
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 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 PROFIT DISTRIBUTION AND
DIVIDEND DISTRIBUTION PLAN FOR 2023;
(2) PROPOSED CAPITALISATION ISSUE;
(3) PROPOSED CHANGE OF REGISTERED CAPITAL AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual 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 Thursday, 6 June 2024 at 9:30 a.m. is set out on pages 22 to 25 of this circular. A form of proxy for use at the Annual 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 Annual 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 Annual General Meeting (i.e. not later than 9:30 a.m. on Wednesday, 5 June 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 Annual General Meeting if you so wish.

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

15 May 2024

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DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 6 June 2024 at 9:30 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 22 to 25 of this circular, or any adjournment thereof
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of Directors of our Company
“Capitalisation Issue”	the proposed issue of five (5) Capitalisation Shares for every ten (10) Shares to all Shareholders by way of capitalisation of capital reserve
“Capitalisation Share(s)”	the new Share(s) to be allotted and issued under the Capitalisation Issue
“CCASS”	The Central Clearing and Settlement System managed by HKSCC
“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 SAR, Macao Special Administrative Region and Taiwan Region
“Company” or “our 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)
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of our Company

DEFINITIONS

“Domestic Share(s)”	ordinary share(s) 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
“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
“HKD” or “HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 May 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)
“Record Date”	Monday, 17 June 2024, the record date set to determine the Shareholders who are entitled to receive the final dividends and the Capitalisation Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the board of supervisors of the Company
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Capitalisation Issue, which are subject to Shareholders' approval of resolution in respect of the Capitalisation Issue at the AGM, as set forth below is indicative only and has been prepared on the assumption that all conditions to the Capitalisation Issue will be fulfilled. Any consequential changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Latest time for lodging transfer documents for
registration of transfer of the Shares to qualify
for attending and voting at the AGM 4:30 p.m. on Friday,
31 May 2024

Closure of register of members for transfer of the
Shares to qualify for attending and voting at the AGM Monday, 3 June 2024
to Thursday, 6 June 2024
(both days inclusive)

Latest time for returning form of proxy for the AGM 9:30 a.m. on Wednesday,
5 June 2024

Record date for the entitlement of the Shareholders to
attend and vote at the AGM Thursday, 6 June 2024

2023 AGM 9:30 a.m. on Thursday,
6 June 2024

Publication of the announcement of poll results of the AGM Thursday,
6 June 2024

Resumption of registration of transfer of the Shares Friday,
7 June 2024

Last day of dealings in H Shares on a cum-entitlement
basis relating to the final dividend and Capitalisation Shares Friday,
7 June 2024

First day of dealings in H Shares on an ex-entitlement
basis relating to the final dividend and Capitalisation Shares Tuesday,
11 June 2024

Latest time for lodging transfer documents for
registration of transfer of the Shares to qualify
for the final dividend and Capitalisation Shares 4:30 p.m. on Wednesday,
12 June 2024

EXPECTED TIMETABLE

Closure of register of members for transfer of the Shares
to qualify the Shareholders for the final dividend and
Capitalisation Shares Thursday, 13 June 2024
to Monday, 17 June 2024
(both days inclusive)

Record Date (to qualify the Shareholders for the
final dividend and Capitalisation Shares) Monday,
17 June 2024

Resumption of registration of transfer of the Shares Tuesday,
18 June 2024

Expected date to despatch of the certificates for the
H Shares issued under the Capitalisation Issue^{Note 2} Friday,
28 June 2024

Commencement of dealings in the H Shares issued
under the Capitalisation Issue 9:00 a.m. on Tuesday,
2 July 2024

Notes:

1. If there is a tropical cyclone warning signal number 8 or above, extreme conditions after super typhoons or a black rainstorm warning in Hong Kong:
 - (a) in force at any local time before 12:00 noon but no longer in force after 12:00 noon, the latest time for lodging transfer documents will remain at 4:30 p.m. on the same business day;
 - (b) in force at any local time between 12:00 noon and 4:30 p.m., the latest time for lodging transfer documents will be rescheduled to 4:30 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.
2. There is a time interval between the first day of dealings in H Shares on an ex-entitlement basis relating to the Capitalisation Shares (i.e. 11 June 2024) and the expected date to despatch of the certificates for the H Shares issued under the Capitalisation Issue (i.e. 28 June 2024) due to the fact that it takes time to determine the list of the H Shareholders (including overseas H Shareholders, if any) who are entitled to the Capitalisation Shares and to handle related administrative matters.
3. All times and dates in this circular are Hong Kong times and dates.

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*)

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

Independent Non-executive Directors:

Ms. CAO Wei

Dr. XIE Xiaoyao

Mr. TANG Zhangliang

*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:

5/F, Manulife Place

348 Kwun Tong Road

Kowloon

Hong Kong

15 May 2024

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED PROFIT DISTRIBUTION AND
DIVIDEND DISTRIBUTION PLAN FOR 2023;**
(2) PROPOSED CAPITALISATION ISSUE;
**(3) PROPOSED CHANGE OF REGISTERED CAPITAL AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND**
(4) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the Annual General Meeting.

