2023 |
| “RMB” | Renminbi, the lawful currency of the PRC |

DEFINITION

| | |
|---------------------------------|--|
| “Shanquan Fermentation Project” | Shanquan fermentation and capacity expansion project* (山泉古醇及產能擴容項目) |
| “Share(s)” | ordinary share(s) in the issued capital of our 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, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| “%” | per cent |

* *For identification purpose only*

LETTER FROM THE BOARD

PU'ER LANCIANG 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*)

Ms. WANG Juan

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

Non-executive Director:

Mr. ZHOU Xinzhong

*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

Independent Non-executive Directors:

Ms. CAO Wei

Dr. XIE Xiaoyao

Mr. TANG Zhangliang

Dr. YANG Kequan

Principal Place of Business in Hong Kong:

5/F, Manulife Place

348 Kwun Tong Road

Kowloon

Hong Kong

19 July 2024

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED CHANGE IN USE OF PROCEEDS;
(2) PROPOSED CHANGE OF AUDITORS;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION; AND
(4) NOTICE OF THE 2024 FIRST
EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding, among other things, the (i) proposed change in use of proceeds; (ii) proposed change of auditors; (iii) proposed amendments to the Articles of Association and (iv) 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

Reference is made to the Announcement in respect of, among other things, the Proposed Change in Use of Proceeds, the proposed change of auditors of the Company and the proposed amendment to the Articles of Association. Unless otherwise defined herein, capitalized terms used in this circular shall have the same meanings as those defined in the Announcement.

ORDINARY RESOLUTIONS

I. PROPOSED CHANGE IN USE OF PROCEEDS

References are made to the prospectus of the Company dated 14 December 2023 (the “**Prospectus**”) and the announcement of the Company dated 21 December 2023 (the “**Announcement**”) in relation to the offer price and allotment results announcement of the Global Offering. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

Use of Net Proceeds

As disclosed in the Prospectus and the Announcement, the net proceeds from the listing of H Shares of the Company on the Stock Exchange on 22 December 2023 (pursuant to the offer price of HK\$10.70 per H Share after deducting the underwriting commissions and other listing related expenses payable by the Company in connection with the Global Offering) were approximately RMB141.4 million (“**Net Proceeds**”). The breakdown of the use of Net Proceeds as set out in the Prospectus and the unutilised Net Proceeds as of 30 June 2024 are summarised as below:

| Use of Net Proceeds | Approximate Percentage of the total Net Proceeds | Planned use of Net Proceeds as disclosed in the Prospectus (RMB million) | Remaining Net Proceeds as of 30 June 2024 (RMB million) |
|---|---|---|--|
| Building modernised logistics and warehousing centers, building new production facilities and upgrading current production facilities | 35.0% | 49.5 | 47.1 |
| Sales channel building | 27.0% | 38.2 | 32.5 |
| Brand building and product marketing | 18.0% | 25.4 | 13.3 |
| Strategic investments in and acquisitions of business opportunities in the tea industry | 5.0% | 7.1 | 7.1 |

LETTER FROM THE BOARD

| Use of Net Proceeds | Approximate Percentage of the total Net Proceeds | Planned use of Net Proceeds as disclosed in the Prospectus <i>(RMB million)</i> | Remaining Net Proceeds as of 30 June 2024 <i>(RMB million)</i> |
|---|---|---|---|
| Upgrading our information technology infrastructure and strengthening our research and development capabilities | 5.0% | 7.1 | 6.5 |
| Working capital and other general corporate purposes | 10.0% | 14.1 | 0.1 |
| Total | 100% | 141.4 | 106.6 |

As at the Latest Practicable Date for the purpose of this announcement, approximately RMB106.6 million of the Net Proceeds has not been utilised.

