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 your licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tenfu (Cayman) Holdings Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Tenfu (Cayman) Holdings Company Limited
天福(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6868)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



A letter from the Board is set out on pages 5 to 13 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 30 of this circular.

A notice convening the EGM to be held by way of a virtual meeting via online platform on Tuesday, 21 October 2025 at 10:00 a.m., is set out on pages 39 to 40 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tenfu.com).

Whether or not you are able to attend the EGM via online platform, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting via online platform at the EGM or any adjournment should you so wish.

30 September 2025

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VIRTUAL EGM

The EGM will be a virtual meeting. All registered Shareholders will be entitled to join the EGM via the online platform. The online platform can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the online platform, the registered Shareholders will be able to view the live video broadcast and participate in voting and raise questions through the online platform. Login details and information will be included in the invitation letter to be sent to registered Shareholders regarding the online platform.

HOW TO ATTEND AND VOTE

Registered Shareholders' attendance at the EGM and exercise of their voting rights can be achieved in either one of the following ways:

(1) attend the EGM via the online platform which enables live streaming and interactive platform for raising questions and voting online; or

(2) appoint the chairman of the EGM or other persons as your proxy by providing their email address(es) for receiving the designated login details to attend and vote on your behalf via the online platform.

Completion and return of the form of proxy will not preclude a registered Shareholder from attending and voting via the online platform at the EGM or any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

If you are a non-registered Shareholder, you may consult directly with your banks, brokers, custodians or Hong Kong Securities Clearing Company Limited (as the case may be) for necessary arrangement to attend and vote via the online platform at the EGM if you wish.

If you have any questions relating to the EGM, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, with the following details:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Website: www.computershare.com/hk/contact

Telephone: (852) 2862 8555

Fax: (852) 2865 0990

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

"2022 Samoa Master Purchase Agreement"	the purchase agreement dated 19 September 2022 entered into between the Company and Samoa Company, pursuant to which the Company agreed to purchase or procure members of the Group to purchase tea leaves from Samoa Group for a term of three years commencing on 1 January 2023 to 31 December 2025;
"associate"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Company"	Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司), an exempted company incorporated with limited liability under the laws of the Cayman Islands on 22 April 2010;
"core connected person"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be held by way of a virtual meeting via online platform on Tuesday, 21 October 2025 at 10:00 a.m. to approve the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder (including the Renewed Annual Caps);
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in relation to the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder;

"Independent Financial Adviser"	Halcyon Capital Limited, a corporation licensed under the SFO to carry on type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps);
"Independent Shareholders"	Shareholders independent of Mr. Lee Chia Ling and his associates and not interested in the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement;
"Latest Practicable Date"	26 September 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Lu Yu"	陸羽茶藝股份有限公司 (Lu Yu Tea Artcraft Co., Ltd.*), a company incorporated on 24 August 1980 in Taiwan with limited liability, whose principal business is development and sale of tea ware in Taiwan and exclusively to 漳州天福茶業有限公司 (Zhangzhou Tianfu Tea Industry Co., Ltd.*) in the PRC on a wholesale basis, and is beneficially owned as to 83.75% by Ms. Zhou Nannan, the spouse of Mr. Lee Chia Ling (a substantial shareholder of the Company and a Director), 10% by Mr. Tsai Shan Jen, the cousin of Mr. Lee Chia Ling (a substantial shareholder of the Company and a Director), and 6.25% by Mr. Lee Rie-Ho (a substantial shareholder of the Company and a Director), respectively;
"PRC"	the People's Republic of China, excluding Taiwan, Hong Kong and Macao Special Administrative Region for the purpose of this circular;
"Renewed Annual Caps"	the proposed renewed annual caps under the Renewed Samoa Master Purchase Agreement of RMB80,000,000, RMB93,000,000 and RMB106,000,000 for the three years ending on 31 December 2028, respectively;

"Renewed Samoa Master Purchase Agreement"	the purchase agreement entered into between the Company and the Samoa Company dated 18 August 2025 on terms and conditions similar to the 2022 Samoa Master Purchase Agreement, pursuant to which the Company agreed to purchase or procure members of the Group to purchase tea leaves from the Samoa Group for a period of three years commencing on 1 January 2026 to 31 December 2028;
"Retained Manufacturing Business"	the manufacturing and processing of tea leaves and tea products business conducted in the PRC by the Samoa Company and its subsidiaries;
"Retained Sales Business"	the distribution and sale of tea ware business conducted in Taiwan by Lu Yu and its subsidiaries;
"Retained Ten Ren Business"	the research and development, marketing and sale of tea leaves, tea snacks and tea ware business conducted in Taiwan under principally the "天仁" brand by Ten Ren and its subsidiaries and the franchising, marketing and sale of tea leaves, tea snacks and tea products business under the "天仁" brand in the United States and Canada by Ten Ren and its subsidiaries;
"Retained Uncle Lee Business"	the business of marketing and sale of tea bags under the "Uncle Lee's" brand by Uncle Lee's Tea Inc. in North America and Europe;
"RMB"	Renminbi, the lawful currency of the PRC;
"Samoa Company"	Tenfu Group (Samoa) Holdings Company Limited, a limited liability company incorporated in Samoa, which is engaged in the manufacturing and processing of tea leaves in the PRC through its PRC subsidiaries and wholly owned by Mr. Lee Chia Ling;
"Samoa Group"	the Samoa Company and its subsidiaries;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary shares of nominal value HK$0.10 each in the capital of the Company;

"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules;
"Ten Ren"	Ten Ren Tea Co., Ltd. (天仁茶業股份有限公司), a company incorporated on 11 December 1975 in Taiwan and listed on the Taiwan Stock Exchange (Stock code: 1233), which is engaged in the blending and manufacturing of tea leaves, and the marketing and sale of tea leaves, tea snacks and tea ware in Taiwan;
"The KCL Trust"	a discretionary trust established by Mr. Lee Chia Ling as settlor on 12 April 2011, the beneficiaries of which include family members of Mr. Lee Chia Ling;
"Tiger Nature"	Tiger Nature Holdings Limited, a company incorporated in the Commonwealth of The Bahamas on 25 March 2011, the entire issued share capital of which is ultimately owned by the Trustee as trustee of The KCL Trust;
"Trustee"	UBS TC (Jersey) Ltd.; and
"%"	per cent.

* *For identification purpose only*

Tenfu (Cayman) Holdings Company Limited
天福(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6868)

Executive Directors:
Mr. Lee Rie-Ho
Mr. Lee Chia Ling
Mr. Lee Kuo-Lin
Dr. Fan Ren Da, Anthony
Mr. Zhang Honghai

Non-executive Director:
Mr. Tseng Ming-Sung

Independent non-executive Directors:
Mr. Lo Wah Wai
Mr. Lee Kwan Hung, Eddie
Dr. Huang Wei

Registered office:
P.O. Box 2681
Cricket Square, Hutchins Drive
Grand Cayman KY1-1111
Cayman Islands

Headquarters in the PRC:
2901, Building C
Xinjing Commerce Center
No. 25 Jiahe Road, Xiamen
the PRC

Principal place of business in Hong Kong:
11/F
No. 88 Lockhart Road
Wan Chai
Hong Kong

30 September 2025

To the Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 18 August 2025 in relation to the Renewed Samoa Master Purchase Agreement.

The purpose of this circular is to:

(a) provide you with further information relating to the Renewed Samoa Master Purchase Agreement and the Renewed Annual Caps;

(b) set out the recommendation of the Independent Board Committee relating to the Renewed Samoa Master Purchase Agreement and the Renewed Annual Caps;

(c) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and

(d) give you notice of the EGM to consider and, if thought fit, to approve the Renewed Samoa Master Purchase Agreement and the Renewed Annual Caps.