At the Annual General Meeting, ordinary resolution will be proposed to consider, (and if thought fit) approve:

- (1) the proposed profit distribution and dividend distribution plan for 2023 (the “**2023 Profit and Dividend Distribution Plan**”);

At the Annual General Meeting, special resolutions will be proposed to consider and approve the following:

- (2) the Capitalisation Issue; and
- (3) the proposed change of registered capital of the Company and amendments to the Articles of Association.

II. DETAILS OF THE RESOLUTIONS

ORDINARY RESOLUTION

(1) 2023 Profit and Dividend Distribution Plan

The 2023 Profit and Dividend Distribution Plan was considered and approved by the Board on 26 March 2024 and an ordinary resolution will be proposed at the Annual General Meeting to consider and approve, if appropriate, the 2023 Profit and Dividend Distribution Plan.

Based on the total share capital of the Company as at the Record Date, the Board has resolved to recommend the payment of final dividend in cash of RMB0.37 (tax inclusive) for every Share to all Shareholders for the year ended 31 December 2023, of which Domestic Shareholders will be paid in RMB and H Shareholders will be paid in HKD, and the HKD will be converted at the average exchange rate of RMB to HKD announced by People’s Bank of China five business days prior to the Annual General Meeting.

No bonus shares will be issued. If based on the total share capital of the Company as at the Latest Practicable Date of 84,000,000 Shares, a total of cash dividend of RMB31,080,000 (tax inclusive) would be paid. Where there are any changes in the share capital of the Company after the Board considered the 2023 Profit and Dividend Distribution Plan until implementation of the 2023 Profit and Dividend Distribution Plan, the distribution ratio shall be adjusted according to the principle that the total amount of the distribution remains unchanged.

It is proposed that any executive Director or authorized person is authorized to deal with all the matters in relation to the Profit and Dividend Distribution Plan in his/her sole discretion, execute all relevant documents and make such arrangements as he/she deems appropriate and fit to give effect to, or to implement the Profit and Dividend Distribution Plan.

LETTER FROM THE BOARD

For determining the entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024, both days inclusive. Shareholders whose name appear on the register of members of the Company on Monday, 17 June 2024 will be entitled to the final dividend. In order to be entitled to the final dividend, all transfer accompanied by relevant share certificates and transfer forms 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 before 4:30 p.m. on Wednesday, 12 June 2024.

The proposed dividend is expected to be payable on or around one (1) month upon the AGM. For further details on the final dividend for 2023, please refer to the announcement of the Company dated 26 March 2024.

Withholding and Payment of Enterprise Income Tax for Non-Chinese Resident Enterprise Shareholders

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% before distributing dividends to non-resident enterprise shareholders whose names appear on the register of members of H Shares of the Company. Any H Shares registered in the name of non-individual H Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding and payment of the enterprise income tax. Should any H Shareholder wish to change its shareholder status, please consult your agent or trust institution over the relevant procedure. The Company will withhold and pay the enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of members of H Shares on the Record Date.

Withholding and Payment of Individual Income Tax for Non-Chinese Resident Individual Shareholders

According to the regulation promulgated by the State General Administration of Taxation of the PRC (Guo Shui Han [2011] No. 348) (中華人民共和國稅務總局國稅函[2011]348號), the Company is required to withhold and pay the individual income tax in respect of dividend for its individual H Shareholders (the "**Individual H Shareholders**") and the Individual H Shareholders are entitled to the relevant tax preferential treatments according to the tax agreements between those countries where the Individual H Shareholders are residents and China and the provisions in respect of tax arrangements between mainland China and Hong Kong (Macao). The Company would withhold and pay the individual income tax at the tax rates of 10% on behalf of the Individual H Shareholders who are Hong Kong residents, Macao residents or residents of those countries having agreements with China for individual income tax rates in respect of dividend of 10%. For Individual H Shareholders who are residents of those countries having agreements with China for individual income tax rates in respect of a

LETTER FROM THE BOARD

dividend of lower than 10%, the Company would make applications on behalf of such Shareholders to seek entitlement of the relevant preferential treatments under Tax Treaties in accordance with Administrative Measures on Entitlement of Nonresidents to Treatment under Tax Treaties (Announcement No. 35 of the State Taxation Administration (2019) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2019年第35號)) if such Shareholders claim refund of the amount in excess of the individual income tax payable under the tax agreements, provided that the relevant Shareholders shall submit the relevant documents and data in accordance with the requirements of the relevant tax treaties in a timely manner, and provide supplemental information on their entitlements of treatments under the relevant treaties. The Company would assist with the tax refund subject to approval of the competent tax authority. For Individual H Shareholders who are residents of those countries having agreements with China for individual income tax rates in respect of a dividend of higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed effective tax rate. For Individual H Shareholders who are residents of those countries without any taxation treaties with China or having agreements with China for individual income tax rates in respect of a dividend of 20% or are under other situations, the Company would withhold the individual income tax at a tax rate of 20%.