Proposed change in use of proceeds

The Company plans to change the use of the Net Proceeds as follows:

- Pursuant to the Prospectus, the investment in building modernised logistics and warehousing centers and new production facilities, and upgrading current production facilities (“**Project 1**”) amounts to 35% of the Net Proceeds, i.e. RMB49.5 million. As of 30 June 2024, the Company has already invested RMB2.4 million of the Net Proceeds in Project 1, leaving the remaining Net Proceeds to RMB47.1 million. The Company plans to reallocate RMB37.8 million from the Net Proceeds for Project 1 in the following manner: (a) RMB30.0 million to Shanquan Fermentation Project, and (b) RMB7.8 million to working capital and other general corporate purposes.
- Upon completion of the aforesaid reallocation, the remaining Net Proceeds from Project 1 amounts to RMB9.3 million, which will continue to be invested in the planned logistics and e-commerce center project in Foshan in accordance with the section headed “Future Plans and Use of Proceeds” in the Prospectus, while the original planned logistics and warehousing center project in Pu’er (the “**Pu’er Warehousing Project**”) and other projects in Project 1 will no longer be invested by the Company by use of the Net Proceeds, and shall be subsequently be invested by way of self- financing, bank loans or such other way(s) as the Company deems fit in light of the market situation and its own development status.

LETTER FROM THE BOARD

The breakdown of use of Net Proceeds as set out in the Prospectus and the proposed revised allocation of the remaining Net Proceeds are summarised as below:

| Use of Net Proceeds | Planned use of Net Proceeds as disclosed in the Prospectus | | Proposed reallocation in the Net Proceeds | | Net Proceeds after proposed reallocation | | Utilised Net Proceeds as of 30 June 2024 | Unutilised Net Proceeds as of 30 June 2024 | Expected timeline for full utilization |
|---|--|---|---|---|---|---|---|--|--|
| | <i>Amount of Net Proceeds (RMB million)</i> | <i>Approximate Percentage of the total Net Proceeds</i> | <i>Amount of Net Proceeds (RMB million)</i> | <i>Amount of Net Proceeds (RMB million)</i> | <i>Approximate Percentage of the total Net Proceeds</i> | <i>Amount of Net Proceeds (RMB million)</i> | <i>Amount of Net Proceeds (RMB million)</i> | <i>Year</i> | |
| Building modernised logistics and warehousing centers, building new production facilities and upgrading current production facilities | 49.5 | 35.0% | (37.8) | 11.7 | 8.3% | 2.4 | 9.3 | End of 2025 | |
| Sales channel building | 38.2 | 27.0% | – | 38.2 | 27.0% | 5.7 | 32.5 | End of 2025 | |
| Brand building and product marketing | 25.4 | 18.0% | – | 25.4 | 18.0% | 12.1 | 13.3 | End of 2025 | |
| Strategic investments in and acquisitions of business opportunities in the tea industry | 7.1 | 5.0% | – | 7.1 | 5.0% | – | 7.1 | End of 2025 | |
| Upgrading our information technology infrastructure and strengthening our research and development capabilities | 7.1 | 5.0% | – | 7.1 | 5.0% | 0.6 | 6.5 | End of 2025 | |

LETTER FROM THE BOARD

| Use of Net Proceeds | Planned use of Net Proceeds as disclosed in the Prospectus | | Proposed reallocation in the Net Proceeds | Net Proceeds after proposed reallocation | | Utilised Net Proceeds as of 30 June 2024 | Unutilised Net Proceeds as of 30 June 2024 | Expected timeline for full utilization |
|--|--|--|---|--|--|--|--|--|
| | Amount of Net Proceeds (RMB million) | Approximate Percentage of the total Net Proceeds | Amount of Net Proceeds (RMB million) | Amount of Net Proceeds (RMB million) | Approximate Percentage of the total Net Proceeds | Amount of Net Proceeds (RMB million) | Amount of Net Proceeds (RMB million) | Year |
| Working capital and other general corporate purposes | 14.1 | 10.0% | 7.8 | 21.9 | 15.5% | 14.0 | 7.9 | End of 2024 |
| Investment in the Shanquan Fermentation Project | – | – | 30.0 | 30.0 | 21.2% | – | 30.0 | End of 2024 |
| Total | 141.4 | 100.0% | | 141.4 | 100.0% | 34.8 | 106.6 | |

Reasons for and benefits of change in use of Net Proceeds

(1) *Reallocation of unutilised Net Proceeds to invest in the Shanquan Fermentation Project*

(a) *Basic information of the Shanquan Fermentation Project*

The Shanquan Fermentation Project shall be conducted at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County (“**Lancang**”), Pu’er, Yunnan Province, the PRC, which is adjacent to the Company’s production headquarters, i.e. the production base in Lancang. The project site has a total area of approximately 9,120 square metres and a total gross floor area of approximately 10,214.4 square metres. New fermented tea facilities and drying workshops will be added for the Company upon the completion of the Shanquan Fermentation Project, as well as the inclusion of transit storage areas for the materials to be fermented and storage areas for finished and semi-finished products.