RENEWED SAMOA MASTER PURCHASE AGREEMENT AND RENEWED ANNUAL CAPS

The Group has been purchasing tea leaves from Samoa Group as part of the ordinary and usual course of business. As the 2022 Samoa Master Purchase Agreement will expire on 31 December 2025, the Company has entered into the Renewed Samoa Master Purchase Agreement with Samoa Company to renew the purchase of tea leaves for a period of three years commencing on 1 January 2026 to 31 December 2028.

Date:	18 August 2025
Parties:	(i) the Company; and (ii) Samoa Company, a company incorporated in Samoa, which is engaged in the manufacturing and processing of tea leaves in the PRC through its PRC subsidiaries and is wholly owned by Mr. Lee Chia Ling.
Subject:	Pursuant to the Renewed Samoa Master Purchase Agreement, the Group agreed to purchase or procure members of the Group to purchase tea leaves from Samoa Group.
Term:	The Renewed Samoa Master Purchase Agreement has a fixed term of three years commencing on 1 January 2026 to 31 December 2028 (both days inclusive).

Renewed Annual Caps and its basis:

The Renewed Annual Caps under the Renewed Samoa Master Purchase Agreement for the three years ending 31 December 2028 will not exceed RMB80,000,000, RMB93,000,000 and RMB106,000,000, respectively. The Renewed Annual Caps have been determined based on the projected approximately 16.25% and 13.98% increase in demand of tea leaves by the Group for each of the year ending 31 December 2027 and 2028, respectively, with reference to the market rates for tea leaves, which the Group purchased from independent third parties. The Group projects an increase in demand for tea leaves from Samoa Group of approximately 16.25% and 13.98% for the years ending 31 December 2027 and 2028, respectively. These projections are underpinned by the sustained positive outlook for tea consumption in China, supported by long-term market trends. Although the revenue of the Group experienced declining trend in the past couple of years, the Group anticipates a recovery in tea leaf demand beginning in 2026, with procurement volumes expected to return to levels comparable to the historical transaction amounts recorded during the three years ended 31 December 2024. According to data published by the Research Network for China Agricultural Brand (中國農業品牌研究網), the PRC tea market is forecasted to expand at a compound annual growth rate (CAGR) of 8.62% from 2023 to 2028. This growth is driven by evolving consumer preferences, particularly the increasing demand for premium and specialty teas, as well as broader consumption trends across the market. In response to anticipated market growth and to enhance its operational capacity, the Group commenced operations of a new white tea packaging facility in Xiapu County, Fujian Province, PRC in April 2025. This facility began generating revenue in May 2025, contributing approximately RMB4.79 million from May to August 2025. The Group expects this expansion to support increased procurement of tea leaves from 2026 onwards, aligning with its strategy to meet rising market demand and capture growth opportunities in the premium tea segment.

In arriving at the Renewed Annual Caps, the Directors have considered (i) the actual transaction in the amount of RMB81,118,000 for the purchase of tea leaves from Samoa Group for the three years ended 31 December 2024; (ii) the expected purchase amount for the year ending 31 December 2025 estimated based on the historical proportion of the actual purchase amount of RMB38,658,896 for the seven months ended 31 July 2025 to that for the full year ending 31 December 2025 with the expected market recovery; (iii) the expected recovery of consumer market by a CAGR of 8.62% from 2023 to 2028 and growing demand of the Group's tea leaves in next few years; and (iv) the possible production requirement of the new packaging facilities in Xiapu County may contribute to additional procurement of tea leaves . The Company is of the view that the Renewed Annual Caps for the three years ending 31 December 2028 are be fair and reasonable.

Pricing policy: The price of the tea leaves shall be determined through good faith negotiations between the Company and Samoa Group by reference to the prevailing market rate of similar products, and the terms of sale shall be no less favourable than those made available to independent third parties. The Renewed Samoa Master Purchase Agreement further detailed the mechanism that for every purchase of tea leaves, the Group follows its internal policies and procedures for obtaining quotations from both Samoa Group and at least two other independent suppliers of tea leaves in similar quality and quantity to determine if the price and terms offered by Samoa Group are fair and reasonable and comparable to, i.e., at a lower price than, or at least equal to, those offered by the independent third parties. Samoa Group, same as other suppliers of tea leaves, is under the bidding process, or procedures for obtaining quotations, to supply tea leaves to the Company and the Company confirmed that there is no any actual circumstance under which the supply of tea leaves to the Company by Samoa Group is not under bidding process, or procedures for obtaining quotations. The tea leaves purchase department of the Group will request Samoa Group to participate in the tea leaves bidding processes and invite at least two other independent suppliers to provide tea leaves quotations in similar quality and quantities with the sample tea leaves to determine if the price and terms offered by Samoa Group are fair and reasonable and comparable to those offered by the independent third parties, in order to summarise their findings and report to senior management of the Group for them to decide the purchase orders with the selected suppliers. The senior management of the Group will report to the Board in relation to their assessment of tea leaves procurement. The Board will continuously monitor if the procurement with Samoa Group complies with relevant procedures, assessment criteria and approval process for the purpose of internal control of the continuing connected transactions under the Renewed Samoa Master Purchase Agreement.

Payment: The payment for the purchase of the tea leaves under the Renewed Samoa Master Purchase Agreement will be as stated in the relevant purchase orders from the Group or as agreed from time to time. Payment shall be made by telegraphic transfer or other payment methods generally acceptable in the PRC. As agreed between the Company and Samoa Company, the purchase price is payable by the Group within 90 days from the delivery of the tea leaves, which is better than the usual payment terms of around 30 days offered by the independent suppliers.

Save as disclosed above, other terms of the Renewed Samoa Master Purchase Agreement are materially the same as the 2022 Samoa Master Purchase Agreement.

HISTORICAL TRANSACTION AMOUNTS UNDER THE 2022 SAMOA MASTER PURCHASE AGREEMENT

The historical transaction amounts that the Group paid/payable to Samoa Group for the purchase of tea leaves for the three years ended 31 December 2024 and the seven months ended 31 July 2025 were as follows:

	For the year ended 31 December 2022 *RMB*	**For the year ended 31 December 2023** *RMB*	**For the year ended 31 December 2024** *RMB*	**For the seven months ended 31 July 2025** *RMB*
Annual caps under the 2022 Samoa Master Purchase Agreement	187,000,000	113,000,000	136,000,000	143,000,000 *(Note (1))*
Transaction amounts under the 2022 Samoa Master Purchase Agreement	80,444,000	93,320,000	81,118,000	38,658,896
Utilisation rates of the annual caps under the 2022 Samoa Master Purchase Agreement (%)	43.0	82.6	59.6	46.3 *(Note (2))*
Total amount of tea leaves purchased from Samoa Group and independent third parties	320,401,000	287,622,000	239,751,000	92,051,000
Percentage of tea leaves purchased from Samoa Group (%)	25.1	32.4	33.8	41.9
Percentage of tea leaves purchased from independent third parties (%)	74.9	67.6	66.2	58.1

Notes:

(1) For the entire year ending 31 December 2025.

(2) Only taking into consideration of seven months pro-rata annual cap for the year ending 31 December 2025.

The utilisation rate of the annual cap for 2022 was 43.0%, mainly due to the decrease in revenue under the significant negative impact of coronavirus disease which caused customers' daily-life consumption tightened. The utilisation rate of annual cap for 2024 was 59.6%, mainly attributable to the decrease in revenue under the multiple risks of the global economy and the weak consumption market. The utilisation rate for the seven months ended 31 July 2025 was 46.3%, mainly due to the decrease in sales leading to a reduction in tea leaves procurement.

REASONS FOR THE TRANSACTIONS UNDER THE RENEWED SAMOA MASTER PURCHASE AGREEMENT

The Group is principally engaged in the sale and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The key products of the Group are tea leaves, tea snacks and tea ware, which are sold through a nationwide network of self-owned and third-party owned retail outlets and retail points. Samoa Company and its subsidiaries are engaged in the packaging, marketing and sale of tea leaves as well as the development and sale of tea snacks and tea ware. The Group has been purchasing tea leaves from Samoa Group as part of the ordinary and usual course of business, although the tea leaves can be easily sourced from other independent third parties even if there is no supply from Samoa Group, as the Company maintains a database of over four hundred independent third parties suppliers which the Group had purchased tea leaves historically.