SPECIAL RESOLUTIONS

(2) The Capitalisation Issue

A special resolution will be proposed at the Annual General Meeting to consider and approve, if appropriate, based on the total share capital of the Company as at the Record Date, five (5) Capitalisation Shares to be issued to all Shareholders for every ten (10) Shares being held by way of capitalisation of capital reserve.

On 26 March 2024, the Board proposed the Capitalisation Issue on the basis of five (5) Capitalisation Shares for every ten (10) Shares by way of capitalisation of capital reserve to all Shareholders, representing a total increase of 42,000,000 Shares comprising of 31,500,000 new Domestic Shares and 10,500,000 new H Shares based on the Company's total share capital of 84,000,000 Shares comprising of 63,000,000 Domestic Shares and 21,000,000 H Shares as at the Latest Practicable Date. Upon completion of the Capitalisation Issue, the total issued Shares of the Company will increase from 84,000,000 Shares to 126,000,000 Shares (comprising 94,500,000 Domestic Shares and 31,500,000 H Shares). The actual total number of the Capitalisation Shares to be issued shall be based on the total number of the Shares on the Record Date. All the Shareholders will be entitled to the Capitalisation Shares on a pro-rata basis.

It is proposed that any executive Director or authorized person is authorized to deal with all the matters in relation to the Capitalisation Issue in his/her sole discretion, execute all relevant documents and make such arrangements as he/she thinks appropriate and fit to give effect to, or to implement the Capitalisation Issue.

LETTER FROM THE BOARD

For determining the entitlement to the Capitalisation Shares, the register of members of the Company will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024, both days inclusive. Shareholders whose name appear on the register of members of the Company on Monday, 17 June 2024 will be entitled to the Capitalisation Shares. In order to be entitled to the Capitalisation Shares, all transfer accompanied by relevant share certificates and transfer forms 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 before 4:30 p.m. on Wednesday, 12 June 2024.

The proposed issue and allotment of the Capitalisation Shares is expected to be payable on or around Friday, 28 June 2024.

Pursuant to the relevant provisions of the State Taxation Administration of the People's Republic of China, the capital reserve capitalisation of the Company shall be proceeded by the capital surplus from equity (stock) premium, which shall not be regarded as the income in the nature of investors' dividend or bonus, and the Company will not withhold and pay investors' individual income tax or corporate income tax.

A. Reasons for the Capitalisation Issue

The key objectives of adopting Capitalisation Issue are to (i) allow Shareholders to share the success of the Company's business development, (ii) increase the number of Shares held by them and reduces the costs of each Share which facilitates trading of Shares in the market, and (iii) allow the Company to retain certain level of cash for business development and maintaining liquidity at the same time (collectively, the "**Objectives**").

The Board has considered alternative methods to achieve the intended effect of the Capitalisation Issue, such as cash dividends only, share sub-division and change in board lot size. Nonetheless, taking into account of the Company's business performance, financial condition and future development needs, the Board is of the view that solely distributing cash dividends cannot achieve all the Objectives, and that the combination of cash dividends and Capitalisation Issue is more effective in providing Shareholders with more comprehensive and long-term benefits, as compared to distribution by way of cash dividends only. Moreover, a relatively longer time is usually required for share sub-division or change in board lot size which involve more stringent procedures and are relatively more costly, as compared to the Capitalisation Issue. Hence, the Board does not consider issuing cash dividends only, share subdivision and change in board lot to be desirable alternatives to the Capitalisation Issue.

Based on the positive expectation of future development of the Company, after considering the operation and overall financial performance of the Company, the Board proposes the Capitalisation Issue in order to enhance the overall and long-term interests of the Shareholders.

LETTER FROM THE BOARD

The Board views that the Capitalisation Issue enables the Shareholders to increase their shareholdings in the Company on a pro-rata basis without any substantial cost incurred. Although the Capitalisation Issue would not give rise to the increase in their shareholding percentages in the Company by the Shareholders, the number of the Shares held by the Shareholders would increase after the Capitalisation Issue, which would enhance the Shareholders' flexibility in managing their investment portfolios, and facilitating their disposal of part of the Shares in return for cash so as to satisfy their personal financial needs. The increase in the number of the issued Shares of the Company and the Shares held by the H Shareholders resulting from the Capitalisation Issue could also boost the trading activities and the liquidity of the H Shares in the market. In addition, the adjustment of the share price due to the ex-entitlement under the Capitalisation Issue may decrease the investment cost per board lot of the Shares for the existing Shareholders and potential investors of the Company, which could attract more investors of the Company in order to expand the shareholder base of the Company and enhance the trading activities of the Shares.