The estimated total investment amount for the Shanquan Fermentation Project is approximately RMB41.9 million, and the Company plans to invest approximately RMB30.0 million through the Net Proceeds, and the remaining project amount will be provided by the Company through its own sources of funding. As of 30 June 2024, the Company has incurred approximately RMB10.0 million for the acquisition of land use

LETTER FROM THE BOARD

rights for the Shanquan Fermentation Project, which is expected to be completed by the end of 2024. Upon completion and commencement of production, the Shanquan Fermentation Project will be conducive to increasing the Company's production capacity of fermented tea, increasing the storage and turnover area, and will be able to form a more complete production layout with the Company's production base in Lancang.

(b) *Significance of the Shanquan Fermentation Project to the Company's current stage of development*

(i) Macro-environmental and industrial situation analysis

Consumption is still the focus in the post epidemic era, and the change of consumption mode puts forward more diversified requirements for enterprises

In 2024, the National Commercial Work Conference (全國商務工作會議) was held and pointed out that it would promote consumption from post epidemic recovery to continuous expansion, improve the market and circulation system, and organise various kinds of consumption promotion activities with the main line of "Year of Consumption Promotion" (消費促進年). The Board is of the view that consumption promotion is one of the important directions of macro policies at this stage, and under the influence of various factors such as online consumption, live e-commerce, and changes in the demand of young consumers in the new generation in the post epidemic era, it has put forward more diversified requirements on the supply chain capability, production capacity and product development capability of enterprises. Therefore, the Company is aware of the importance of its resilience in the supply chain and production end while firmly establishing its development strategy. The Shanquan Fermentation Project shall increase the Company's production capacity and supply capability at the fermented tea end, and is able to provide production support for the Company's more diversified or batch demands that may exist in the future.

Positive events in the Pu'er tea industry which help the industry to move towards a broader market development

In September 2023, the Ancient Tea Forest Cultural Landscape of Jingmai Mountain in Yunnan Province (雲南省景邁山古茶林文化景觀) ("**Jingmai Mountain**") was successfully inscribed on the World Heritage List administered by The United Nations Educational, Scientific and Cultural Organization (UNESCO), which is the world's first tea-themed world cultural heritage, reflecting the long history and outstanding achievements of Chinese tea culture, and is of great significance to the spread of Chinese tea culture. Meanwhile, the year of 2024 marks the 50th anniversary of the birth of Yunnan Pu'er fermented tea, which has won a number of awards, and the tea fermentation process is one of the historical and representative processes in the

LETTER FROM THE BOARD

Yunnan tea industry. The Company has many years of experience in tea fermentation process, and has produced a variety of representative and well-known fermented tea products based on the raw materials from Jingmai Mountain. In conjunction with the successful application for the inscription of Jingmai Mountain in September 2023 and the 50th anniversary of fermented tea in 2024, the Company has set the development goal and strategy of becoming the “No. 1 brand of Pu’er fermented tea” in 2024, therefore, the Shanquan Fermentation Project is of great significance to the Company’s strategic development.

(ii) Analysis of the Company’s development goals

Enhancement of the Company’s competitive advantage

Combining the industry and market development opportunities, the Company has put forward the important layout of the Shanquan Fermentation Project earlier this year, and plans to build the Company into the “No. 1 brand of Pu’er fermented tea”. During the Company’s major branding event “The Journey Home” (“回家之旅”) in spring 2024, the Company unveiled the Shanquan Fermentation Project for the first time to its business partners and tea enthusiasts across the market. We believe that the Shanquan Fermentation Project will increase the Company’s fermented tea production capacity and supply capability, which is important for the Company’s future development and enhancement of its competitive advantage.

