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**Chongqing Hongjiu Fruit Co., Limited**  
**重慶洪九果品股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6689)**

**PLACING OF NEW H SHARES UNDER THE GENERAL MANDATE**

**Placing Agent**



The Board is pleased to announce that the Company and the Placing Agent entered into the Placing Agreement on January 21, 2024 in relation to the Placing of up to 189,000,000 new H Shares at the Placing Price of HK\$4.35 per H Share. The Placing Agent will, during the Placing Period, on a best efforts basis, procure not less than six (6) Placees, who will be professional, institutional, corporate or other investors, to subscribe for the Placing Shares (on the terms and subject to the conditions of the Placing Agreement). It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the Completion of the Placing. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are independent of and not connected with the Company and therefore are not connected persons of the Company.

Assuming all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$822.2 million in aggregate, and the maximum net proceeds (after deducting the commissions and estimated expenses) from the Placing are expected to be approximately HK\$800.6 million in aggregate. All the net proceeds from the Placing will be used for enhancement of fruit supply chain, repayment of interest-bearing debts and replenishment of working capital and other general corporate purposes. Upon the Completion of the Placing, the proceeds will enhance the Group's financial strength, further expand its customers and network at the downstream sales and deepen its layout and target quality fruits at the upstream procurement, thereby continuously strengthening the Company's "end-to-end" fruit supply chain and increasing its market share, enhancing the Group's market competitiveness and comprehensive strength, and promoting the long-term healthy and sustainable development of the Group. The Placing Shares will be allotted and issued under the General Mandate.

The Placing Shares represent approximately 19.95% of the H Shares in issue (namely 947,394,185 H Shares) and approximately 13.34% of the total number of Shares in issue as at the date of this announcement, and approximately 16.63% of the H Shares and approximately 11.77% of the total number of Shares in issue as enlarged by the allotment and issuance of the Placing Shares. The total nominal value of the maximum number of Placing Shares placed under the Placing will be RMB189,000,000.

The Placing Price of HK\$4.35 represents:

- (a) the same as the closing price of HK\$4.35 per H Share as quoted on the Stock Exchange on January 19, 2024 (being the last trading day of the relevant Shares immediately prior to the Placing Agreement); and
- (b) a discount of approximately 2.68% to the average closing price of approximately HK\$4.47 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including January 19, 2024.

The Company will apply to the Listing Committee for listing of, and permission to deal in the Placing Shares.

**As the Completion of the Placing is subject to the fulfilment of certain conditions precedent and the Placing Agent not exercising their termination right, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **Placement of New H Shares**

The Board is pleased to announce that the Company and the Placing Agent entered into the Placing Agreement on January 21, 2024 in relation to the Placing of up to 189,000,000 new H Shares at the Placing Price of HK\$4.35 per H Share, pursuant to which the Placing Agent will, during the Placing Period, on a best efforts basis, procure not less than six(6) Placees, who will be professional, institutional, corporate or other investors, to subscribe for the Placing Shares (on the terms and subject to the conditions of the Placing Agreement). The principal terms of the Placing Agreement are as follows:

### **Placing Agreement**

#### **Date**

January 21, 2024

#### **Parties**

- (1) The Company (as the issuer); and
- (2) Placing Agent (as the placing agent for the placement of the Placing Shares)

#### **Placing**

Pursuant to the Placing Agreement, the Company has agreed to issue and the Placing Agent has agreed to make its best efforts to procure not less than six (6) Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period under the terms and conditions of the Placing Agreement.

The Placing Shares will be allotted and issued under the General Mandate.

#### **Placing Shares**

Subject to the terms and conditions of Placing Agreement, the Company will issue up to 189,000,000 new H Shares with a nominal value of RMB1.00 each in the registered share capital of the Company.

The Placing Shares represent approximately 19.95% of the H Shares in issue (namely 947,394,185 H Shares) and approximately 13.34% of the total number of Shares in issue as at the date of this announcement, and approximately 16.63% of the H Shares and approximately 11.77% of the total number of Shares in issue as enlarged by the allotment and issuance of the Placing Shares (assuming that except for the Placing Shares allotted and issued, there is no change in the issued Shares of the Company from the date of this announcement up to the Completion Date). The total nominal value of the maximum number of Placing Shares placed under the Placing will be RMB189,000,000.