INTERNAL CONTROL MEASURES

The Group adopted the following internal control measures to ensure that the transactions with Samoa Group will be conducted on normal commercial terms going forward:

(i) where applicable and commercially sensible, the Group will continue to request Samoa Group to provide the tea leaves through a bidding process, on arm's length basis and on the best available terms, with reference to the prevailing market prices;

(ii) as part of the internal control measures, the implementation of the Renewed Samoa Master Purchase Agreement and the actual number and amount of tea leaves will be monitored and reviewed by the Board (including the independent non-executive Directors) and the senior management on a regular basis, with reference to terms of similar transactions with the independent third parties;

(iii) the relevant operational divisions of the Group will report regularly to senior management with respect to the actual performance of the transactions of purchase of tea leaves with Samoa Group;

(iv) the Director(s) and/or the Shareholder(s) with an interest in the relevant transaction(s) shall abstain from voting in respect of the resolution(s);

(v) the Group shall use the best endeavour to comply with the relevant reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the continuing connected transactions;

(vi) the Company will engage its auditor to report on the connected transactions between the Group and Samoa Group contemplated under the Renewed Samoa Master Purchase Agreement every year in accordance with Rule 14A.56 of the Listing Rules; and

(vii) the Group will duly disclose in the annual reports and accounts the transactions of purchase of tea leaves with Samoa Group during each financial period, together with the conclusions (with basis) drawn by the independent non-executive Directors whether the transactions are conducted on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

DIRECTORS' VIEW

The Directors (excluding the interested Directors described below) consider that the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) is entered into on an arm's length basis, on normal commercial terms, in the usual and ordinary course of business of the Group, and the transactions contemplated under the Renewed Samoa Master Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the Independent Board Committee, after considering the advice from the Independent Financial Adviser, is set out on pages 14 to 15 of this circular.

Samoa Company is wholly owned by Mr. Lee Chia Ling, a substantial shareholder holding approximately 42.02% interests in the Company as at the Latest Practicable Date, and a Director. Accordingly, Mr. Lee Chia Ling, Mr. Lee Rie-Ho, who is the father of Mr. Lee Chia Ling, and Mr. Lee Kuo-Lin, who is the elder brother of Mr. Lee Chia Ling, are considered to be interested in the transactions under the Renewed Samoa Master Purchase Agreement and therefore abstained from voting on the board resolutions for approving the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder.

INFORMATION ON THE GROUP AND SAMOA GROUP

The Group is principally engaged in the sale and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The key products of the Group are tea leaves, tea snacks and tea ware, which are sold through a nationwide network of self-owned and third-party owned retail outlets and retail points.

The Samoa Group and its subsidiaries are engaged in the packaging, marketing and sale of tea leaves as well as the development and sale of tea snacks and tea ware.

LISTING RULES IMPLICATIONS

The Samoa Company is wholly owned by Mr. Lee Chia Ling, a substantial shareholder holding approximately 42.02% interests in the Company as at the Latest Practicable Date, and a Director. Accordingly, the Samoa Company is an associate of a core connected person of the Company and the transactions contemplated under the Renewed Samoa Master Purchase Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Given that the applicable percentage ratios (other than profits ratio) under the Listing Rules in respect of the transactions under the Renewed Samoa Master Purchase Agreement will exceed 5% on an annual basis, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Lee Chia Ling and his associates, together holding 648,707,028 Shares (approximately 59.89% interests in the Company as at the Latest Practicable Date), will abstain from voting on the proposed resolution approving the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder at the EGM. To the best knowledge of the Company, there is no other shareholder (other than Mr. Lee Chia Ling and his associates) which has material interest and will be required to abstain from voting at the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders on the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder.

EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 39 to 40 of this circular.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 16 October 2025 (Thursday) to 21 October 2025 (Tuesday), 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, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on 15 October 2025 (Wednesday). The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is 21 October 2025 (Tuesday).

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. Mr. Lee Chia Ling and his associates holding approximately 59.89% interests in the Company as at the Latest Practicable Date shall abstain from voting on the proposed resolution approving the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder (including the Renewed Annual Caps) at the EGM. Save as disclosed, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, none of the other Shareholders will be required to abstain from voting at the EGM to approve the Renewed Samoa Master Purchase Agreement and the Renewed Annual Caps.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tenfu.com). Whether or not you are able to attend the EGM via online platform, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment should you so wish.

GENERAL INFORMATION

Your attention is drawn to the appendix headed "General Information" to this circular.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the proposed resolution to approve the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder (including the Renewed Annual Caps); and (ii) the letter from the Independent Financial Adviser set out on pages 16 to 30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement (including Renewed Annual Caps).

Your attention is also drawn to the general information set out in Appendix I to this circular.

Yours faithfully,
For and on behalf of the Board
Tenfu (Cayman) Holdings Company Limited
Lee Chia Ling
Director

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the Renewed Samoa Master Purchase Agreement and the transactions contemplated thereunder.

Tenfu (Cayman) Holdings Company Limited
天福(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6868)

30 September 2025

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 30 September 2025 (the "**Circular**"), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) and the continuing connected transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Independent Financial Adviser as set out on pages 16 to 30 of the Circular and the letter from the Board as set out on pages 5 to 13 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the opinion of Independent Financial Adviser as stated in its letter of advice, we consider that (i) the terms of the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) are fair and reasonable; (ii) the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) the continuing connected transactions contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) are in the interests of the Company and the Shareholders

as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) and the continuing connected transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Lo Wah Wai	**Mr. Lee Kwan Hung, Eddie**	**Dr. Huang Wei**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the full text of the letter of advice from Halcyon Capital Limited to the Independent Board Committee and the Independent Shareholders which has been prepared for the purpose of the inclusion in this circular.



Room 3401, 34/F,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

30 September 2025

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Company's purchases or procure members of the Group to purchase tea leaves from the Tenfu Group (Samoa) Holdings Company Limited ("**Samoa Company**") and its subsidiaries (the "**Samoa Group**") for the three years commencing on 1 January 2026 to 31 December 2028 pursuant to the Renewed Samoa Master Purchase Agreement (the "**Transactions**"). Details of the Renewed Samoa Master Purchase Agreement and the annual caps (the "**Renewed Annual Caps**") in respect of the transactions contemplated thereunder are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 30 September 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meaning as those defined in the Circular.

Mr. Lee Chia Ling ("**Mr. Lee**") is an executive Director and a Substantial Shareholder of the Company and hence a connected person of the Company under Rule 14A.07 (1) of the Listing Rules. Samoa Company is a company which is held entirely by Mr. Lee. By virtue of Mr. Lee's shareholding in Samoa Company, Samoa Company is therefore also a connected person of the Company and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profit ratio) in respect of the Renewed Samoa Master Purchase Agreement are on an annual basis over 5%, the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) and the transactions contemplated thereunder will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lee, Mr. Lee Rie-Ho (who is the father of Mr. Lee), Mr. Lee Kuo-Lin (who is the elder brother of Mr. Lee) and their associates are considered to be interested in the Transactions and therefore had abstain from voting in relation to the relevant resolution(s) of the Renewed Samoa Master Purchase Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lo Wah Wai, Mr. Lee Kwan Hung, Eddie and Dr. Huang Wei has been established to advise the Independent Shareholders as to whether the terms of the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Independent Shareholders as a whole and how to vote on the relevant resolution in the EGM. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

In the last two years from the date of our appointment we did not provide any services to and had no other relationships with or interests in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees paid/payable to us in connection with our appointment, no arrangements exist whereby we had received any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence. We are therefore independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Transactions.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information, financial information and facts supplied to us and representations expressed by the Directors and/or the management of the Company and have assumed that all such information, financial information and facts and any representations made to us or referred to in the announcement of the Company dated 18 August 2025 and the Circular, for which they are fully responsible, are true, accurate and complete as at the time they were made and as at the date hereof and made after due and careful inquiry by the Directors and/or management of the Company. We have been advised by the Directors and/or the management of the Company that all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and facts provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