Improvement of the Company’s overall production layout

The tea fermentation process requires sufficient space, and the temperature and humidity during the fermentation process also have strict requirements. The Shanquan Fermentation Project site is adjacent to the Company’s core production base in Lancang (the Company’s main production base), and is able to optimise resource allocation for the Company’s production base in Lancang and facilitates the management by production staff of the Company. Concurrently, for the Company’s another production base located in Lancang, a portion of the land will be reclaimed by the local government due to planning needs for 2024 and a new land located near the Shanquan Fermentation Project site will be exchanged for the Company’s use. Accelerating the progress of the Shanquan Fermentation Project will enable the Company to adapt to the aforementioned planning adjustment, and it will have a positive impact on the refinement and overall layout optimisation of the Lancang production base.

LETTER FROM THE BOARD

Meeting the consumption demand of downstream customers

While the Company attaches importance to the development of offline distribution channels, online channels and key accounts are important media for the Company to conduct sales. Online sales put forward more diversified requirements on the Company's supply chain capacity, while the bulk production capacity of the Company's key account customers is also highly valued. As one of the most important sales channels of the Company in recent years, a Company's key account customer ("**Customer S**") has also selected the Company's Pu'er fermented tea budget products for the first time this year, and the Company believes that Customer S has a certain degree of representativeness of the end-consumption of the Company's products. Therefore, by enhancing the Company's fermented tea production capacity through the Shanquan Fermentation Project, there is an opportunity to satisfy more consumer demand for fermented tea products in the future.

(c) Reasons for the reallocation of unutilised Net Proceeds from building modernised logistics and warehousing centers, building new production facilities and upgrading current production facilities

The Board (including the independent non-executive Directors) resolved that the reallocation of the remaining Net Proceeds for Project 1 shall not have material adverse impact on the production and operation of the Company.

As of 30 June 2024, the Net Proceeds allocated for Project 1 were mainly utilised in the Pu'er Warehousing Project and the planned logistics and e-commerce center project in Foshan. For further details regarding the Project 1, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As confirmed by the Board, the logistics and e-commerce center project in Foshan will continue to be invested in accordance with the section headed "Future Plans and Use of Proceeds" in the prospectus and shall not be subject to any change, while the Pu'er Warehousing Project will no longer be invested through the unutilised Net Proceeds. As confirmed by the Board, the Pu'er Warehousing Project is mainly to increase the Company's warehousing area in Pu'er, whereas the Shanquan Fermentation Project can simultaneously expand the Company's fermented tea production facilities and a certain amount of warehousing area, which is a more urgent project in view of the latest market trend and the Company's development needs. Therefore, the Company will speed up the promotion of the Shanquan Fermentation Project, and will subsequently promote the Pu'er Warehousing Project by use of its own resources in accordance with the market and the development of the Company.

LETTER FROM THE BOARD

(2) Reallocation of Net Proceeds to working capital and other general corporate purposes

The Group has decided to re-allocate RMB7.8 million, representing approximately 5.5% of the Net Proceeds, to working capital and general corporate purposes, which will enhance the Group's financial management flexibility. As the development of the market in the post epidemic era is more diversified and uncertain, the Board is of the view that the reallocation of the unutilised Net Proceeds will help the Company to improve the efficiency of the use of funds, and apply the funds in a more balanced and flexible manner for the development and investment in various aspects of the business operations of the Company, and will be of greater significance for the Company to respond to the changes in the post epidemic era in a timely manner.

The Board confirms that there are no material changes in the nature of the business of the Group and considers that the proposed change in use of proceeds is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

The progress of new projects and their effects on the Company are subject to factors such as the macroeconomic environment, industry development, and the actual operating conditions of the Company. Therefore, the Board will continuously assess the changing market conditions and may revise or amend such plans where necessary to cope with the changing market conditions or potential risks in order to strive for better performance of the Group. The Board proposes to authorise the chairlady of the Board or a designated Director to handle all matters relating to the proposed change in use of proceeds.

II. PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 6 June 2024 in relation to, among other things, the approval by the Shareholders of the re-appointment of PricewaterhouseCoopers (“**PwC**”) as the auditors of the Company for the financial year of 2024 and the authorization of the Board of Directors to fix the auditor's remunerations at the annual general meeting of the Company held on 6 June 2024 (the “**AGM**”).

