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PU'ER LANCIANG ANCIENT TEA CO., LTD.

普洱瀾滄古茶股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6911)

(1) PROPOSED CHANGE IN USE OF NET PROCEEDS; (2) CHANGE OF BOARD SECRETARY; AND (3) CLOSURE OF REGISTER OF MEMBERS

PROPOSED CHANGE IN USE OF NET PROCEEDS

References are made to (i) the prospectus of the Company dated 14 December 2023 (the “**Prospectus**”) in relation to the future plans and use of net proceeds (the “**Use of Net Proceeds**”) from global offering of the Company (the “**Global Offering**”) and (ii) the announcement and the circular dated 13 May 2025 of the Company in relation to the change in use of unutilised net proceeds at the time (the “**Previous Change in Use of Net Proceeds**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus and the circular on Previous Change in Use of Net Proceeds.

USE OF NET PROCEEDS AS DISCLOSED IN THE PROSPECTUS AND AS AMENDED BY THE PREVIOUS CHANGE IN USE OF NET PROCEEDS

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

As mentioned in the circular on Previous Change in Use of Net Proceeds, the Company has made certain changes in use of the unutilised Net Proceeds of approximately RMB23.5 million as of 30 April 2025, the allocation of the Net Proceeds after the Previous Change in Use of Net Proceeds is set out in the paragraphs headed “**CHANGE IN USE OF NET PROCEEDS**” below.

CHANGE IN USE OF NET PROCEEDS

As of 31 August 2025, approximately RMB8.2 million of the Net Proceeds remained unutilised. Taking into consideration of the reasons set out in the paragraphs headed “**REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS**” below, the Board has resolved to reallocate a total of RMB8.2 million of the Net Proceeds for working capital and other general corporate purposes (including but not limited to payment of agency fees, rents and supplier payments) (the “**Change in Use of Net Proceeds**”), that is, RMB2.1 million was originally allocated for sales channel building, RMB3.2 million for brand building and product marketing, RMB0.3 million for upgrading our information technology infrastructure and strengthening our research and development capabilities, and RMB2.6 million for investment in the Shanquan Fermentation Project, were fully reallocated for working capital and other general corporate purposes.

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

Use of Net Proceeds	Planned use of Net Proceeds after previous change		Use of Net Proceeds after the Change in Use of Net Proceeds			Utilised Net Proceeds as of 31 August 2025 (RMB million)	Unutilised Net Proceeds as of 31 August 2025 following the Change in Use of Net Proceeds (RMB million)	Expected timeline for full utilisation
	Amount of approximate Net Proceeds (RMB million)	Approximate percentage of the total Net Proceeds	Amount of Change in Use of Net Proceeds (RMB million)	Amount of approximate Net Proceeds (RMB million)	Approximate percentage of the total Net Proceeds			
Building modernised logistics and warehousing centers, building new Production facilities and upgrading current production facilities	11.7	8.3%	-	11.7	8.3%	11.7	-	2025
Sales channel building	9.0	6.4%	-2.10	6.9	4.9%	6.9	-	2025
Brand building and product marketing	25.4	18.0%	-3.20	22.2	15.7%	22.2	-	2025
Upgrading our information technology infrastructure and strengthening our research and development capabilities	3.4	2.4%	-0.30	3.1	2.2%	3.1	-	2025
Working capital and other general corporate purposes	35.9	25.4%	8.20	44.1	31.2%	35.9	8.2	2025
Investment in the Shanquan Fermentation Project	30.0	21.2%	-2.60	27.4	19.4%	27.4	-	2025
Repayment of the borrowings	26.0	18.4%	-	26.0	18.4%	26.0	-	2025
Total	141.4	100.0%	-	141.4	100.0%	133.2	8.2	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS

The Change in Use of Net Proceeds is mainly to adjust the total amount of RMB8.2 million allocated for “sales channel building”, “upgrading our information technology infrastructure and strengthening our research and development capabilities”, “brand building and product marketing” and “investment in the Shanquan Fermentation Project” to “working capital and other general corporate purposes”, with the adjusted amount accounting for 5.8% of the Net Proceeds of RMB141.4 million.

“Sales channel building” is originally planned to be primarily used for the construction and investment in self-operated stores. As of 31 August 2025, the Company had allocated RMB6.9 million from the Net Proceeds to the sales channel building project, primarily used for the establishment and operational investment of self-operated stores. Taking an overall look at the operating conditions of the Company in 2024 and the slow recovery of the consumer market so far in 2025, combined with the actual conditions of relatively substantial investments in capital and human resources for self-operated stores, the difficulty of operating offline physical stores has increased. The Board considers that further large-scale investments in self-operated stores at this stage do not align with the actual needs of the Company. Utilizing all remaining funds from the “sales channel building” to “working capital and other general corporate purposes” can help the Company alleviate the financial pressure caused by the market environment, and will also facilitate the Company in further improving the efficiency of capital utilization, enhancing the financial flexibility and stability of the Company. In respect of sales channel building, the Company will consider investing in such projects by way of proprietary funds, bank loans, or other appropriate means based on market conditions and its development.