Our review and analyses were based upon, among others, the information provided by the Company including the Renewed Samoa Master Purchase Agreement and certain published information from the public domain. We have also discussed with the Directors and/or the management of the Company with respect to the terms of and reasons for the transactions

contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps), and considered that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position or prospects of the Group, Mr. Lee, Mr. Lee Rie-Ho (who is the father of Mr. Lee), Mr. Lee Kuo-Lin (who is the elder brother of Mr. Lee), Samoa Company, Samoa Group and each of their respective associates, and the parties involved in the transactions contemplated under the Renewed Samoa Master Purchase Agreement.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendations in respect of the transactions contemplated under the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps), we have considered the following principal factors and reasons:

1. Background to and reasons for the entering into of the Renewed Samoa Master Purchase Agreement

The Group is principally engaged in the sale and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The key products of the Group are tea leaves, tea snacks and tea ware. According to the annual report of the Company for the year ended 31 December 2024, the Company has been awarded the title of "China's Tea Industry Comprehensive Top 100 Enterprises" by the China Tea Marketing Association from 2013 to 2024. Pursuant to the data of Chinese Enterprises Brands Research Centre (中國企業品牌研究中心), "Tenfu" (天福) ranked first among 2019 China's chain stores of tea in terms of brand index, the "Tenfu" brand has one of the highest levels of brand awareness amongst tea product consumers in the PRC.

Products of the Group are sold through a nationwide network of self-owned and third-party owned retail outlets and retail points. As at 31 December 2024, the Group had a total of 1,349 self-owned and third-party owned retail outlets and retail points across 31 provinces, autonomous regions and municipalities in the PRC. In 2024, in face of the multiple risks of the global economy such as rising inflation, geopolitical tensions and fluctuations in energy and commodity prices, the PRC government actively rolled out a series of policies and measures to promote consumption, focusing on expanding domestic demand and unleashing the potential of consumption, leading to the consumer market demonstrated continuing and slow recovery. In order to increase the popularity of the Tenfu tea products and brands in the ultimate markets and distribution channels and maintain its leading position and advantage in the highly competitive Chinese tea market, in 2024, the Group continued to implement a number of significant operational measures to streamline the Group's organisation structure, adopt active marketing strategy to satisfy customers' demand and sell tea products together with tea beverage to expand product categories and sales channels.

Samoa Group are engaged in the packaging, marketing and sale of tea leaves as well as the development and sale of tea snacks and tea ware.

The Group has been purchasing tea leaves from Samoa Group as part of the ordinary and usual course of business, although the tea leaves can be easily sourced from other independent third parties even if there is no supply from Samoa Group, as the Company maintains a database of over four hundred independent third parties suppliers which the Group had purchased tea leaves historically. Apart from procuring raw tea leaves from independent suppliers for the Group's processing of the tea products, the Group has purchased processed tea leaves from Samoa Group from time-to-time.

Since 2011, the Company and Samoa Company entered into the master purchase agreement, pursuant to which the Group agreed to purchase the tea leaves from Samoa Group for a term of three years, such master purchase agreement has been renewed every three years or supplemented when necessary thereafter. As the latest effective agreement in place, the 2022 Samoa Master Purchase Agreement, will expire by the end of 2025, on 18 August 2025, the Company and Samoa Company entered into the Renewed Samoa Master Purchase Agreement to continue to govern the on-going connected transactions with the Samoa Group and as well as to set annual caps for the three years ending 31 December 2028.

The Directors consider that the Renewed Samoa Master Purchase Agreement provides flexibility, but not an obligation, to the Group or to the Samoa Group to engage each other in their respective business operation whenever their respective management consider appropriate. Furthermore, the Directors are of the view that, given the Samoa Group had been providing tea leaves to the Group for over 10 years and has been able to understand the quality requirements of the Group and sustained a stable supply, the management of the Group believes that by maintaining a number of stable quality suppliers of tea leaves are of utmost importance to the Group's current and future operation and the entering into the Renewed Samoa Master Purchase Agreement provide an opportunity to the Group to continue to collaborate with the Samoa Group as and when necessary. Since the prices of tea leaves shall be determined through good faith negotiations between the Company and the Samoa Group by reference to the prevailing market rate of similar products, and the terms of sale shall be no less favorable than those made available to independent third parties following the internal policies and procedures to determine if the price and terms offered by the Samoa Group are fair and reasonable and comparable to those offered by the independent third parties, the Directors considered that the procurement of tea leaves from Samoa Group is beneficial to the Group.

Having considered that the transactions contemplated under the Renewed Samoa Master Purchase Agreement between the Group and the Samoa Group have been and will be carried out in their respective ordinary and usual course of business, we consider that the entering into of the Renewed Samoa Master Purchase Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and Shareholders as a whole.

2. Principal terms of the Renewed Samoa Master Purchase Agreement

On 18 August 2025, the Company and Samoa Company entered into the Renewed Samoa Master Purchase Agreement, pursuant to which the Company agrees to purchase or procure members of the Group to purchase the tea leaves from Samoa Group for a fixed term of three years commencing on 1 January 2026 to 31 December 2028. Set out below are the principal terms of the Renewed Samoa Master Purchase Agreement:

Date: 18 August 2025

Parties: (i) the Company; and

(ii) Samoa Company, a company incorporated in Samoa, which is engaged in the manufacturing and processing of tea leaves in the PRC through its PRC subsidiaries and is wholly owned by Mr. Lee Chia Ling.

Subject: Pursuant to the Renewed Samoa Master Purchase Agreement, the Group agreed to purchase or procure members of the Group to purchase tea leaves from Samoa Group.

Term: The Renewed Samoa Master Purchase Agreement has a fixed term of three years commencing on 1 January 2026 to 31 December 2028 (both days inclusive).

Renewed annual cap

The renewed annual caps under the Renewed Samoa Master Purchase Agreement for the three years ending 31 December 2028 will not exceed RMB80,000,000, RMB93,000,000 and RMB106,000,000, respectively. The renewed annual caps have been determined based on the projected approximately 16.25% and 13.98% increase in demand of tea leaves by the Group for each of the year ending 31 December 2027 and 2028, respectively, with reference to the market rates for tea leaves, which the Group purchased from independent third parties. The Group projects an increase in demand for tea leaves from Samoa Group of approximately 16.25% and 13.98% for the years ending 31 December 2027 and 2028, respectively. These projections are underpinned by the sustained positive outlook for tea consumption in China, supported by long-term market trends. Although revenue of the Group experienced declining trend in the past couple of years, the Group anticipates a recovery in tea leaf demand beginning in 2026, with procurement volumes expected to return to levels comparable to the historical transaction amounts recorded during the three years ended 31 December 2024. According to data published by the Research Network for China Agricultural Brand (中國農業品牌研究網), the PRC tea market is forecasted to expand at a compound annual growth rate (CAGR) of 8.62% from 2023 to 2028. This growth is driven by evolving consumer preferences, particularly the increasing demand for premium and specialty teas, as well as broader consumption trends across the market.

In response to anticipated market growth and to enhance its operational capacity, the Group commenced operations of a new white tea packaging facility in Xiapu County, Fujian Province, PRC in April 2025. This facility began generating revenue in May 2025, contributing approximately RMB4.79 million from May to August 2025. The Group expects this expansion to support increased procurement of tea leaves from 2026 onwards, aligning with its strategy to meet rising market demand and capture growth opportunities in the premium tea segment.