## **Placees**

Pursuant to the Placing Agreement, the Placing Agent will procure not less than six(6) Placees, who will be professional, institutional, corporate or other investors, to subscribe for the Placing Shares. The Placees of the Placing shares shall be determined by the Placing Agent subject to the requirements of the Listing Rules. In particular, Placing Agent shall make its best efforts, such as basing their selection on the information available to them, the information provided by the Company and/or the confirmation made by the Placees procured by the Placing Agent, to ensure that each of the Placees and its ultimate beneficial owners of the relevant Placing Shares (if applicable) are not and will not become connected persons of the Company as a result of the Placing. It is expected that none of the Placees will become a substantial Shareholder of the Company immediately after the Completion of the Placing.

## **Placing Price**

The Placing Price of HK\$4.35 represents:

- (a) the same as the closing price of HK\$4.35 per H Share as quoted on the Stock Exchange on January 19, 2024 (being the last trading day of the relevant Shares immediately prior to the Placing Agreement); and
- (b) a discount of approximately 2.68% to the average closing price of approximately HK\$4.47 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including January 19, 2024.

Assuming all the Placing Shares are fully placed, the maximum net proceeds (after deducting the commissions and estimated expenses) from the Placing are expected to be approximately HK\$800.6 million in aggregate, and the net Placing Price is expected to be approximately HK\$4.24 per Placing Share.

The Placing Price was determined based on the prevailing market prices of the H Shares and was arrived at by the Company and the Placing Agent through arm's length negotiation.

## **Placing Commission**

Pursuant to the Placing Agreement, the Company agrees to pay to the Placing Agent a commission fee of 2.5% of the amount in Hong Kong dollars equivalent to the Placing Price multiplied by the number of the relevant Placing Shares actually placed by the Placing Agent under the Placing. Based on the current market conditions, the Directors consider that the terms of the Placing (including the placing commission) are fair and reasonable and the Placing is in the best interests of the Company and its Shareholders as a whole.

## **Status of Placing Shares**

The Placing Shares, when issued pursuant to the Placing Agreement, will be allotted and issued fully paid up and rank *pari passu* in all respects with the other Shares in issue at that time which are free from any liens, charges and encumbrances, and together with all the rights attaching thereto as at the issuance date of the Placing Shares, including the right to receive all dividends declared, made or paid with a record date which falls on or after the date of issue of the Placing Shares.

## **Lock-up Period**

Pursuant to the Placing Agreement, the Placing Agent hereby undertakes to procure the Placers and their respective nominees (if any) to undertake to the Company that from the Completion Date until one year thereafter not to transfer or dispose of (either conditionally or unconditionally, directly or indirectly, or otherwise) nor enter into any agreement to transfer or dispose of any of the Placing Shares.

## **Placing Conditions**

Completion of the Placing is conditional upon:

- (1) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and such approval has not been revoked prior to the Completion;
- (2) the delivery of a PRC legal opinion by the PRC legal counsel of the Company all in the form satisfactory to the Placing Agent; and
- (3) the H Shares remaining listed on the Stock Exchange, and that the listing status of the H Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Completion.

None of the conditions precedent set out above can be waived by any parties to the Placing Agreement (other than clause (2) and (3)). If, any of the conditions precedent above is not fulfilled at or before 4:00 p.m. (Hong Kong time) on or before the Completion Date, or such later date as may be agreed among the Company and the Placing Agent, the Placing under the Placing Agreement will terminate automatically and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties to the Placing Agreement shall have any claim against any other in respect of the Placing, save for any antecedent breaches thereof.

## **Completion**

Completion of the Placing shall take place, by no later than 4:00 p.m. (Hong Kong time) on the Completion Date or as soon as practicable thereafter or such other time and date as the Placing Agent and the Company may agree in writing.

## Termination

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 4:00 p.m. (Hong Kong time) on the Completion Date, in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be materially and adversely affected by:

- (1) any material breach of any of the representations and warranties by the Company; or
- (2) the occurrence of any of the following events:
  - (i) any new law or regulation or any change or development involving a prospective change in existing Laws or regulations in Hong Kong which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
  - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
  - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (iv) any change or deterioration in the conditions of local, national or international securities markets occurs; or
  - (v) any suspension of or limitation in dealings in the H Shares during the Placing Period whatsoever (other than as a result of the Placing); or
  - (vi) any non-compliance of the CSRC Filings or any other documents used in connection with the Placing with any applicable laws (including, without limitation, the Listing Rules and the CSRC Rules) which would or would likely have a material adverse effect or would likely be material adverse to the success of the Placing, or make or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith,

then and in any such case, the Placing Agent may terminate the Placing under the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 4:00 p.m. (Hong Kong time) on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to above, all obligations of the parties relating to Placing under the Placing Agreement shall cease and terminate and no party shall have any claim against any other parties in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

## **Independence of the Placing Agent**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner are independent of and not connected with the Company and therefore are not connected persons of the Company and is independent of any connected person of the Company.