When determining the ratio for the Capitalisation Issue, the Board has considered the following factors:

- (a) *Financial condition of the Company*: As of 31 December 2023, the Company has a capital reserve of RMB1,031,662,000, with a share premium of approximately RMB426,722,000. Therefore, the Company has sufficient capital reserve which can be utilised for Capitalisation Issue.
- (b) *Overall interests of the Shareholders*: Capitalisation issue will increase the number of Shares held by the Shareholders. For illustrative purposes only, based on the closing price of HK\$13.80 per Share on the Latest Practicable Date, the current value of each board lot is HK\$2,760. Upon completion of the Capitalisation Issue, the number of Shares held by each Shareholder will increase by 50%, and it is expected that the market value of each Share will decrease by approximately 33.33%. In respect of the ex-entitlement effect, it is expected that the market value of each Share will decrease after the Capitalisation Issue. Taking into account of the Capitalisation Issue, the average price of each board lot will then be HK\$1,840. It reduces the Shareholders' future average transaction costs per board lot, whereas the number of Shares held by Shareholders increases, which the Board believes such effects brought by the Capitalisation Issue is beneficial to the Shareholders in trading.
- (c) *Minimising fractional shares*: The current board lot size of the Company is 200 Shares. With a ratio of issuing 5 Capitalisation Shares for every 10 existing Shares, Shareholders will receive 100 Capitalisation Shares for each board lot. Shareholders who hold two board lots can receive a full board lot. Hence, the current ratio can minimise the creation of any fractional shares.

The Company confirms that they have no plans to conduct any equity fundraising activities in the next 12 months as at the Latest Practicable Date. The Company further confirms that they have no outstanding options, warrants, or other similar securities which are convertible into shares prior to the Record Date.

LETTER FROM THE BOARD

B. Feasibility of the Capitalisation Issue

The Company has sufficient capital reserve to conduct the Capitalisation Issue. As at 31 December 2023, the capital reserve of the Company amounted to RMB1,031,662,000, of which the share premium amounted to approximately RMB426,722,000. After completion of the Capitalisation Issue, the capital reserve of the Company will be approximately RMB989,662,000, of which the share premium will be approximately RMB384,722,000.

Taking into account the factors set out in the “Reasons for the Capitalisation Issue” and Feasibility of the Capitalisation Issue” above, the Board proposes to issue five (5) Capitalisation Shares for every ten (10) Shares under the Capitalisation Issue by way of capitalisation of capital reserve.

C. Conditions to the Capitalisation Issue

The Capitalisation Issue is subject to the following conditions:

- (a) approval of the Capitalisation Issue by the Shareholders by way of special resolution(s) at the AGM;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the new H Shares to be allotted and issued under the Capitalisation Issue; and
- (c) compliance with the relevant legal procedures and requirements under the Company Law to effect the Capitalisation Issue.

As at the Latest Practicable Date, no condition has been fulfilled.

D. Status of the Capitalisation Shares

The Capitalisation Shares will, subject to the Articles of Association, rank pari passu in all respects with the Shares in issue on the date of the issuance of the Capitalisation Shares. Holders of the Capitalisation Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Capitalisation Shares are allotted and issued. The Capitalisation Issue should not result in any change to the rights of the Shares.

LETTER FROM THE BOARD

E. Fractional of the Capitalisation Shares

In respect of the H Shareholders, the new H Shares will be issued on a pro-rata basis, and any fractional Shares (if any) will be rounded down to the nearest whole unit. No fractional Capitalisation Shares shall be allotted to the H Shareholders and fractional entitlements (if any) will be aggregated and sold for the benefit of the Company.

In respect of the Domestic Shareholders, the new Domestic Shares will be issued on a pro-rata basis, and for any fractional Domestic Shares arising from the Capitalisation Issue, China Securities Depository and Clearing Co., Ltd. will rank in descending order based on the decimal number of their fractional Domestic Shares, if the decimal number of their fractional Domestic Shares is the same, they will be randomly ranked by the registrar system of securities. China Securities Depository and Clearing Co., Ltd. will register one allotted Share based on the ranking order, until the actual number of new Domestic Shares issued equals to the total number of new Domestic Shares to be issued under the Capitalisation Issue, which will be conclusively evidenced by the result announced by China Securities Depository and Clearing Co., Ltd.

F. Arrangement on Odd Lot Trading

In order to facilitate the trading of odd lots (if any) of the new H Shares arising from the Capitalisation Issue, the Company has appointed China Securities (International) Corporate Finance Company Limited as an agent to provide matching service, on a best effort basis, to those H Shareholders who wish to acquire odd lots of H Shares to make up a full board lot, or to dispose of their holding of odd lots of the new H Shares during the period from 9:00 a.m. on Tuesday, 2 July 2024 to 6:00 p.m. on Monday, 22 July 2024. H Shareholders who wish to use this service have to make an appointment in advance by contacting China Securities (International) Corporate Finance Company Limited at 18/F Two Exchange Square, 8 Connaught Place, Central, Hong Kong or at telephone number (852) 3465 5666 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) over such period. The H Shareholders should note that successful matching of the sale and purchase of odd lots of H Shares is not guaranteed. The H Shareholders who are in doubt about this service are recommended to consult their professional advisors.

