
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 stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **Chongqing Hongjiu Fruit Co., Limited**, you should at once pass this circular, together with the enclosed proxy form, to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CHANGE IN USE OF PART OF THE PROCEEDS
AND
NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10:00 a.m. on Tuesday, April 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC. A notice of the EGM is set out on pages 6 to 7 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the enclosed proxy form(s) in accordance with the instructions printed thereon and return to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjourned meeting(s) thereof. Completion and return of the proxy form(s) will not preclude you from attending and voting at the EGM or any adjourned meeting(s) thereof in person if you so wish.

March 20, 2023

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DEFINITIONS

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

“Board” or “Board of Directors”	the board of directors of the Company
“CIC”	China Insights Industry Consultancy Limited
“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 on October 12, 2002 and converted into a joint stock limited company incorporated in the PRC on April 26, 2013, whose predecessor was Chongqing Hongjiu Fruit Company Limited (重慶洪九果品有限公司) and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which is(are) subscribed for or credited as paid in Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“EGM”	the 2023 second extraordinary general meeting of the Company to be held at 10:00 a.m. on Tuesday, April 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC
“Global Offering”	the Hong Kong public offering and the international offering of the H Shares, details of which are set out in the Prospectus
“Group”	the Company and its consolidated subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each which is(are) listed on the Stock Exchange and traded in Hong Kong dollars (stock code: 6689)
“H Shareholder(s)”	holder(s) of H Share(s)

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Prospectus”	the prospectus issued by the Company on August 24, 2022
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company, including Domestic Shareholder(s) and H Shareholder(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Deng Hongjiu (*Chairman*)
Ms. Jiang Zongying
Mr. Peng He
Mr. Yang Junwen
Ms. Tan Bo

Non-executive Directors:

Mr. Xia Bei
Mr. Dong Jiaxun
Mr. Chen Tongtong

Independent Non-executive Directors:

Ms. Xu Kemei
Ms. Liu Xiuqin
Mr. An Rui
Mr. Liu Anzhou

Registered office:

509-36 Industry Incubator Building
Baiyan Group of Chengnan Residential Committee
Nanbin Town
Shizhu Tujia Autonomous County
Chongqing
PRC

Principal place of business in the PRC:

22/F, Block B
CREGFenghui International, Donghu South Road
Yubei District
Chongqing
PRC

Place of business in Hong Kong:

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

March 20, 2023

To the H Shareholders

Dear Sir or Madam,

CHANGE IN USE OF PART OF THE PROCEEDS AND NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM, and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

2. PROPOSAL TO BE CONSIDERED AT THE EGM

The proposal to be presented at the EGM for approval by way of ordinary resolution is related to the change in use of part of the proceeds.

In order to enable you to have a better understanding of the above resolution and to make an informed decision thereon with sufficient and necessary information available, we have provided detailed information to the Shareholders in Appendix I to this circular, which includes the information and explanation on the resolution proposed to be passed at the EGM.

3. THE EGM

The proxy form for the EGM is enclosed in this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjourned meetings thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting(s) thereof in person if you so wish.

4. CLOSURE OF H SHARE REGISTER OF MEMBERS

For the purpose of determining the H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Thursday, March 30, 2023 to Tuesday, April 4, 2023 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, March 29, 2023.

LETTER FROM THE BOARD

5. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Therefore, the resolution set out in the notice of the EGM will be voted by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at <https://www.hjfruit.com> upon the conclusion of the EGM.

6. RECOMMENDATION

The Board considers that the resolution set out in the notice of the EGM is in the interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the proposed resolution mentioned above.

Yours faithfully,

By order of the Board

Chongqing Hongjiu Fruit Co., Limited

Deng Hongjiu

Chairman of the Board and Executive Director

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2023 second extraordinary general meeting (“**EGM**”) of Chongqing Hongjiu Fruit Co., Limited (the “**Company**”) will be held at 10:00 a.m. on Tuesday, April 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC, to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

1. To consider and approve the resolution in relation to the change in use of part of the proceeds.

By order of the Board

Chongqing Hongjiu Fruit Co., Limited
Deng Hongjiu

Chairman of the Board and Executive Director

Chongqing, the PRC
March 20, 2023

As at the date of this notice, 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 Mr. Chen Tongtong as non-executive Directors, and Ms. Xu Kemei, Ms. Liu Xiuqin, Mr. An Rui and Mr. Liu Anzhou as independent non-executive Directors.

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. Voting by poll

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all votes of shareholders at a general meeting shall be taken by poll. Therefore, the resolution proposed at the EGM will be voted by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at <https://www.hjfruit.com> upon the conclusion of the EGM.

2. Eligibility for attending the EGM and closure of H share register of members

For the purpose of determining the H shareholders' entitlement to attend the EGM, the H share register of members of the Company will be closed from Thursday, March 30, 2023 to Tuesday, April 4, 2023 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, March 29, 2023. H shareholders of the Company whose names appear on the register of members of the Company on March 30, 2023 are entitled to attend the EGM.

A shareholder or his/her proxy should present proof of identity when attending the EGM. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the EGM by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

3. Proxy

- (1) Each shareholder who has the right to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies in writing to attend and vote on his/her behalf at the meeting. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

H shareholders shall lodge the proxy form, together with the notarized power of attorney or other document of authorization, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for convening the EGM.

