

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 HOLDING LIMITED

志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 449)

COMPLETION OF MAJOR TRANSACTION IN RESPECT OF THE DISPOSAL OF 30% OF THE ISSUED SHARE CAPITAL IN GUANGDONG CHIGO HEATING & VENTILATION EQUIPMENT CO., LTD. AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Chigo Holding Limited (志高控股有限公司) (the “**Company**”) 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 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).

INTRODUCTION

Reference is made to the announcements (the “**Announcements**”) of the Company dated 27 April 2021, 6 August 2021 and 31 August 2021 in relation to the Disposal. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE DISPOSAL

The Board is pleased to announce that all the conditions precedent to the Sale and Purchase Agreement have been satisfied or waived and the completion of the Disposal took place on 7 September 2021.

Following completion of the Disposal, the Group ceased to hold any interest in the Target Co, and Target Co ceased to be an associate of the Company.

CHANGE IN USE OF PROCEEDS

Reference is made to the section headed “Intended use of proceeds” in the Company’s announcement dated 27 April 2021 in relation to the Disposal. The Board, after considering (i) the changing market conditions and industry environment in recent months as disclosed in the Company’s announcement dated 13 August 2021, (ii) the high borrowing level of the Group, and (iii) its assessment of the Group’s available financial resources in meeting the Group’s business needs, intends to change the proposed use of proceeds as disclosed in the Company’s announcement dated 27 April 2021 and apply the net proceeds from the Disposal in the amount of approximately RMB295 million in the following manner:

- (i) approximately 35% of the proceeds will be utilised in the purchase of raw materials for the Group’s manufacturing business;
- (ii) approximately 5% of the proceeds will be utilised in sales promotion and marketing activities; and
- (iii) the remainder of approximately 60% of such proceeds will be used for other general working capital purposes, including repayment of borrowings.

The Board considers that the above change in use of the net proceeds from the Disposal is in line with the Company’s business strategy and will enable the Company to deploy its financial resources more efficiently, reduce interest expenses and improve the debt level of the Group and, therefore, is in the best interest of the Company and its shareholders as a whole.

DESPATCH OF THE MAJOR TRANSACTION CIRCULAR

As mentioned in the Company’s announcement dated 6 August 2021, as additional time is required for the Company to prepare and finalise, among other things, the financial information of the Group, in particular, the statement of indebtedness and statement as to the sufficiency of working capital of the Group for inclusion in the Major Transaction Circular, the Company has applied to the Stock Exchange for, and has been granted, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, on the basis that the Company will despatch the Major Transaction Circular on or before 14 November 2021.

Accordingly, the Major Transaction Circular containing all information required under Rules 14.63, 14.66, and 14.70 of the Listing Rules is expected to be despatched to the Shareholders on or before 14 November 2021.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was 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 are therefore advised to exercise caution when dealing in the Shares.

By order of the Board
Chigo Holding Limited
Li Xinghao
Chairman

Hong Kong, 7 September 2021

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 Wang Manping, Pan Mingjun and Peng Ciguang.