G. Overseas H Shareholders

As at the Latest Practicable Date and based on the information provided by Tricor Investor Services Limited, the H Share registrar of the Company, one (1) of the H Shareholders as recorded on the register of members of the Company had address(es) which is outside Hong Kong.

Upon the Capitalisation Issue becoming unconditional or should there be any overseas Shareholders on the Record Date, the Company will make enquiry on whether there are any overseas Shareholders located in other jurisdictions, and if there are such overseas Shareholders, then the Company will make enquiry regarding the legal restrictions (if any)

LETTER FROM THE BOARD

under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the relevant overseas Shareholders to be eligible to take part in the Capitalisation Issue pursuant to the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Capitalisation Shares will not be issued to those overseas Shareholders. If any such overseas Shareholder is excluded, arrangements will be made for the new H Shares which would otherwise have been issued to the overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each overseas Shareholder, after deduction of expenses, of HKD100 or more will be distributed in Hong Kong dollar to the relevant overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HKD100 in which case it will be retained for the benefit of the Company.

Accordingly, overseas Shareholders receiving this circular about the Capitalisation Issue may not be treated the same as an invitation to participate in the Capitalisation Issue unless invitation could lawfully be made to him/her/it without requiring the Company or such overseas Shareholders to comply with any registration or other legal requirements in the relevant jurisdiction(s). Furthermore, any Shareholder with a registered address outside Hong Kong or otherwise residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Capitalisation Shares under the Capitalisation Issue and the taxation consequences of their decision. It is the responsibility of the Shareholders who wish to receive the Capitalisation Shares under the Capitalisation Issue to comply with the laws of the relevant jurisdiction(s).

H. Taxation

Pursuant to the relevant provisions of the State Taxation Administration of the People's Republic of China, the Capital Reserve Capitalization of the Company shall be proceeded by the capital surplus from equity (stock) premium, which shall not be regarded as the income in the nature of investors' dividend or bonus, and the Company will not withhold and pay investors' individual income tax or corporate income tax.

Trading in the new H Shares is subject to Hong Kong stamp duty.

Should the H Shareholders have any doubt in relation to the taxation arrangements, they are recommended to consult their tax advisors for relevant tax impact in mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares. None of the Company, its Directors or any other parties involved in the Capitalisation Issue accepts responsibility for any tax implication or liabilities of the H Shareholders.

LETTER FROM THE BOARD

I. Effect to the Shareholding upon Completion of the Capitalisation Issue

The shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of allotment and issue of Capitalisation Shares is set out below (assuming there is no change in the total issued share capital of the Company since the Latest Practicable Date save for the issue of the Capitalisation Shares under the Capitalisation Issue to the Record Date):

	As at the Latest Practicable Date		Immediately after completion of the Capitalisation Issue	
	Number of Shares	Percentage of total issued Shares (%)	Number of Shares	Percentage of total issued Shares (%)
Domestic Shares ^(Note 1)	63,000,000	75	94,500,000	75
H Shares ^(Note 2)	21,000,000	25	31,500,000	25
Total number of Shares	84,000,000	100	126,000,000	100

1. As at the Latest Practicable Date, Ms. Wang Juan directly held 8,328,599 Domestic Shares and was deemed to indirectly hold 4,968,000 Domestic Shares and 3,000,000 Domestic Shares through Guangzhou Tiansu Information Technology Co., Ltd. (廣州天速信息科技有限公司) (“**Guangzhou Tiansu**”) and Guangzhou Wujin Investment Partnership (Limited Partnership) (廣州烏金投資合夥企業 (有限合夥)) (“**Guangzhou Wujin**”), respectively. Under the SFO, Ms. Wang Juan is also deemed to be interested in 16,918,957 Domestic Shares though acting in concert with Ms. Du Chunyi. Therefore, Ms. Wang Juan is deemed to be interested in a total number of 33,215,556 Domestic Shares.

As at the Latest Practicable Date, Ms. Du Chunyi directly held 11,383,660 Domestic Shares. Under the SFO, Ms. Du Chunyi was also deemed to be interested in (i) 13,296,599 Domestic Shares through acting in concert with Ms. Wang Juan; (ii) 1,677,760 Domestic Shares as the spouse of Mr. Shi Yue; and (iii) 3,857,537 Domestic Shares pursuant to family arrangements in which the voting rights at the general meeting of the Company held by Ms. Shi Ailing were controlled by Ms. Du Chunyi. Therefore, Ms. Du Chunyi is deemed to be interested in a total number of 30,215,556 Domestic Shares.

As at the Latest Practicable Date, Mr. Shi Yue directly held 1,677,760 Domestic Shares. Under the SFO, Mr. Shi Yue was also deemed to be interested in 28,537,796 Domestic Shares as the spouse of Ms. Du Chunyi. Therefore, Mr. Shi Yue is deemed to be interested in a total number of 30,215,556 Domestic Shares.