The Board hereby announces that PwC has resigned as the auditor of the Company with effect from 17 July 2024. In the resignation letter of PwC dated 17 July 2024, PwC stated that they resigned as auditor of the Company as PwC was informed by the Company that the Board has decided to propose the appointment of another auditor taking into account the Company's development needs as well as increasing profitability through cost reduction. The Board and the audit committee of the Company (the “**Audit Committee**”) have confirmed that there is no disagreement or unresolved matters between the Company and PwC, and there are no matters in connection with the resignation of PwC as the auditor of the Company that should be brought to the attention of the Shareholders or creditors of the Company and the Stock Exchange. PwC has also confirmed that there are no circumstances connected with the resignation that they consider should be brought to the attention of the Shareholders and creditors of the Company.

LETTER FROM THE BOARD

The Board and Audit Committee further confirmed that PwC has not commenced any audit work on the consolidated financial statements of the Group for the year ending 31 December 2024. It is therefore expected that the change of auditor will not have any material impact on the annual audit of the Group for the year ending 31 December 2024.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional and quality services rendered to the Group during the past years.

The Board further announces that it has resolved to propose the appointment of Elite Partners CPA Limited (“**Elite Partners**”) as the new auditors of the Company for the financial year of 2024 upon consideration and approval by the meeting of the Board and the Audit Committee.

The Audit Committee has considered a number of factors in assessing the appointment of Elite Partners as the new auditor, including but not limited to (i) the audit proposal of the Elite Partners; (ii) its experience, knowledge and technical competence in providing audit work to companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; and (iv) the relevant rules and guidance.

Based on the above, the Audit Committee has concluded that Elite Partners is eligible and suitable to act as the new auditor for the financial year of 2024. The Board and the Audit Committee are of the view that the change in auditor would enhance the cost-effectiveness of the Company’s audit, maintain audit quality and is in the interest of the Company and its Shareholders as a whole.

SPECIAL RESOLUTION

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board hereby announces that the Company has considered and approved, among other things, the resolution in relation to the amendments to the Company’s Articles of Association.

In accordance with regulatory rules and regulations issued by the China Securities Regulatory Commission, the Stock Exchange and relevant regulatory authorities, and in light of the actual circumstances of the Company, the Board proposes to amend the Articles of Association.

LETTER FROM THE BOARD

Details of the proposed amendments to the Articles of Association are set out below:

| Existing Articles of Association | Revised Articles of Association |
|--|---|
| <p>Article 17</p> <p>...</p> <p>Where the shareholders of domestic unlisted shares apply for the conversion of the domestic unlisted shares held by them into overseas listed shares and have such shares listed and traded on an overseas exchange, they shall entrust the domestic company to go through the relevant filing procedures with the CSRC, subject to the relevant regulations of the CSRC.</p> | <p>Article 17</p> <p>...</p> <p>Where the shareholders of domestic unlisted shares apply for the conversion of the domestic unlisted shares held by them into overseas listed shares and have such shares listed and traded on an overseas exchange, <u>they are not required to convene a shareholders' meeting to vote on the application, but they shall entrust the domestic the</u> company to go through the relevant filing procedures with the CSRC, subject to the relevant regulations of the CSRC.</p> |
| <p>Article 48</p> <p>The Company shall get approval from the general meeting if it provides:</p> <p>...</p> <p>(vi) any guarantee for any shareholder or de facto controller or their affiliates of the Company.</p> <p>In deliberating a proposal regarding the provision of any guarantee for any shareholder or de facto controller of the Company, such shareholder or any shareholder subject to the direction of the de facto controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the general meeting.</p> | <p>Article 48</p> <p>The Company shall get approval from the general meeting if it provides:</p> <p>...</p> <p>(vi) any guarantee for any shareholder or de facto controller or their affiliates of the Company;</p> <p><u>(vii) other guarantees required by laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed or these Articles.</u></p> <p>In deliberating a proposal regarding the provision of any guarantee for any shareholder or de facto controller of the Company <u>or their affiliates</u>, such shareholder or any shareholder subject to the direction of the de facto controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the general meeting.</p> |

