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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 OF AUDITOR

This announcement is made by Chongqing Hongjiu Fruit Co., Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements dated March 19, 2024 and March 28, 2024 in relation to, among others, the delay in publication of annual results of the Group for the year ended December 31, 2023 and establishment of an independent investigation committee (collectively, the “**Announcements**”). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the Announcements.

CHANGE OF AUDITOR

The Company had been in an amicable discussion with KPMG for a timetable in respect of the audit of the Company’s consolidated financial statements for the year ended December 31, 2023. However, without the Requested Information (as defined below) and the outcome of the independent investigation, KPMG is unable to provide an estimated timetable nor determine the nature, timing and extent of additional procedures that are further required to complete the audit. Accordingly, the board of directors (the “**Board**”) of the Company hereby announces that, upon the request of the Board, KPMG has resigned as the auditor of the Company (the “**Auditor**”), with effect from April 16, 2024.

According to KPMG’s resignation letter dated April 16, 2024 (the “**Resignation Letter**”), KPMG has indicated that:

- During the course of the audit of the Company’s consolidated financial statements for the year ended December 31, 2023, KPMG identified certain areas requiring further explanations and/or supporting documents (the “**Requested Information**”). These were set out in a letter addressed to the Board and the Audit Committee (the “**Letter**”) which related to arrangements on certain prepayments and detailed working capital forecast in relation to the going concern assessment, details of which were included in the Announcements. As of April 16, 2024, the Company’s management has not provided KPMG with the Requested Information.

- Further to the Letter, an independent investigation committee has been established to address the matters identified, but an independent investigation consultant has not yet been engaged as of April 16, 2024. The investigation has therefore not commenced.
- Accordingly, KPMG was unable to proceed further with its audit nor commit to any timetable for its completion. The matters set out in the Letter, including any others that may come to light either as a result of further audit procedures performed or from the independent investigation, remained outstanding as at the date of KPMG's resignation.

Up to and until the date of this announcement and save as disclosed above, the Company has not received any other confirmation from KPMG notifying the Company of any matters in connection with its resignation as the Auditor that need to be brought to the attention of the Shareholders.

The Board and the Audit Committee have confirmed that, save as disclosed above, they are not aware of any matters in relation to the resignation of KPMG as the Auditor that need to be brought to the attention of the Shareholders.

In connection with the matters stated in the Resignation Letter, the Company wishes to reiterate that it is committed to the completion of the audit of the Company's consolidated financial statements for the year ended December 31, 2023. In particular, the Company has been actively gathering and collating the Requested Information in response to the Letter prior to the resignation of KPMG, and it is also in the process of finalising the appointment of the Investigation Consultant. Following the resignation of KPMG, the Company has identified another audit firm as the potential new auditor of the Company to, pending completion of the appointment procedures, fill the causal vacancy following the resignation of KPMG. Further announcement will be made upon the respective appointments of the new auditor and the independent investigation consultant.

CLARIFICATION OF CLERICAL ERROR

Reference is also made to the announcement of the Company dated March 28, 2024. The Company wishes to clarify that due to an inadvertent clerical error, that announcement should be amended to read as "···the Company made prepayment of approximately RMB1.52 billion to the Certain Suppliers in January 2024, and received products delivered by them of approximately RMB450 million in the same month", instead of "RMB405 million". Save and except for the said clarification, all other information in that announcement remains unchanged.

CONTINUED SUSPENSION OF TRADING

Trading in the H shares of the Company on the Stock Exchange was halted with effect from 1:28 p.m. on Wednesday, March 20, 2024 and will continue to be suspended, pending the publication of the Annual Results.

The Shareholders and potential investors should exercise caution when dealing in the H shares or other securities of the Company.

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

Chongqing, the PRC
April 16, 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, Ms. Xu Kemei, Mr. Peng Song and Mr. An Rui as independent non-executive Directors.