“Brand building and product marketing” is primarily used for building and marketing for the Company’s proprietary brands (including 1966 brand (1966 品牌), Tea Mama (茶媽媽) and Iland Tea (岩冷)), as well as for organizing a series of integrated brand and marketing campaigns. As of 31 August 2025, the Company had allocated RMB22.2 million from the Net Proceeds to the brand building and product marketing project. The Company firmly believes that brand building and product marketing serve as core means for enterprises to connect with markets, deliver value, and drive conversions, exerting profound influence on the development of consumer-oriented enterprises. However, the Company also considers this to be a long-term and systematic task. Given the current slow market recovery at this stage, it is more urgent for the operating activities of the Company to adjust all remaining unutilised Net Proceeds in this project to “working capital and other general corporate purposes”. In respect of brand building and product marketing, the Company will consider investing in such projects by way of proprietary funds, bank loans, or other appropriate means based on market conditions and its development.

“Upgrading our information technology infrastructure and strengthening our research and development capabilities” is primarily planned to upgrade information systems to improve informatization levels and acquire R&D equipment and materials to enhance product development and iteration capabilities. As of 31 August 2025, the Company had allocated RMB3.1 million from the Net Proceeds to such project. The Company fully understands that improving the level of informatization and strengthening R&D capability are crucial for its long-term development. However, the construction of informatization and the enhancement of R&D capability require long-term investment and gradual adjustments. At this stage, with the business development of the Company being affected by the slow recovery of the consumer market, it is more urgent for the operating activities of the Company to adjust all remaining unutilised Net Proceeds in this project to “working capital and other general corporate purposes”. In respect of enhancing our level of informatization and R&D capability, the Company will consider investing in such projects by way of proprietary funds, bank loans, or other appropriate means based on market conditions and its development.

“Investment in the Shanquan Fermentation Project” is primarily used for the construction of the Company’s Shanquan Fermentation Project. In September 2023, the Cultural Landscape of Old Tea Forests of Jingmai Mountain in Yunnan Province (雲南省景邁山古茶林文化景觀) was successfully inscribed on the World Heritage List, which is the world’s first tea-themed world cultural heritage. Coinciding with the 50th anniversary of Yunnan Pu’er fermented tea in 2024, the Company announced its strategy early that year to establish itself as the “No. 1 Brand of Pu’er Fermented Tea”. The Shanquan Fermentation Project is expected to enhance the Company’s production capacity and supply capabilities for fermented tea, which is significant for the Company’s development and competitive strengthening, while also catering to the consumption demands of downstream customers. Furthermore, due to local government planning adjustments in 2024, another production site of the Company located in Lancang County was reacquired by the authorities, and in exchange, new land adjacent to the Shanquan Fermentation Project site was provided to the Company for its use. Expediting the Shanquan Fermentation Project will facilitate the Company’s adaptation to the aforementioned planning adjustments and will positively contribute to the refinement and overall layout optimization of the Lancang production base. As of 31 August 2025, the Company had allocated RMB27.4 million from the Net Proceeds to such project. Given that the Shanquan Fermentation Project completed construction and passed the final acceptance inspection and is now operational, and in light of the current slow market recovery, reallocating all remaining unutilised Net Proceeds in this project to “working capital and other general corporate purposes” is more urgent for the Company’s operational activities and will improve the efficiency of the use of Net Proceeds. In respect of the development of the Shanquan Fermentation Project, the Company will consider investing in such project by way of proprietary funds, bank loans, or other appropriate means based on market conditions and its development.

Save as disclosed above, there are no more changes to the use of the Net Proceeds.

The Net Proceeds to be used for “working capital and other general corporate purposes” will be fully used for operational activities related to the Company’s core business. Notably, in August 2025, part of the Company’s bank accounts and all bank accounts of its subsidiary, Guangzhou Kangrui Lancang Ancient Tea Co., Ltd. (廣州康瑞瀾滄古茶有限公司) (“**Guangzhou Kangrui**”), were frozen, resulting in the Company and Guangzhou Kangrui being currently unable to make normal payments for relevant expenses and amounts. Further details are available in the Company’s announcement dated 20 August 2025. Following this Change in Use of Net Proceeds, the funds will be utilized for purposes including, but not limited to, covering agency fees, rental expenses, and payments to suppliers. The Board will ensure all use of net proceeds complies with applicable laws and regulations, and effectively supports the development of the Company’s core business.