In arriving at the renewed annual caps, the Directors have considered (i) the actual transaction in the amount of RMB81,118,000 for the purchase of tea leaves from Samoa Group for the three years ended 31 December 2024; (ii) the expected purchase amount for the year ending 31 December 2025 estimated based on the historical proportion of the actual purchase amount of RMB38,658,896 for the seven months ended 31 July 2025 to that for the full year ending 31 December 2025 with expected market recovery; and (iii) the expected recovery of consumer market by a CAGR of 8.62% from 2023 to 2028 and growing demand of the Group's tea leaves in next few years; and (iv) the possible production requirement of the new packaging facilities in Xiapu County may contribute to additional procurement of tea leaves.

Pricing policy

The price of the tea leaves shall be determined through good faith negotiations between the Company and the Samoa Group by reference to the prevailing market rate of similar products, and the terms of sale shall be no less favourable than those made available to independent third parties.

The Renewed Samoa Master Purchase Agreement further detailed the mechanism that for every purchase of tea leaves, the Group follows its internal policies and procedures for obtaining quotations from both Samoa Group and at least two other independent suppliers of tea leaves in similar quality and quantity to determine if the price and terms offered by Samoa Group are fair and reasonable and comparable to, i.e., at a lower price than, or at least equal to, those offered by the independent third parties.

Samoa Group, same as other suppliers of tea leaves, is under the bidding process, or procedures for obtaining quotations, to supply tea leaves to the Company and the Company confirmed that there is no any actual circumstance under which the supply of tea leaves to the Company by Samoa Group is not under bidding process, or procedures for obtaining quotations. The tea leaves purchase department of the Group will request Samoa Group to participate in the tea leaves bidding processes and invite at least two other independent suppliers to provide tea leaves quotations in similar quality and quantities with the sample tea leaves to determine if the price and terms offered by Samoa Group are fair and reasonable and comparable to those offered by the independent third parties, in order to summarise their findings and report to senior management of the Group for them to decide the purchase orders with the selected suppliers. The senior management of the Group will report to the Board in relation to their assessment of tea leaves procurement. The Board will continuously monitor if the procurement with Samoa Group complies with relevant procedures, assessment criteria and approval process for the purpose of internal control of the continuing connected transactions under the Renewed Samoa Master Purchase Agreement.

In view of the above, as Samoa Group is only one of the participants in the bidding process or in providing quotations, with comparable chances as the independent third parties suppliers in winning the bid, we consider that the tea leaves supply arrangement with Samoa Group is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

Details of the internal control procedures in relation to governing the pricing policy of the Renewed Samoa Master Purchase Agreement are set out in the paragraph headed "Internal control" below.

Payment

The payment for the purchase of tea leaves under the Renewed Samoa Master Purchase Agreement will be as stated in the relevant purchase orders from the Group or as agreed from time to time. Payment shall be made by telegraphic transfer or other payment methods generally acceptable in the PRC. As agreed between the Company and Samoa Company, the purchase price is payable by the Group within 90 days from the delivery of the tea leaves, which is better than the usual payment terms of around 30 days offered by the independent suppliers.

Save as disclosed, other terms of the Renewed Samoa Master Purchase Agreement are materially the same as the 2022 Samoa Master Purchase Agreement.

3. Internal control

The Group adopted the following internal control procedures to ensure that the transactions with Samoa Group will be conducted on normal commercial terms going forward:

(i) where applicable and commercially sensible, the Group will continue to request Samoa Group to provide the tea leaves through a bidding process, on arm's length basis and on the best available terms, with reference to the prevailing market prices;

(ii) as part of the internal control measures, the implementation of the Renewed Samoa Master Purchase Agreement and the actual number and amount of tea leaves will be monitored and reviewed by the Board (including the independent non-executive Directors) and the senior management on a regular basis, with reference to terms of similar transactions with the independent third parties;

(iii) the relevant operational divisions of the Group will report regularly to senior management with respect to the actual performance of the transactions of purchase of tea leaves with Samoa Group;

(iv) the Director(s) and/or the Shareholder(s) with an interest in the relevant transactions shall abstain from voting in respect of the resolutions;

(v) the Group shall use the best endeavour to comply with the relevant reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the continuing connected transactions;

(vi) the Company will engage its auditor to report on the continuing connected transactions between the Group and Samoa Group contemplated under the Renewed Samoa Master Purchase Agreement every year in accordance with Rule 14A.56 of the Listing Rules; and

(vii) the Group will duly disclose in the annual reports and accounts the transactions of purchase of tea leaves with Samoa Group during each financial period, together with the conclusions (with basis) drawn by the independent non-executive Directors whether the transactions are conducted on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Taking into account the above mentioned internal control measures, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions (including the determination of the purchase price of tea leaves) are in place.

Furthermore, we have also reviewed the letter issued by the auditor of the Company regarding the continuing connected transactions of the Company for the year ended 31 December 2024, pursuant to which nothing has come to the attention of the auditor of the Company that the continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Company.

In light of the above conditions, we are of the view that appropriate measures are in place to ensure that the Transaction will be conducted on normal commercial terms and to safeguard the interests of the Independent Shareholders.

4. Comparison of terms with independent third parties

Since the Group has a number of independent suppliers for tea leaves, we have discussed with the management of the Company and reviewed sample copies of: (i) the sales invoices of various types of tea leaves issued by the Samoa Group to the Group covering each quarter from the financial years ended 31 December 2022 to 2024 and also during the seven months ended 31 July 2025 (the "**Review Period**"); and (ii) the sales invoices of the same types of tea leaves issued by independent tea products suppliers to the Group covering each quarter, if available, (if no invoice from independent tea suppliers available during the corresponding quarter as no transaction was conducted during the quarter due to the result of price quotation, during the closest corresponding period). Based on our review, we noted that the prices offered by the Samoa Group are more favorable than those offered by independent suppliers in supplying the same types of tea leaves.

Given our samples were randomly selected covering each quarter during the Review Period and we did not note any samples which were inconsistent with the relevant pricing policies of the Group, we are of the view that the samples selected which cover each quarter of the Review Period to be fair and representative samples.

In determining whether the settlement term is fair and reasonable, we have discussed with the Directors and understand that no particular settlement terms have been stated in the sales invoice, and independent third party suppliers may or may not require the Group to enter into sales contracts. According to the section headed "Letter from the Board" of this circular, as agreed between the Company and Samoa Company, the purchase price is payable by the Group within 90 days from the delivery of the tea leaves. From the sample supply contracts entered into between the Group and other independent suppliers, we noted that those independent suppliers normally granted a credit period of 15 to 30 business days to the Group, while the Samoa Group granted to the Group a credit period of 90 business days. In light of the longer credit period granted by the Samoa Group, the settlement term offered by the Samoa Group was more favorable than those of independent suppliers to the Group.

5. Market Overview of China's Tea Industry

Under the macro environment, there are challenges posed by the tariff uncertainties, inflations, political conflicts, leading to a stagnation in the global economy. In the PRC, the consumer price index (CPI) for food, beverages, and tobacco for 2023 and 2024 also recorded a decrease of 2.1 and 0.4, respectively, indicating that consumers are more rational in consumption decisions regarding food, beverages and tobacco in recent years.

However, according to the data published by the National Bureau of Statistics, China's tea production has reached 3.73 million tons in 2024, representing a 5.5% year-on-year increase, indicating that China's tea industry has maintained a continuous growth trend. Furthermore, to encourage domestic consumption, in March 2025, General Office of the Communist Party of China Central Committee and the General Office of the State Council, China's Cabinet, issued a special action plan to implement policy support including demand-side initiatives such as income enhancement for urban and rural residents, and measures to support consumption capacities and supply side initiatives, aimed at improving the quality of service consumption, upgrading bulk consumption and enhancing consumption quality. Furthermore, accordingly to data published by the Research Network for China Agricultural Brand (中國農業品牌研究網), the market size of the PRC tea market is expected to grow annually by a CAGR of 8.62% from 2023 to 2028 contributed by among other things, the shift of customer preference to premium and specialty teas and trends in the market.

Despite the slight economic slowdown, considering the stable growth of the market size and production of the tea industry and the government support on consumption, it is foreseen that there will be a potential long-term positive demand in the tea consumption market in China.