## **General Mandate to Issue the Placing Shares**

The Placing Shares will be issued by the Company under the General Mandate, pursuant to which the Board is authorized to issue, allot and deal with up to 20% of the H Shares of the Company in issue as at the date of the 2022 annual general meeting of the Company held on June 29, 2023, representing a total of 189,478,837 H Shares. As of the date of this announcement, the Company has not issued any new H Shares under the General Mandate. The Board has approved the Placing under the General Mandate and the Placing does not require further Shareholders' approval.

## **Reasons for the Placing and Use of the Proceeds from the Placing**

Assuming all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$822.2 million, and the maximum net proceeds (after deducting the commissions and estimated expenses) from the Placing are expected to be approximately HK\$800.6 million in aggregate. All the net proceeds from the Placing will be used for enhancement of fruit supply chain, repayment of interest-bearing debts and replenishment of working capital and other general corporate purposes.

Upon the Completion of the Placing, the net proceeds will enhance the Group's financial strength, further expand its customers and network at the downstream sales and deepen its layout and target quality fruits at the upstream procurement, thereby continuously strengthening the Company's "end-to-end" fruit supply chain and increasing its market share, enhancing the Group's market competitiveness and comprehensive strength, and promoting the long-term healthy and sustainable development of the Group. The Placing will also diversify the Company's Shareholder base by attracting a number of high-quality institutional investors to participate in the Placing. Based on the current market conditions, the Directors consider that the terms of the Placing Agreement (including but not limited to the Placing Price) are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.



## Equity Financing Activities in the Past 12 Months

Reference is made to the announcement of the Company dated April 4, 2023, in relation to the proposed private placement of no more than 30,487,802 domestic unlisted ordinary Shares of the Company. The issue price is RMB16.40 per Share, and the gross proceeds raised are expected to be approximately RMB500.00 million, which will be used to strengthen the fruit supply chain and supplement working capital. As of the date of this announcement, the private placement of domestic unlisted ordinary Shares is still subject to the approval of the CSRC.

Reference is made to the announcements of the Company dated April 12, 2023 and April 19, 2023, in relation to the issuance of 14,960,000 new H Shares under the general mandate granted by Shareholders at the 2022 third extraordinary general meeting held on December 30, 2022 (the “**2023 H Share Placing**”). The issue price is HK\$23.61 per H Share, the net proceeds (after deducting the commissions and estimated expenses) raised are approximately HK\$344.86 million, and the amount transferred to the RMB settlement account pending payment at the spot exchange rate was RMB312.09 million, which are used for the following purposes of the Company:

Intended use of net proceeds from the 2023 H Share Placing	Allocation of net proceeds from the 2023 H Share Placing (RMB in million)	Percentage of total net proceeds from the 2023 H Share Placing (%)	Amount of net proceeds from the 2023 H Share Placing utilized as of December 31, 2023 (RMB in million)	Balance of net proceeds from the 2023 H Share Placing unutilized as of December 31, 2023 (RMB in million)	Expected timetable for use of the unutilized net proceeds from the 2023 H Share Placing
For strengthening the fruit supply chain	218.46	70	218.46	0	–
For replenishing working capital	93.63	30	93.53	0.1	Before December 31, 2024
	<u>312.09</u>	<u>100</u>	<u>311.99</u>	<u>0.1</u>	

The expected timetable for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board and might be subject to changes based on the market conditions.

Save as disclosed above, the Company had no financing activities involving issuance of equity securities in the past 12 months immediately prior to the date of this announcement.

## Impact of the Placing on the Shareholding Structure of the Company

The table below sets forth the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion of the Placing, assuming the Placing will be completed in full and there will be no other changes in the total share capital in issue of the Company from the date of this announcement up to the Completion of the Placing.