LETTER FROM THE BOARD

| Existing Articles of Association | Revised Articles of Association |
|--|--|
| <p>Article 101</p> <p>Each Director of the Company shall be a natural person. No Director of the Company shall be a person who:</p> <p>...</p> <p>(ii) has been subject to any criminal penalty due to embezzlement, bribery, encroachment, misappropriation of properties or disruption of the order of socialist market economy or been deprived of his/her political rights, and has completed his/her sentence not more than five (5) years;</p> <p>(iii) has been the director, factory manager or general manager of any company or enterprise that went bankrupt and was liquidated not more than three (3) years, and is personally liable for the bankruptcy of such company or enterprise;</p> <p>(iv) has been the legal representative of any company or enterprise that had its business license revoked and was ordered to be closed down due to violation of law not more than three (3) years, and is personally liable for such violation;</p> <p>(v) owes a large amount of debts due and unpaid;</p> <p>(vi) has been and is still being banned by the CSRC from entering the stock market; or</p> <p>(vii) is otherwise disqualified to serve as a Director of the Company pursuant to the applicable laws, administrative regulations and department rules.</p> <p>...</p> | <p>Article 101</p> <p>Each Director of the Company shall be a natural person. No Director of the Company shall be a person who:</p> <p>...</p> <p>(ii) has been subject to any criminal penalty due to embezzlement, bribery, encroachment, misappropriation of properties or disruption of the order of socialist market economy or been deprived of his/her political rights, and has completed his/her sentence not more than five (5) years; <u>where a probation has been given, not exceeding two years since the expiration of the probation period;</u></p> <p>(iii) has been the director, factory manager or general manager of any company or enterprise that went bankrupt and was liquidated not more than three (3) years, and is personally liable for the bankruptcy of such company or enterprise;</p> <p>(iv) has been the legal representative of any company or enterprise that had its business license revoked and was ordered to be closed down due to violation of law not more than three (3) years, and is personally liable for such violation;</p> <p>(v) <u>is listed as a defaulter by a people's court since he/she</u> owes a large amount of debts due and unpaid;</p> <p>(vi) has been and is still being banned by the CSRC from entering the stock market; or</p> <p>(vii) is otherwise disqualified to serve as a Director of the Company pursuant to the applicable laws, administrative regulations <u>and department rules and securities regulatory rules of the place where the Company's shares are listed.</u></p> <p>...</p> |

LETTER FROM THE BOARD

| Existing Articles of Association | Revised Articles of Association |
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| <p>Article 151</p> <p>If the successor of a Supervisor is not appointed upon expiration of his/her term of office or a Supervisor resigns office prior to the expiration of his/her term of office, which causes the number of members of the Supervisory Committee to be less than the quorum, such Supervisor shall continue to perform his/her duties in accordance with the relevant laws, administrative regulations and these Articles until his/her successor is appointed and takes office.</p> | <p>Article 151</p> <p>If the successor of a Supervisor is not appointed upon expiration of his/her term of office or a Supervisor resigns office prior to the expiration of his/her term of office, which causes the number of members of the Supervisory Committee to be less than the quorum <u>or if the resignation of an employee representative Supervisor results in the number of the employee representative Supervisors being less than 1/3 of the members of the Supervisory Committee</u>, such Supervisor shall continue to perform his/her duties in accordance with the relevant laws, administrative regulations and these Articles until his/her successor is appointed and takes office.</p> |
| <p>Article 157</p> <p>The Supervisory Committee exercises the following powers and duties:</p> <p>...</p> <p>(vii) to initiate litigations against Directors and senior executives in accordance with provisions set out in Article 151 of the Company Law;</p> <p>...</p> | <p>Article 157</p> <p>The Supervisory Committee exercises the following powers and duties:</p> <p>...</p> <p>(vii) to initiate litigations against Directors and senior executives in accordance with provisions set out in Article 151 of the Company Law;</p> <p>...</p> |