6. Basis of the Renewed Annual Caps

The transactions contemplated under the Renewed Samoa Master Purchase Agreement are subject to the Listing Rules' requirements and conditions as further discussed under the section headed "Reporting requirements and conditions of the Transactions" below. In particular, the Transactions are also subject to the Renewed Annual Caps as discussed below.

In assessing the reasonableness of the Renewed Annual Caps, we have discussed with the management of the Group on the basis and assumptions underlying the estimated price and volume for purchases of the tea leaves pursuant to the Renewed Samoa Master Purchase Agreement entered between the Company and Samoa Company for the purpose of determining the Renewed Annual Caps.

(i) Review of the historical figures

Set out below are the historical transactions amounts that the Group paid or payable to the Samoa Group for the purchase of the Tea Products for the three years ended 31 December 2024 and for the seven months ended 31 July 2025:

	For the year ended 31 December 2022 *RMB'000*	**For the year ended 31 December 2023** *RMB'000*	**For the year ended 31 December 2024** *RMB'000*	**For the 7 months ended 31 July 2025** *RMB'000*
Annual caps under the 2022 Samoa Master Purchase Agreement	187,000	113,000	136,000	143,000 (12 months) 83,417 (7 months pro-rata)
Actual purchase amounts of the tea leaves of the Group from Samoa Group	80,444	93,320	81,118	38,659
Utilization rate of the annual caps under the 2022 Samoa Master Purchase Agreement	43.0%	82.6%	59.6%	46.3% (Taking into consideration 7 months pro-rata annual cap)
Total purchase amounts of the tea leaves of the Group from Samoa Group and independent third parties	320,401	287,622	239,751	92,051
Percentage of purchase amounts from Samoa Group to the total purchase amounts of the Group	25.1%	32.4%	33.8%	41.9%

During the past three years, purchase amount from Samoa Group remained relatively stable recording a total purchase of around RMB80 million to RMB93 million, as the Group currently has more than 100 tea leaves suppliers available for their choice and during the bidding process in relation to tea leaves procurement, the Group has managed to obtain more favorable quotations from independent third parties, thus the Group may not always end up purchasing from Samoa Group, as the Group, prior to each round of procurement of tea leaves, will obtain quotation from both Samoa Group and independent tea supplier, and will only purchase from the supplier providing most favorable quotations, thus depending on the price offered by each supplier, procurement may or may not be from Samoa Group. The percentage of purchase amounts from Samoa Group to the total purchase amounts ranged from 25.1% to 33.8% for the three years ended 31 December 2024 while percentage of purchase amount from Samoa Group increased to 41.9% for the seven months ended 31 July 2025.

For the utilization rate of the annual caps under the 2022 Samoa Master Purchase Agreement, utilization rate for FY2023 was relatively high at 82.6% owing to the downward adjustment in annual cap for FY2023 while the utilization rates were lower for FY2022 and FY2024 at 43.0% and 59.6% respectively. The utilisation rate of the annual cap for FY2022 was 43.0%, mainly due to the decrease in revenue under the significant negative impact of coronavirus disease which caused customers' daily-life consumption tightened while the relatively low utilization rate for FY2024 were mainly attributable to the decrease in revenue and hence procurement required as a result of the weak consumption market and overall economic conditions affected by multiple global factors with the total purchase amount from both the Samoa Group and independent third parties decreasing from RMB287.6 million to RMB239.8 million as well as independent third parties offering a more favorable quotations to the Group.

Taking into consideration the pro-rata 7 months utilization rate of the annual caps under the 2022 Samoa Master Purchase Arrangement, utilization rate was 46.3% for the seven months ended 31 July 2025. The Group considered that the low utilization rate for the seven months ended 31 July 2025 was mainly due to the decrease in sales leading to a reduction in tea leaves procurement.

In view of the above, the Directors are of the view that and we concur, the Group is not considered to have undue reliance on the Samoa Group for supply of tea leaves and the Samoa Group is merely one of the suppliers of the Group, which provided the Group with an extra channel to source suitable tea leaves.

(ii) Assessment of the Renewed Annual Caps

When assessing the reasonableness of the Renewed Annual Caps, we have discussed with the management the basis and assumptions underlying the projection of the Renewed Annual Caps. Set out below are the Renewed Annual Caps being proposed for the transactions contemplated under the Renewed Samoa Master Purchase Agreement for the three years ending 31 December 2026, 2027 and 2028:

	For the years ending 31 December		
	2026	**2027**	**2028**
	RMB	*RMB*	*RMB*
Renewed Annual Caps for the Renewed Samoa Master Purchase Agreement	80,000,000	93,000,000	106,000,000

The renewed annual caps have been determined based on the projected increase in demand of tea leaves by the Group of approximately 16.25% and 13.98% for 2027 and 2028, respectively, with reference to the market rates for tea leaves, which the Group purchased from independent third parties. In arriving at the renewed annual caps, the Directors have considered (i) the actual transaction amounts for the purchase of tea leaves from Samoa Group for the year ended 31 December 2024 and for the seven months ended 31 July 2025; (ii) the expected purchase amount for the year ending 31 December 2025 estimated based on the historical proportion of the actual purchase amount for the seven months ended 31 July 2025 to that for the full year ending 31 December 2025; and (iii) the expected demand of the Group's tea leaves in 2025 based on the sales of the Group's tea leaves and consumption of the PRC for the past years.

As affected by the weakened consumer market and in view of the low utilisation rate for the years ended 31 December 2022 and 2024 and for the seven months ended 31 July 2025, we noted that the Renewed Annual Caps for the coming three years ending 31 December 2028 are less than the annual caps under the 2022 Samoa Master Purchase Agreement.

Nevertheless, the Group estimated that the demand for tea leaves will recover and that the purchase amount in 2026 onwards will resume to a level comparable to the historical transaction amount recorded during the past 3 full financial year and continue to increase. In addition, the Group also considered the full year effect of the possible production requirement of the new packaging facilities in Xiapu County which commenced operation in 1st half of 2025 and may contribute to additional procurement of tea leaves for the year ending 31 December 2026.

When estimating the Renewal Annual Caps for year ending 31 December 2026, the Group took into consideration (i) the historical transaction amount in the past three full financial years; (ii) the decrease in sales of tea leading to the reduced procurement amount of tea leaves for the seven months ended 31 July 2025 and the low utilization rate in FY2024; (iii) while at the same time taking into account the upward momentum of the tea industry in 2026 and onwards contributed by factors mentioned in the "Overview of China's tea market" above and

the full year operation of the new packaging facility of white tea (as in 2025 the new packaging facility is expected to only have 8 months in operation, while the new packaging facility will be in operation for 12 months in 2026), hence more tea leave is expected to be procured with the additional packaging capacity. With such combined effect, it is expected that the estimated transaction amount in 2026 will be able to achieve a close to FY2024 actual transaction amount level.

While the Renewed Annual Caps for the year ending 31 December 2027 represent an increase of 16.9% as compared to the annual cap for FY2026 as it is anticipated by the Group that sales will continue to recover and reach a procurement comparable to the highest historical transaction amount recorded in the past three full financial years (i.e. RMB93,320,000 in 2023). Such growth in sales would be contributed by the anticipated increase in demand brought on by the expected recovery in the consumer market which is supported by the forecast growing trend of the China tea market pursuant to the factors as mentioned in the section headed above, "5. Market Overview of the China Tea Industry."

The Renewed Annual Caps for the year ending 31 December 2028 represent a further increase of 7.5% as compared to the Renewed Annual Caps for the year ending 31 December 2027 and a buffer of RMB6 million to provide flexibility to the Company in case of any unforeseen increase in the market demand. The Group took into account the continued anticipated growth in market size of the tea industry and consumer demand.