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

CHANGE OF BOARD SECRETARY

The Board hereby announces that Mr. Guo Yuanjie has submitted his resignation letter on 2 September 2025, due to personal reasons, and has decided to resign from his positions as the board secretary and deputy general manager of the Company, which took effect on the same day. After his resignation, Mr. Guo Yuanjie no longer holds any position in the Company and any of its subsidiaries.

The Company and the Board would like to take this opportunity to express their sincere gratitude to Mr. Guo Yuanjie for his contribution to the development of the Company during his tenure of service.

The Company will, in accordance with the requirements of relevant laws, regulations and regulatory documents such as the articles of association of Pu'er Lancang Ancient Tea Co., Ltd. (the “**Articles of Association**”), promptly appoint a new board secretary. Mr. Zhou Xinzong (“**Mr. Zhou**”), the executive director and general manager of the Company, was appointed as the acting board secretary during the vacancy period. Mr. Zhou once held the position of board secretary at an A-share listed company. With years of in-depth experience in the consumer and investment sectors, he possesses profound corporate compliance and governance capabilities as well as rich industry experience. The Board firmly believes that Mr. Zhou has the professional knowledge, work experience and professional ethics necessary for performing the duties.

The biographical details of Mr. Zhou are set out below:

Mr. Zhou, aged 50, has extensive experience in the consumer goods and investment industries. He has been appointed as the general manager and an executive Director of the Company since 13 May 2025. Mr. Zhou served as a non-executive Director of the Company from June 2024 to May 2025. He has served as the director of Guilin Layn Natural Ingredients Corp. (桂林萊茵生物科技股份有限公司), a manufacturer and operator of natural health products whose shares are listed on the Shenzhen Stock Exchange (stock code: 002166) since 23 December 2024. From April 2021 to February 2024, Mr. Zhou served as the director at Shanghai New Vision Microelectronics Co., Ltd. (上海新相微電子股份有限公司), a solutions provider of display chip system whose shares are listed on the Shanghai Stock Exchange STAR Market (stock code: 688593). Mr. Zhou has served as the executive partner at Wenzhou Yuanquan Venture Investment Partnership (Limited Partnership) (溫州源泉創業投資合夥企業(有限合夥)) (“**Wenzhou Yuanquan**”), a partnership principally engaged in private equity investment fund management and formerly known as “Pingyang Yuanquan Investment Partnership (Limited Partnership) (平陽源泉投資合夥企業(有限合夥))” since October 2017; the legal representative and executive director of Shanghai JunQuanXin Investment Co., Ltd. (上海浚泉信投資有限公司), a company principally engaged in private equity investment fund management since January 2017; and the legal representative and executive director of Shanghai Dirui Fashion Co., Ltd. (上海迪睿紡織科技有限公司), a manufacturer of textile, clothing and apparel, and a subsidiary of Baoxiniaoholding Co., Ltd. (報喜鳥控股股份有限公司) whose shares are listed on the Shenzhen Stock Exchange (stock code: 002154, hereinafter referred to as “**Baoxiniaoholding**”) since January 2011. From May 2003 to May 2005, Mr. Zhou served as the board secretary of Baoxiniaoholding. From May 2005, Mr. Zhou served as the director of Baoxiniaoholding until April 2017 and the chairman of Baoxiniaoholding until August 2013.

Mr. Zhou obtained a bachelor’s degree in securities management in June 1997 from Zhongnan University of Economics and Law, where he further obtained a master’s degree in economics in June 2002.

CLOSURE OF REGISTER OF MEMBERS

According to the Articles of Association of the Company and the relevant laws and regulations, the proposed Change in Use of Net Proceeds is subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of an ordinary resolution at the general meeting of the Company. The 2025 third extraordinary general meeting (the “**EGM**”) of the Company will be held at Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu’er, Yunnan Province, PRC on Friday, 26 September 2025 at 9:00 a.m. to consider and approve matters relating to the Change in Use of the Net Proceeds.

In order to determine the rights of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 23 September 2025 to Friday, 26 September 2025 (both days inclusive), during this period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the above meeting will be Friday, 26 September 2025. In order to be eligible to attend and vote at the EGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s H share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 22 September 2025.

A circular containing, among other things, the details of the resolution in respect of the Change in Use of Net Proceeds and a notice of the EGM will be published in due course.

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

Hong Kong, 8 September 2025

As at the date of this announcement, the Board comprises (i) Ms. Du Chunyi, Mr. Zhou Xinzhong, Mr. Zhang Muheng, Ms. Shi Yijing, Mr. Fu Gang and Mr. Liu Jiajie as executive Directors; and (ii) Ms. Huang Lin, Mr. Tang Zhangliang and Dr. Yang Kequan as independent non-executive Directors.