As at the Latest Practicable Date, Mr. Zhang Muheng was deemed to indirectly hold 4,968,000 Domestic Shares and 3,000,000 Domestic Shares through Guangzhou Tiansu and Guangzhou Wujin respectively. Therefore, Mr. Zhang Muheng is deemed to be interested in a total number of 7,968,000 Domestic Shares.

As at the Latest Practicable Date, Ms. Shi Ailing is the beneficial owner of 3,857,537 Domestic Shares, in which the voting rights at the general meeting of the Company were controlled by Ms. Du Chunyi pursuant to family arrangements.

LETTER FROM THE BOARD

2. As at the Latest Practicable Date, Shengsong Lancang Shengshi Chaxiang No.1 Private Securities Investment Fund (盛松瀾滄盛世茶香一號私募證券投資基金) held 4,191,600 H Shares, which accounted for 19.96% of the total number of H Shares in issue.

As at the Latest Practicable Date, Lancang Green Resource Investment Co., Ltd. (瀾滄綠色資源投資有限公司) (“**Lancang Green Resource**”) is the beneficial owner of 3,651,400 H Shares, which accounted for approximately 17.39% of the total number of H Shares in issue. Lancang Green Resource is wholly owned by Lancang County Investment Holding Group Co., Ltd. (瀾滄縣投資控股集團有限公司), whose share capital is solely contributed by the State. Lancang Green Resource has engaged Dongxing Securities Co., Ltd. (東興證券股份有限公司), the asset manager of Dongxing Anxin No. 17 QDII Unitary Asset Management Plan (東興安鑫17號QDII單一資產管理計劃), to subscribe for and hold such offer shares on its behalf.

As at the Latest Practicable Date, Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Prosperity II SP (“**Harvest II SP**”), indirectly held 2,190,800 H Shares, which accounted for approximately 10.43% of the total number of H Shares in issue, and is owned by Harvest Global Investments Limited (“**Harvest Global Investments**”) as to 91% of its management shares. Harvest Global Investments is wholly owned by Harvest Fund Management Company Limited (“**Harvest Fund Management**”). Harvest Fund Management is owned as to 40% equity interest by China Credit Trust Co., Ltd. Under the SFO, China Credit Trust Co., Ltd is deemed to be interested in all H shares held by Harvest II SP.

As at the Latest Practicable Date, China Ocean View Group Limited (中國海景集團有限公司) (“**Ocean View**”) held 2,190,800 H Shares, which accounted for approximately 10.43% of the total number of H Shares in issue. Ocean View is owned by Mr. Wang Chen and Mr. Zhang Liang as to 50% and 50%, respectively. Under the SFO, each of Mr. Wang Chen and Mr. Zhang Liang is deemed to be interested in all H shares held by Ocean View.

As at the Latest Practicable Date, Mr. Wang Chunyu held 1,869,000 H Shares, which accounted for 8.90% of the total number of H Shares in issue.

J. Application for Listing

None of the existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Application will be made by the Company to the Listing Committee of the Stock Exchange for approval on the listing of and permission to deal in the 10,500,000 new H Shares issued under the Capitalisation Issue. Upon satisfaction of the conditions set out in “Conditions to the Capitalisation Issue” above, the 10,500,000 new H Shares will be accepted by the HKSCC as qualified securities, which can be deposited, cleared and settled at the CCASS. The Company will make all necessary arrangements to procure the acceptance of the new H Shares by CCASS. All actions to be taken at CCASS must comply with the General Rules of CCASS and the CCASS Operational Procedures in force at the time.

After the Capitalisation Issue becomes unconditional, the certificates of new H Shares will be sent to the H Shareholders who are entitled to the new Shares by ordinary post on Friday, 28 June 2024 at their own risk. In case of joint Shareholders, certificates of new H Shares will be posted to the person whose name appears first on the register of members of H Shares for such jointly held Shares. All Capitalisation Shares are non-renounceable. Shareholders will receive one share certificate for all the Capitalisation Shares being allotted.

All new H Shares will be registered at the register of members of H Shares kept by the Company in Hong Kong. Aside from the Stock Exchange, the new H Shares will not be listed on or dealt in any other stock exchanges, and the Company is not currently seeking for or proposing to seek for the listing or trading on any other stock exchanges for the new H Shares.

LETTER FROM THE BOARD

K. Risk Warning for Trading in H Shares

H Shareholders should note that H Shares are expected to be traded on ex-entitlement basis commencing from Tuesday, 11 June 2024. The Capitalisation Issue will not be carried out until satisfaction of the conditions to the Capitalisation Issue as set out in this circular. Any person who deals in H Shares on ex-entitlement basis prior to the satisfaction of the conditions and obtaining of the approval will be subject to the risk that the relevant proposal may not become unconditional or fail to proceed. Shareholders or potential investors shall seek professional advice from their own professional consultants should they have any doubt on their situations.