Having considered all the above factors, including the basis from which the Directors have determined the Renewed Annual Caps, and as the Renewed Annual Caps for the three years ending 31 December 2028 have taken into account:

(i) the anticipated recovery of consumer demand and the market overview of the tea industry;

(ii) the full year effect of the possible production requirement of the new packaging facilities in Xiapu County which commenced operation in 1st half of 2025 and may contribute to additional procurement of tea leaves for the year ending 31 December 2026;

(iii) the Renewed Annual Caps for the coming three years ended 31 December 2028 are less than the annual caps under the 2022 Samoa Master Purchase Agreement in view of the low utilisation rate for the years ended 31 December 2022 and 2024 and for the seven months ended 31 July 2025; and

(iv) the estimated transaction value of the Renewed Annual Cap for the years ended 31 December 2026 and 2027 is comparable to the actual transaction value recorded in the past three full financial years while the Renewed Annual Cap for the year ended 31 December 2028 represents a 7.5% increase from the Renewed Annual Cap for the year ending 31 December 2027 and a slight buffer to cater for unforeseen increase in market demand.

We concur with the Group that the Renewed Annual Caps for the three years ending 31 December 2028 to be fair and reasonable.

7. Reporting requirements and conditions of the Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transaction is subject to the following annual review requirements:

(a) each year the independent non-executive Directors must review the Transaction and confirm in the annual report and accounts that Transaction has been entered into:

  (i) in the ordinary and usual course of business of the Group;

  (ii) on normal commercial terms or better; and

  (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(b) each year the auditor of the Company (currently, PricewaterhouseCoopers) must provide a letter to the Board confirming whether anything has come to the Board's attention that causes them to believe that the Transactions:

  (i) have not received the approval of the Board;

  (ii) are not in accordance with the pricing policies of the Group (if applicable);

  (iii) have not been entered into in accordance with the relevant agreements governing the Transactions; and

  (iv) have exceeded the Renewed Annual Caps;

(c) the Company shall allow, and shall procure the relevant counterparties to the Transactions to allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (b); and

(d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively. The Stock Exchange may require the Company to re-comply with the announcement and shareholders' approval requirements and may impose additional conditions.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the Renewed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditor of the Company of the terms of the Transactions and the Renewed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to monitor the conduct of the Transactions and assist to safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that (i) the terms of the Renewed Samoa Master Purchase Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Renewed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we would recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Renewed Samoa Master Purchase Agreement (including the Renewed Annual Caps) and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Halcyon Capital Limited
Denise Law
Director

Ms. Denise Law is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 15 years of experience in corporate finance industry

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of Interest	Number of Shares and/or underlying Shares *(Note 1)*	Approximate percentage of Shareholding
Mr. Lee Rie-Ho *(Note 2)*	Interest in a controlled corporation	188,789,000 (L)	17.43%
Mr. Lee Chia Ling *(Note 3)*	Settlor of The KCL Trust	378,273,000 (L)	34.92%
	Personal interest/ individual	76,926,028 (L)	7.10%
Mr. Lee Kuo-Lin *(Note 3)*	Beneficiary of The KCL Trust	378,273,000 (L)	34.92%
Mr. Tseng Ming-Sung	Personal interest/ individual	4,719,000 (L)	0.44%

Notes:

(1) The letter "L" denotes the person's long position in such Shares.

(2) Discerning Group Limited is wholly-owned by Mr. Lee Rie-Ho, Mr. Lee Rie-Ho is deemed to be interested in the Shares held by Discerning Group Limited for the purpose of the SFO. Ms. Lee Tsai Li-Li is the wife of Mr. Lee Rie-Ho and is deemed to be interested in the Shares in which Mr. Lee Rie-Ho is deemed or taken to be interested for the purpose of the SFO.

(3) The entire issued share capital of Trackson Investments Limited is held by Tiger Nature which is in turn ultimately held by UBS TC (Jersey) Ltd. (through two nominee companies) as the trustee of The KCL Trust. The KCL Trust is a discretionary trust established by Mr. Lee Chia Ling as settlor on 12 April 2011. The beneficiaries of The KCL Trust include family members of Mr. Lee Chia Ling. Mr. Lee Chia Ling, Mr. Lee Kuo-Lin and Mr. Lee John L are deemed to be interested in 378,273,000 Shares held by The KCL Trust, Tiger Nature and Trackson Investments Limited pursuant to Part XV of the SFO. Ms. Zhou Nan-Nan is the spouse of Mr. Lee Chia Ling and is deemed to be interested in all the Shares of Mr. Lee Chia Ling by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial shareholders

As at the Latest Practicable Date, so far as is known to the Directors, Shareholder (other than a Director) who had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group is as follows:

Name	Capacity	Number of Shares and/or underlying Shares *(Note 1)*	Percentage of Shareholding
Discerning Group Limited *(Note 2)*	Registered owner	188,789,000 (L)	17.43%
Ms. Lee Tsai Li-Li *(Note 2)*	Interest as a spouse	188,789,000 (L)	17.43%
The Trustee *(Notes 3 & 4)*	Trustee	378,273,000 (L)	34.92%

Name	Capacity	Number of Shares and/or underlying Shares *(Note 1)*	Percentage of Shareholding
Trackson Investments Limited *(Note 3)*	Registered owner	378,273,000 (L)	34.92%
Tiger Nature *(Note 3)*	Interest in a controlled corporation	378,273,000 (L)	34.92%
The KCL Trust *(Note 3)*	Interest in a controlled corporation	378,273,000 (L)	34.92%
Mr. Lee John L *(Note 3)*	Beneficiary of The KCL Trust	378,273,000 (L)	34.92%
Ms. Zhou Nan-Nan *(Note 3)*	Interest as a spouse	455,199,028 (L)	42.02%
Spring Cheers Overseas Ltd.	Registered owner	90,379,023 (L)	8.34%
Mr. Tsai Shan Jen *(Note 5)*	Registered owner	9,449,028 (L)	
	Interest in a controlled corporation	46,731,649 (L)	
		56,180,677 (L)	5.19%

Notes:

(1) The letter "L" denotes the person's long position in such Shares.

(2) Discerning Group Limited is wholly-owned by Mr. Lee Rie-Ho, Mr. Lee Rie-Ho is deemed to be interested in the Shares held by Discerning Group Limited for the purpose of the SFO. Ms. Lee Tsai Li-Li is the wife of Mr. Lee Rie-Ho and is deemed to be interested in the Shares in which Mr. Lee Rie-Ho is deemed or taken to be interested for the purpose of the SFO.

(3) The entire issued share capital of Trackson Investments Limited is held by Tiger Nature which is in turn ultimately held by UBS TC (Jersey) Ltd. (through two nominee companies) as the trustee of The KCL Trust. The KCL Trust is a discretionary trust established by Mr. Lee Chia Ling as settlor on 12 April 2011. The beneficiaries of The KCL Trust include family members of Mr. Lee Chia Ling. Mr. Lee Chia Ling, Mr. Lee Kuo-Lin and Mr. Lee John L are deemed to be interested in 378,273,000 Shares held by The KCL Trust, Tiger Nature and Trackson Investments Limited pursuant to Part XV of the SFO. Ms. Zhou Nan-Nan is the spouse of Mr. Lee Chia Ling and is deemed to be interested in all the Shares of Mr. Lee Chia Ling by virtue of the SFO.

(4) UBS TC (Jersey) Ltd. is the trustee of The KCL Trust, it is deemed to be interested in 378,273,000 Shares held by The KCL Trust.

(5) Mr. Tsai Shan Jen was interested in 56,180,677 Shares, through (i) his personal interests in 9,449,028 Shares; and (ii) Ming Feng Holdings Co., Limited, wholly and beneficially owned by Mr. Tsai Shan Jen, which was interested in 46,731,649 Shares.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no other person (other than a Director or chief executive officer of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

3. DIRECTORS' SERVICE CONTRACTS AND OTHER INTEREST

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

As at the Latest Practicable Date, no Director has any interest in (i) any assets which have been, since 31 December 2024, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; or (ii) any contract or arrangement in which a Director is materially interested and which is significant in relation to the business of the Group.

