

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHIGO

CHIGO HOLDING LIMITED

志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 449)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial increase in net loss for the six months ended 30 June 2019 as compared to that for the corresponding period in 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Chigo Holding Limited (the “**Company**”, together with its subsidiaries shall be referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the relevant Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the Company’s shareholders and potential investors that the Group is expected to record a substantial increase in net loss for the six months ended 30 June 2019, as compared to that for the same period in 2018. Based on a preliminary review of the consolidated management accounts of the Group, the net loss for the period is expected to be comparable to the net loss of the Group for the full year ended 31 December 2018, and was principally attributable to (i) the decrease in the Group’s revenue as a result of the continual deterioration of the operating environment of the industry in the first half of 2019, the restructure of the Group’s business and marketing strategies, and a reduced business scale in face of the increasingly severe business risks during the period under review, and it is estimated that the decrease in revenue for the six months ended 30 June 2019 would be in the range of approximately 50% to

60% as compared to that of the corresponding period in 2018; (ii) the significant decrease in profit margin of the Group's PRC sales due to the relative increase in cost of sales, together with a significant drop in the PRC sale volume, eroding the gross profit; and (iii) to a lesser extent, an increase in impairment losses recognised in respect of trade receivables.

The information contained in this announcement is based on the said preliminary review of the consolidated management accounts of the Group, which are subject to finalisation and other possible adjustments (if necessary) and have not been confirmed, audited or reviewed by the auditors of the Company.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company, and read carefully the 2019 interim results announcement of the Company which is expected to be released before the end of August 2019.

By Order of the Board
Chigo Holding Limited
Li Xinghao
Chairman

Hong Kong, 23 August 2019

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