L. Statements to be Made on Acquisition of Shares

The Company shall ensure that all its listing documents and share certificates include the statements stipulated below and shall instruct and cause its share registrars not to register the subscription, purchase or transfer of any of its Shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such Shares bearing statements to the following effect:

- (a) the acquirer of Shares agrees with the Company and each Shareholder, and the Company agrees with each Shareholder, to observe and comply with the Company Law, and the Articles of Association;
- (b) the acquirer of Shares agrees with the Company, each Shareholder, Director, Supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, Supervisor, manager and officer agrees with each Shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association. Any reference to arbitration will be deemed to authorise the arbitration tribunal to conduct its hearing in open session and to publish its award. Such arbitration will be final and conclusive;
- (c) the acquirer of Shares agrees with the Company and the Shareholders that H Shares are freely transferable by the holder of such Shares; and
- (d) the acquirer of Shares authorises the Company to enter into a contract on his/her/its behalf with each Director and officer whereby such Directors and officers undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association.

LETTER FROM THE BOARD

(3) Proposed change of registered capital and amendments to Articles of Association

Given that the total issued Shares of the Company shall increase from 84,000,000 Shares to 126,000,000 Shares and the registered capital shall increase from RMB84,000,000 to RMB126,000,000 after the completion of the Capitalisation Issue, on 26 March 2024, the Board proposed to increase the registered capital of the Company from RMB84,000,000 to RMB126,000,000 and make corresponding amendments to the Articles of Association. The Board considers that the proposed change of registered capital and amendments to the Articles of Association are in the interests of the Company and the Shareholders as a whole.

The full text of the proposed amendments to the Articles of Association, which were prepared in the Chinese language, is set out in Appendix I to this circular. In the event of any discrepancy between the English and the Chinese versions of the proposed amendments to the Articles of Association, the Chinese version shall prevail.

The proposed change of registered capital and amendments to the Articles of Association are subject to the approval at the Shareholders' meeting. The resolution in relation to the proposed change of registered capital and amendments to the Articles of Association will be put forward at the AGM as a special resolution for consideration and, if thought fit, approval by the Shareholders. The Board proposed to the Annual General Meeting to authorize the Chairlady of the Board 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 Annual General Meeting in relation to the amendment of the Articles of Association; (iii) publishing of relevant announcements, circulars, Articles of Association and other documents on the website of the Stock Exchange and the Company's website, and arranging 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 of the Company 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 completion of the Capitalisation Issue and the passing of change of registered capital and amendments to the Articles of Association at the Shareholders' meeting, the existing Articles of Association remains valid.

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 China, 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.

LETTER FROM THE BOARD

III. THE ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 9:30 a.m. on Thursday, 6 June 2024 at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC. Notice convening the Annual General Meeting is set out on pages 22 to 25 of this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lcgc.cn).

IV. CLOSURE OF REGISTER OF MEMBERS

(1) To be qualified to attend and vote at the AGM

The register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, in order to determine the eligibility of Shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Thursday, 6 June 2024. Shareholders whose name appear on the register of members of the Company on Thursday, 6 June 2024 will be entitled to attend and vote at the Annual General Meeting.

In order to be eligible to attend and vote at the Annual General Meeting, all transfer accompanied by relevant share certificates and transfer forms 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 before 4:30 p.m. on Friday, 31 May 2024.

(2) To be qualified for the allotment and issue of the Capitalisation Shares

For the purpose of determining the list of the Shareholders who are entitled to receive the Capitalisation Shares, the register of members of the Company will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024 (both dates inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Monday, 17 June 2024 are entitled to receive the Capitalisation Shares. In order to be entitled to receive the Capitalisation Shares, all transfer documents accompanied by relevant share certificates must be lodged with the H share registrar of the Company, Tricor Investor Services Limited (for holders of H Shares) at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or to the board office of the Company in the PRC (for holders of Domestic Shares) at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province, PRC not later 4:30 p.m. on Wednesday, 12 June 2024.

V. PROXY ARRANGEMENT

The form of proxy of the Annual General Meeting is enclosed and published on the websites of the Stock Exchange and the Company.

LETTER FROM THE BOARD

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the 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 Annual General Meeting (i.e. before 9:30 a.m. on Wednesday, 5 June 2024) or any adjournment thereof (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, PRC not less than 24 hours before the time appointed for the holding of the Annual General Meeting (i.e. before 9:30 a.m. on Wednesday, 5 June 2024) or any adjournment thereof (for the Domestic Shareholders). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting (or any adjournment thereof) if they so wish. In such event, the form of proxy shall be deemed to be revoked.

VI. VOTING BY POLL

Any vote of Shareholders at the Annual General Meeting must be taken by poll except where the chairman of the Annual General Meeting, 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. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the Annual General Meeting will exercise his/her power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the Annual General Meeting.

VII. RECOMMENDATION

The Board considers that all the resolutions proposed to the Annual 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.

VIII. 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

The full text of the proposed amendments to the Articles of Association is set out below.