LETTER FROM THE BOARD

| Existing Articles of Association | Revised Articles of Association |
|--|---|
| <p>Article 168</p> <p>The Company may distribute dividends in the form of cash or stock, as follows:</p> <p>...</p> <p>(iii) Conditions for distribution and proportion of cash dividends: The Company distributes profits primarily in the form of cash. Specifically, if the Company makes a profit in a year, after making up the loss and appropriating the statutory provident fund and surplus reserve according to law, the Company shall distribute the remaining distributable profits in the form of cash, to the limit of aggregate profits distributable.</p> | <p>Article 168</p> <p>The Company may distribute dividends in the form of cash or stock, as follows:</p> <p>...</p> <p>(iii) Conditions for distribution and proportion of cash dividends: The Company distributes profits primarily in the form of cash. Specifically, if the Company makes a profit in a year <u>and the accumulated undistributed profit is positive, after meeting the Company's capital requirements for normal production and operation and making up the loss and appropriating the statutory provident fund and surplus reserve according to law,</u> the Company shall distribute the remaining distributable profits in the form of cash, to the limit of aggregate profits distributable.</p> |
| <p>Article 202</p> <p>The Company shall amend these Articles under any of the following circumstances:</p> <p>(i) the amendment in the Company Law or the relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed has caused contradiction between the matters stipulated in these Articles and the amended laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed;</p> <p>...</p> | <p>Article 202</p> <p>The Company shall amend these Articles under any of the following circumstances:</p> <p>(i) the amendment in the Company Law or the relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed has caused contradiction between the matters stipulated in these Articles and the amended laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed;</p> <p><u>In the event of any of the above circumstances, the amended laws, administrative regulations, departmental rules and the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed shall prevail, and these Articles shall be amended in a timely manner.</u></p> <p>...</p> |

LETTER FROM THE BOARD

The Board proposed to the Extraordinary General Meeting to authorize the Chairlady of the Board or other person(s) further authorised by her to (i) make any amendments to the Articles of Association and relevant disclosures in relevant circulars that comply with the Listing Rules requirements or relevant laws and regulations of the place of incorporation; (ii) make any amendments she deems necessary or appropriate to the resolutions of the EGM in relation to the amendment of the Articles or Association; (iii) publish relevant announcements, circulars, Articles of Association and other documents on the website of the Stock Exchange and the Company's website, and arrange the circulation of circulars and other relevant documents to the Shareholders on behalf of the Company; (iv) submit documents on behalf of the Company to regulatory authorities at the place of incorporation, the Stock Exchange, the Hong Kong Companies Registry and other regulatory authorities; (v) manage all matters related to the amendment of the Articles of Association or other matters that are necessary or appropriate in her sole discretion, and execute and deliver all relevant documents that, in her sole discretion, deems necessary or appropriate in connection with the amendment of the Articles of Association or in connection herewith.

Prior to the amendments to the Articles of Association at the EGM, the existing Articles of Association remains valid. After the proposed amendments to the Articles of Association come into effect, the full text of the revised Articles of Association will be published on the Company's website (<http://www.lcgc.cn>) and the Stock Exchange's website (www.hkexnews.hk).

The Company has been advised by its legal advisers that the proposed amendments to the Articles of Association conform to the requirements of the Listing Rules and do not contravene the laws of the PRC, respectively. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed on the Stock Exchange.

The Articles of Association is written in Chinese without an official English version, and any English translation is for reference only. In case of inconsistency between the two versions, the Chinese version shall prevail.

IV. 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 Wednesday, 7 August 2024 at 9:00 a.m.. Notice convening the Extraordinary General Meeting is set out on pages 20 to 21 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 Hong Kong Stock Exchange (www.hkexnews.com.hk). H Share 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.

LETTER FROM THE BOARD

For H Share 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 Friday, 2 August 2024 to Wednesday, 7 August 2024 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the H Shares register of members of the Company on Wednesday, 7 August 2024 are entitled to attend and vote at the EGM.

In order to attend the EGM, H Share 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 Thursday, 1 August 2024.

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 resolutions 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.

V. RECOMMENDATION

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

VI. 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 2024 FIRST 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 2024 FIRST 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 Wednesday, 7 August 2024 at 9:00 a.m. to consider and, if thought fit, pass the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 19 July 2024 (the “**Circular**”):

ORDINARY RESOLUTIONS

1. To consider and approve the change in use of proceeds.
2. To appoint Elite Partners CPA Limited as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and authorize the Board to fix its remuneration.

SPECIAL RESOLUTION

3. To consider and approve the proposed amendments to the Articles of Association (details of which are set out in the Circular).

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

PRC, 19 July 2024

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman 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 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 and in any event not less than 24 hours before the time appointed for the holding of the EGM (for the H Share Shareholders); or to the business address of the Company in the PRC, 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 Domestic Shareholders of unlisted shares).
4. For the purpose of determining the list of shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Friday, 2 August 2024 to Wednesday, 7 August 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 EGM, unregistered holders of the shares shall ensure all properly completed transfer documents accompanied by the relevant share certificates must be lodged 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 Thursday, 1 August 2024 for registration.
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. 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.

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