	As at the date of this announcement		Immediately after the Completion of the Placing	
	Number of Shares	Approximate percentage of the total number of Shares in issue <sup>Note</sup>	Number of Shares	Approximate percentage of the total number of Shares in issue <sup>Note</sup>
<b>Domestic Shares</b>	<b>469,672,221</b>	<b>33.14%</b>	<b>469,672,221</b>	<b>29.24%</b>
Domestic Shares held by core connected persons	375,804,555	26.52%	375,804,555	23.40%
Domestic Shares held by other holders of Domestic Shares	93,867,666	6.62%	93,867,666	5.84%
<b>H Shares</b>	<b>947,394,185</b>	<b>66.86%</b>	<b>1,136,394,185</b>	<b>70.76%</b>
H Shares held by core connected persons	263,208,495	18.57%	263,208,495	16.39%
<b>H Shares held by Placees</b>	–	–	189,000,000	11.77%
H Shares held by other public holders of H Shares	684,185,690	48.28%	684,185,690	42.60%
<b>Total</b>	<b>1,417,066,406</b>	<b>100.00%</b>	<b>1,606,066,406</b>	<b>100.00%</b>

*Note:*

The percentages may not add up to 100% due to rounding.

### **Application for Listing**

The Company will apply to the Listing Committee for listing of, and permission to deal in the Placing Shares.

### **Filing with Regulatory Authorities in the PRC**

After the Placing Shares are issued and listed on the Stock Exchange, the Company will file with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the filing with the CSRC.

**As the Completion of the Placing is subject to the fulfilment of certain conditions precedent and the Placing Agent not exercising their termination right, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## Definitions

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

“Board”	the board of directors of the Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal banking business and on which the Stock Exchange is open for dealing in securities in Hong Kong and the US
“Company”	Chongqing Hongjiu Fruit Co., Limited (重慶洪九果品股份有限公司), a limited liability company incorporated in the PRC, which was listed on the Main Board of the Stock Exchange on September 5, 2022 (Stock Code: 6689)
“Completion”	completion of the Placing pursuant to the Placing Agreement
“Completion Date”	the Business Date after the date on which the conditions are fulfilled or such other date as the Company and the Placing Agent may agree in writing but in any event no later than three weeks from the date of the Placing Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“core connected persons”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CSRC Filing(s)”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Placing pursuant to the CSRC Filing Rules and other applicable rules and requirements of the CSRC (including, without limitation, the CSRC Filing Report)
“CSRC Filing Report”	the filing report of the Company in relation to the Placing, including any amendments, supplements and/or modifications thereof, to submitted to the CSRC pursuant to Article 13 of the CSRC Filing Rules

“CSRC Filing Rules”	means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines issued by the CSRC on February 17, 2023, as amended, supplemented or otherwise modified from time to time
“CSRC Rules”	the CSRC Filing Rules and the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) issued by the CSRC on February 24, 2023, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic unlisted ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is or are subscribed for or credited as paid in Renminbi
“General Mandate”	the general mandate to allot and issue the Shares of the Company granted to the Board at the 2022 annual general meeting held on June 29, 2023, pursuant to which the Directors may allot, issue and deal with up to 93,934,444 Domestic Shares and 189,478,837 H Shares
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is or are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any professional, institutional, corporate and other investors procured by the Placing Agent to subscribe for any Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	placement of the Placing Shares by the Placing Agent or their representatives under the terms and conditions of the Placing Agreement
“Placing Agent”	VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent on January 21, 2024
“Placing Period”	the period commencing upon the execution of the Placing Agreement and expiring on the Completion Date (both days inclusive)
“Placing Price”	HK\$4.35 per Placing Share (exclusive of all brokerage, Hong Kong stamp duty, Stock Exchange trading fees, SFC transaction levy and Accounting and Financial Reporting Council transaction levy)
“Placing Shares”	up to 189,000,000 new H Shares to be issued by the Company under the terms and conditions of the Placing Agreement
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules

“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“United States”, “U.S.” or “US”	has the meaning ascribed to it under Rule 902 of Regulation S under the Securities Act
“%”	per cent

By order of the Board  
**Chongqing Hongjiu Fruit Co., Limited**  
**Deng Hongjiu**  
*Chairman of the Board and Executive Director*

Chongqing, the PRC  
January 21, 2024

*As at the date of this announcement, the Board comprises Mr. Deng Hongjiu as the chairman of the Board and an executive Director, Ms. Jiang Zongying, Mr. Peng He, Mr. Yang Junwen and Ms. Tan Bo as executive Directors, Mr. Xia Bei, Mr. Dong Jiaxun and Ms. Shen Chen as non-executive Directors, and Ms. Xu Kemei, Mr. Peng Song, Mr. An Rui and Mr. Liu Anzhou as independent non-executive Directors.*