- (3) Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
- (4) In the case of joint shareholders and more than one of the shareholders attending the meeting, whether in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

4. Miscellaneous

- (1) The EGM is expected to last for no more than half a day. Shareholders and their proxies attending the meeting are responsible for their own traveling and accommodation expenses.

ORDINARY RESOLUTION**1. CONSIDERING AND APPROVING THE RESOLUTION IN RELATION TO THE CHANGE IN USE OF PART OF THE PROCEEDS**

Reference is made to the Prospectus, the 2022 interim report published by the Company on September 28, 2022, the announcement dated September 28, 2022 on the partial exercise of the over-allotment option, stabilizing actions and end of stabilization period (the “**Announcement**”) and the announcement of the Company dated March 14, 2023 in relation to, among other things, the change in use of part of the proceeds.

Use of Proceeds Initially Planned

As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the Announcement, the Company intended to use the proceeds from the Global Offering (the “**Proceeds**”) for the following purposes:

- Approximately 45% will be used over the next three years for the improvement of fruit supply chain of the Company;
- Approximately 22% will be used over the next three years for fruit brand building and product promotion;
- Approximately 16% will be used over the next three years for digital system upgrade and global fruit industry internet platform development;
- Approximately 7% will be used over the next three years for repayment of bank loans;
- Approximately 10% will be used for replenishing working capital needs and other general corporate purposes.

Change in Use of Proceeds

The Company’s H Shares were listed on the Stock Exchange on September 5, 2022, and the Over-allotment Option (as defined in the Prospectus) was partially exercised on September 28, 2022. The Company issued a total of 14,294,900 new Shares in connection with its Global Offering and the partial exercise of the Over-allotment Option, with an issue price of HK\$40.00 per Share. The Proceeds in connection with the Global Offering and the partial exercise of the Over-allotment Option amounted to HK\$571.80 million; after deducting underwriting fees and related transaction fees, the actual Proceeds amounted to HK\$559.13 million, and the amount transferred to the Renminbi settlement and pending payment account at the then current exchange rate was RMB509.01 million.

The Board has resolved to change the above use of Proceeds as follows:

Unit: RMB million

Use of Proceeds	Allocation of Proceeds as disclosed in the Prospectus and the Announcement		Allocation of Proceeds after the change	
	Amount	Percentage	Amount	Percentage
Improving of fruit supply chain	229.06	45.0%	342.99	67.3%
Fruit brand building and product promotion	111.98	22.0%	80.35	15.8%
Digital system upgrade and global fruit industry internet platform development	81.44	16.0%	0.77	0.2%
Repayment of bank loans	35.63	7.0%	34.00	6.7%
Replenishing working capital needs and other general corporate purposes	50.90	10.0%	50.90	10.0%
Total	509.01	100.0%	509.01	100.0%

Since the listing of the H Shares of the Company in September 2022, the Company has been encountering a fast-growing market opportunity and the competitive landscape in the industry has become more intensified. According to CIC, the market size of China's fresh fruit retail market has increased from RMB939.0 billion in 2017 to RMB1,336.9 billion in 2021, and is expected to further grow to RMB2,071.4 billion in 2026, representing a CAGR of 9.2%. In particular, the Company's core fruit categories, such as durian, is expected to grow at a CAGR of 20.1% from 2021 to 2026, which is the fastest-growing category among fruit categories with a revenue of tens of billions in China's fresh fruit retail market. In addition, the Company faces significant market opportunities on both the demand side and the supply side. On the demand side, with the overall recovery of China's consumption in 2023, retail channels such as supermarkets and community fruit stores will see an observable increase in customer traffic, while emerging high-growth channels such as live e-commerce will also expand their sales categories to include imported and domestic high-quality fruit segments, and the Company is encountering strong demand from downstream customers. On the procurement side, the customs clearance process for imported fruits has been smooth since 2023, and more domestic fruits are being produced in an intensive and high quality manner under the strategy of "rural revitalization" (鄉村振興), which provides an excellent external environment for the Company to further boost its planning for the production side of fruits.

In order to further seize business development opportunities, and taking into account that both fruit brand promotion and marketing and digital system development and upgrading are long-term investments, part of the Proceeds initially allocated for such purpose may not be fully utilized in the short term, the Board believes that reallocating a part of the Proceeds to the improvement of the supply chain, the expansion of upstream procurement network of the Company and penetration, including but not limited to increasing the number of domestic and foreign cooperative suppliers, strengthening the cooperative relationship with existing domestic and foreign high-quality suppliers, and directly purchasing from domestic and foreign high-quality suppliers are conducive to ensure access to continuous high-quality supply and advance access to more high-quality fruits.

The Board believes that the change in the use of Proceeds is in line with the Company's long-term strategy and development plan, and will help improve the efficiency of the use of Proceeds and reduce financial costs, thereby facilitating the business development of the Company. The Board is of the view that the above changes and adjustments will not have a material adverse impact on the Company's existing business and production and operation, will not harm the interests of the Company's shareholders, especially the interests of minority shareholders, and is in the best interests of the Company and the shareholders of the Company as a whole. The Board also confirms that there has been no material change in the nature of the Group's business as set out in the Prospectus.