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CHIGO HOLDING LIMITED

志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 449)

UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2020

This announcement is made by the board (the “**Board**”) of directors (“**Directors**”) of Chigo Holding Limited (“**Chigo**” or the “**Company**”) pursuant to Rule 13.09(2)(a) and Rule 13.49(6) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 March 2020, 29 April 2020 and 14 August 2020 in relation to, inter alia, the unaudited annual results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2019, and the announcement of the Company dated 1 September 2020 in relation to the delay in publication of interim results and despatch of interim report for the six months ended 30 June 2020 (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UNAUDITED FINANCIAL INFORMATION

Pursuant to Rule 13.49(6) and 13.48(1) of the Listing Rules, the Company is required to publish its preliminary results for the six months ended 30 June 2020 (“**Interim Results**”) not later than 31 August 2020 and despatch its interim report for the same financial period (“**Interim Report**”) to Shareholders on or before 30 September 2020.

As disclosed in the Announcements, the Auditors had identified certain audit issues, and also requested that the Audit Committee engage an independent forensic accounting firm to conduct an independent investigation (“**Independent Investigation**”) in respect of such issues. The Auditors have also suspended the auditing work and indicated that they would not be able to consider the

resumption of their audit work until the Independent Investigation has been completed. The Company further announced that the publication of the 2019 Annual Results and the despatch of the 2019 Annual Report of the Company are still pending.

Given that the audit process in respect of the 2019 Annual Results had not been completed, the Auditors had indicated that they will not commence review work in respect of the unaudited consolidated results of the Group for the six months ended 30 June 2020. In light of the above, the Company considers it inappropriate to publish the unaudited consolidated results of the Group for the six months ended 30 June 2020 which are yet to be reviewed by the Auditors, and announced in the announcement of the Company dated 1 September 2020 that the Interim Results and the Interim Report would not be issued by 31 August 2020 and 30 September 2020, respectively, as required under the Listing Rules. The Board acknowledges that such delay constitutes non-compliance of Rules 13.49(6) and 13.48(1) of the Listing Rules. Further announcement(s) will be made to inform Shareholders of the date of release of the Interim Results and despatch of the Interim Report, as and when appropriate.

In order to keep the Shareholders and potential investors of the Company informed of the Group's business operation and financial performance, the Board sets forth below preliminary unaudited consolidated financial information extracted from the draft management accounts of the Group for the six months ended 30 June 2020. The Directors confirm that the following preliminary unaudited consolidated financial information is prepared on the same basis as used in the audited financial statements of the Group for the year ended and as of 31 December 2018.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months ended 30 June 2020 <i>RMB'000</i> (unaudited)
Revenue	634,403
Cost of sales	<u>(931,865)</u>
Gross loss	(297,462)
Other income	2,044
Selling and distribution costs	(256,230)
Administrative expenses	(65,085)
Research and development costs	(45,897)
Other expenses	(570)
Other gains and losses, net	63,686
Finance costs	<u>(122,606)</u>

	Six months ended 30 June 2020 <i>RMB'000</i> (unaudited)
Loss before taxation	(722,121)
Taxation	<u>(15)</u>
Loss for the period	<u><u>(722,136)</u></u>

UNAUDITED CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2020

	As at 30 June 2020 <i>RMB'000</i> (unaudited)
Non-current assets	1,261,498
Current assets	4,243,195
Current liabilities	<u>5,484,402</u>
Net current liabilities	<u>(1,241,207)</u>
Total assets less current liabilities	<u>20,291</u>
Non-current liabilities	<u>83,278</u>
Net liabilities	<u><u>(62,987)</u></u>
Capital and reserves	<u>(62,987)</u>
Total equity	<u><u>(62,987)</u></u>

The Board wishes to emphasise that the preliminary unaudited consolidated financial information set out above is extracted from the Group's unaudited draft management accounts and is subject to changes resulting from, among other things, (i) findings of the Independent Investigation; (ii) further review by the Company and relevant professional parties; (iii) the valuation results (if any) of unlisted equity investments and lease arrangements; and (iv) any potential adjustments that might be proposed.

Shareholders and potential investors should note that the above unaudited consolidated financial information of the Group has not been reviewed by the Audit Committee, nor has it been reviewed or audited by the Company's auditor. The unaudited consolidated financial information set out above is only based on the preliminary assessment of the Board after reviewing the unaudited management accounts of the Group for the six months ended 30 June 2020, and is not based on any other data or information that has been audited or reviewed by the Company's auditor. The Board cannot guarantee that such unaudited consolidated financial information truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account.

Shareholders and potential investors should exercise extreme caution when considering the unaudited financial information disclosed above and when dealing in the shares of the Company.

SUSPENSION OF TRADING OF SHARES

At the request of the Company, trading in the shares of the Company on Stock Exchange has been suspended with effect from 9:00 a.m. on 15 May 2020. Pending the fulfillment of the Stock Exchange's resumption guidance, the trading in the shares of the Company will continue to be suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares or other securities of the Company.

By Order of the Board
Chigo Holding Limited
Li Xinghao
Chairman

Hong Kong, 13 October 2020

As at the date of this announcement, the executive Directors are Li Xinghao, Li Xiuhui, and Huang Guijian, and the independent non-executive Directors are Zhang Xiaoming, Wang Manping and Pan Mingjun.