Existing Articles	Revised Articles
<p>Article 6 Registered capital: RMB84,000,000.00.</p>	<p>Article 6 Registered capital: RMB<u>126,000,000.00</u>.</p>
<p>Article 20 The total number of share capital of the Company is 84,000,000 shares, all of which are ordinary shares.</p>	<p>Article 20 The total number of share capital of the Company is <u>126,000,000</u> shares, all of which are ordinary shares.</p>
<p>Article 212 These Articles are formulated by the Board of Directors and submitted to the general meeting for approval, and shall take effect from the date when the H Shares issued by the Company are listed and traded on the SEHK.</p>	<p>Article 212 These Articles are formulated by the Board of Directors and submitted to the general meeting for approval, and shall take effect from the date <u>of consideration and approval at the general meeting</u>.</p>

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) 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 Thursday, 6 June 2024 at 9:30 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 15 May 2024 (the “**Circular**”):

ORDINARY RESOLUTIONS

1. To consider and approve the 2023 report of the Board of Directors of the Company.
2. To consider and approve the 2023 report of the Supervisory Committee of the Company.
3. To consider and approve the 2023 Annual Report of the Company.
4. To consider and approve the 2023 final financial report of the Company and the 2024 financial budget report of the Company.
5. To consider and approve the proposed profit distribution and dividend distribution plan for 2023.
6. To consider and approve the re-appointment of PricewaterhouseCoopers as the auditor of the Company for 2024 and to authorise the Board to determine its remuneration.
7. To consider and approve the proposed election of the Directors of the third session of the Board of Directors, including:
 - 7.1 the election of Ms. Du Chunyi as an executive Director of the Company;
 - 7.2 the election of Ms. Wang Juan as an executive Director of the Company;
 - 7.3 the election of Mr. Zhang Muheng as an executive Director of the Company;
 - 7.4 the election of Ms. Shi Yijing as an executive Director of the Company;
 - 7.5 the election of Mr. Fu Gang as an executive Director of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- 7.6 the election of Mr. Liu Jiajie as an executive Director of the Company;
 - 7.7 the election of Mr. Zhou Xinzhong as a non-executive Director of the Company;
 - 7.8 the election of Ms. Cao Wei as an independent non-executive Director of the Company;
 - 7.9 the election of Dr. Xie Xiaoyao as an independent non-executive Director of the Company;
 - 7.10 the election of Mr. Tang Zhangliang as an independent non-executive Director of the Company; and
 - 7.11 the election of Dr. Yang Kequan as an independent non-executive Director of the Company.
- 8. To consider and approve the proposed election of the Supervisors of the third session of the Supervisory Committee, including:
 - 8.1 the election of Ms. Zhu Meixuan as a Shareholder representative Supervisor of the Company; and
 - 8.2 the election of Mr. Luo Zhonghong as a Shareholder representative Supervisor of the Company.
 - 9. To consider and approve the remuneration of the Directors and Supervisors.
 - 10. To consider and approve the application to financial institutions for credits and borrowings for 2024.
 - 11. To consider and approve the external guarantees for 2024.
 - 12. To consider and approve the expected ordinary related party transactions report for 2024.

SPECIAL RESOLUTIONS

- 13. To consider and approve (a) the issue of five (5) Capitalisation Shares for every ten (10) shares of the Company held by the Shareholders whose names appear on the register of members of the Company on the relevant record date, by way of capitalisation of capital reserve; and (b) any executive Director or authorized person of the company be and is hereby authorized to deal with all the matters in relation to the Capitalisation Issue in his/her sole discretion, execute all relevant documents and make such arrangements as he/she thinks appropriate and fit to give effect to, or to implement the Capitalisation Issue.
- 14. To consider and approve the proposed change of registered capital and amendments to the Articles of Association (details of which are set out in the Circular).

NOTICE OF ANNUAL GENERAL MEETING

Shareholders will listen to the 2023 work report of the independent non-executive Directors at the 2023 Annual General Meeting (such report is not subject to voting and resolution).

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, 15 May 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the Annual General Meeting 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 Annual General Meeting.
2. All shareholders of the Company are eligible for attending the Annual General Meeting. Any shareholder of the Company entitled to attend and vote at the Annual General Meeting 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 Annual General Meeting (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 Annual General Meeting (for the unlisted Domestic Share Shareholders).
4. For the purpose of determining the list of shareholders who are entitled to attend the Annual General Meeting, the register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 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 Annual General Meeting, 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 Friday, 31 May 2024 for registration.
5. For the purpose of determining the entitlement to the profit distribution and final dividend, the register of members of the Company will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024, both days inclusive. Shareholders whose name appear on the register of members of the Company on Monday, 17 June 2024 will be entitled to the final dividend. In order to be entitled to the final dividend, all transfer accompanied by relevant share certificates and transfer forms 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 before 4:30 p.m. on Wednesday, 12 June 2024.
6. 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.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. A shareholder or his/her proxy should produce proof of identity when attending the Annual General Meeting.
9. 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; and (ii) Ms. Cao Wei, Dr. Xie Xiaoyao and Mr. Tang Zhangliang as independent non-executive directors.