4. COMPETING BUSINESS INTEREST OF DIRECTORS

As disclosed in the prospectus of the Company dated 14 September 2011, Mr. Lee Chia Ling owns interests in the Samoa Company and operates the Retained Manufacturing Business. Mr. Lee Rie-Ho, Mr. Lee Chia Ling and their associates own interests in the Retained Ten Ren Business, the Retained Uncle Lee Business (provided that it only conducts business in North America, South America and Europe) and the Retained Sales Business. Additionally, Mr. Lee Rie-Ho acts as a director of Lu Yu.

A deed of non-competition (the "**Deed**") dated 31 August 2011 as supplemented was entered into by and among other parties and the controlling shareholders, including Directors namely Mr. Lee Rie-Ho and Mr. Lee Chia Ling (collectively, the "**Covenantors**") in favour of the Company. According to the Deed, the Covenantors have undertaken that they shall not: (a) directly or indirectly engage, participate or hold any right or interest in or otherwise be involved in any business which is in competition with or may be in competition with the existing business activity of the Group or any business activities which the Group may undertake in the future; (b) take any direct or indirect action (including expansion of the Retained Manufacturing Business to other businesses by Mr. Lee Chia Ling) which constitutes an interference with or a disruption to the business activities of the Group including, but not limited to, solicitation of customers, suppliers and staff of the Group. The Company has received an annual written confirmation from each of the Covenantors in respect of the compliance by them and their associates with the Deed.

The independent non-executive Directors have reviewed the Deed and whether the controlling shareholders have abided by the non-competition undertaking. The independent non-executive Directors confirmed that they had determined that the controlling shareholders have not been in breach of the non-competition undertaking during the year ended 31 December 2024.

Save as disclosed above, none of the Directors held any interests in any business that compete directly against the Company or any of its jointly controlled entities and subsidiaries during the year ended 31 December 2024.

5. MATERIAL ADVERSE CHANGE

The Directors confirmed that there has not been any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

6. EXPERT'S QUALIFICATIONS AND CONSENTS

Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser made the letter from the Independent Financial Adviser for incorporation in this circular.

The following is the qualification of the expert or professional adviser who has given its opinion or advice contained in this circular:

Name	Qualification
Independent Financial Adviser	A licensed corporation under the SFO to carry on type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Independent Financial Adviser did not have any direct or indirect interest in any assets which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2024, the date to which the latest audited financial statements of the Group were made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. GENERAL

(a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up, and up to the Latest Practicable Date.

(b) Save for the disclosed below, none of the Directors was materially interested in any contract, save the service contracts, or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group:

(i) As disclosed in the announcement of the Company dated 14 December 2022, on 14 December 2022, the Company entered into a renewed master processing agreement with the Samoa Group for the three years commencing on 1 January 2023 and ending on 31 December 2025, pursuant to which the Samoa Group agreed to provide processing services to enhance the quality of such tea leaves for a term of three years subject to an annual cap not exceeding RMB1,000,000, RMB1,500,000 and RMB2,000,000 for each of the three years ending 31 December 2025, respectively.

(ii) As disclosed in the announcements of the Company dated 14 December 2022, on 14 December 2022, the Company entered into a renewed master purchase agreement with Lu Yu for the three years commencing on 1 January 2023 and ending on 31 December 2025, pursuant to which the Company agreed to purchase or procure members of the Group to purchase tea ware from Lu Yu for a term of three years subject to an annual cap not exceeding RMB20,000,000, RMB22,000,000 and RMB24,000,000 for each of the three years ending on 31 December 2025, respectively.

(iii) As disclosed in the announcements of the Company dated 14 December 2022, on 14 December 2022, the Company entered into a leasing framework agreement with Mingfeng for the three years commencing on 1 January 2023 and ending on 31 December 2025, pursuant to which the Company agreed to lease or procure members of the Group to lease properties from Mingfeng for a period of three years commencing on 1 January 2023 to 31 December 2025, subject to the annual cap not exceeding RMB2,600,000, RMB2,730,000 and RMB2,870,000 for the each of the three years ending 31 December 2025, respectively.

(iv) As disclosed in the announcements of the Company dated 19 August 2024, on 19 August 2024, the Company entered into a master sale agreement with Uncle Lee for the three years commencing on 1 January 2024 and ending on 31 December 2026, pursuant to which the Company agreed to sell or procure members of the Group to sell tea leaves to Uncle Lee for a period of three years subject to the annual cap not exceeding RMB12,000,000, RMB13,200,000 and RMB14,520,000 for each of the three years ending 31 December 2026, respectively.

(v) Each of Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, the executive Directors has entered into a service contract with the Company for a term of three years commencing from 26 September 2023 and each of Dr. Fan Ren Da, Anthony and Mr. Zhang Honghai, the executive Directors has entered into a service contract with the Company for a term of three years commencing from 18 May 2024, which may be terminated by not less than three months' notice in writing served by either party on the other.

(c) The company secretary of the Company is Ms. Leung Shui Bing. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.

(d) The registered office of the Company is P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands.

(e) The principal place of business of the Company in Hong Kong is at 11/F, No. 88 Lockhart Road, Wan Chai, Hong Kong.

(f) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.

(g) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be published on the websites on the Stock Exchange (http://www.hkexnews.hk) and the Company (www.tenfu.com) for a period of 14 days commencing from the date of this circular:

(a) the Renewed Samoa Master Purchase Agreement;

(b) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;

(c) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 30 of this circular;

(d) the consent letter of the Independent Financial Adviser referred to in the section headed "Expert's Qualifications and Consents" in this appendix; and

(e) this circular.

Tenfu (Cayman) Holdings Company Limited
天福(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6868)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of Tenfu (Cayman) Holdings Company Limited (the "**Company**") will be held by way of a virtual meeting via online platform, on Tuesday, 21 October 2025 at 10:00 a.m., to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

1. "**THAT**:

   (a) the renewed Samoa master purchase agreement entered into between Tenfu (Cayman) Holdings Company Limited and Tenfu Group (Samoa) Holdings Company Limited dated 18 August 2025 (the "**Renewed Samoa Master Purchase Agreement**") (a copy of which is tabled at the EGM marked "A" and signed by the chairman of the meeting for identification purpose) and the continuing connected transactions contemplated thereunder (including the Renewed Annual Caps) (as defined in the circular of the Company dated 30 September 2025, a copy of which is tabled at the EGM marked "B" and signed by the chairman of the meeting for identification purpose) (the "**Circular**")) as set out in the Circular be and are hereby approved and confirmed; and

   (b) any director of the Company (the "**Director**") be and is hereby authorised to take any step and execute such other documents as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Renewed Samoa Master Purchase Agreement and the continuing connected transactions contemplated thereunder (including the Renewed Annual Caps) contemplated thereby."

By order of the Board
Tenfu (Cayman) Holdings Company Limited
Lee Chia Ling
Director

Hong Kong, 30 September 2025

Notes:

1. The EGM will be a virtual meeting held via online platform. Shareholders can attend, participate in and vote at the EGM by visiting the website at http://meetings.computershare.com/tenfu20251021 (the "**Online Platform**"). Shareholders attending the EGM using the Online Platform will also be counted towards the quorum and they will be able to cast their votes and raise questions through the Online Platform. A invitation letter containing the login details to access the Online Platform will be sent by the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, to the shareholders. The resolution at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude the shareholder from attending and voting via online platform at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. The transfer books and register of members of the Company will be closed from 16 October 2025 (Thursday) to 21 October 2025 (Tuesday), both days inclusive, to determine the entitlement of the Shareholders to attend the EGM, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 15 October 2025 (Wednesday). The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is 21 October 2025 (Tuesday).

5. As at the date of this notice, the executive Directors are Mr. Lee Rie-Ho, Mr. Lee Chia Ling, Mr. Lee Kuo-Lin, Dr. Fan Ren Da, Anthony and Mr. Zhang Honghai; the non-executive Director is Mr. Tseng Ming-Sung; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Lee Kwan Hung, Eddie and Dr. Huang Wei.