

**CHIGO HOLDING LTD:
THE QUESTION IS, OF COURSE:
FOR WHAT REASON DID NOT MANAGEMENT
GO FOR THE GOLDEN RING ?**

What appears to be quite evident with regard to the flotation of Chigo Holding Ltd () (Code: 449, Main Board, The Stock Exchange of Hongkong Ltd) is that the Company is, in fact, in need of cash.

This is not stated, definitively, in the Global Offering Prospectus of Chigo Holding Ltd, but, on scanning the Prospectus, dated June 30, 2009, it becomes very evident.

Chigo Holding Ltd went public on the Main Board of The Stock Exchange of Hongkong on June 30, 2009, when it Offered 72.50 million, one-cent Shares at an Offer Price of between \$HK1.50 per Share and \$HK2.27 per Share.

Hongkong investors were Offered only 7.25 million Shares, the remaining 65.25 million Shares, being reserved for international investors.

When the applications for shares were sorted and counted, it was discovered that Hongkong investors had applied for 2,512,360,000 Shares, representing about 347 times the number of Public Offer Shares, initially available under the Public Offer Tranche.

The Public Offer Tranche was, then, increased from 7.25 million Shares to 36.25 million Shares in accordance with the claw-back mechanism which reduced the number of International Offer Shares from 65.25 million Shares to 36.25 million shares.

The Offer Price per Share was set at the peak of \$HK2.27.

In short, the flotation was very well received in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Chigo Holding Lt had hoped to garner about \$HK113.50 million in this cash-raising exercise, but ended up with about \$HK120.70 at the end of the day.

That amount of money is due to be used as follows:

1. About \$HK72.40 million for the expansion of the Company's manufacturing capacity;
2. About \$HK36.20 million for advertising and marketing activities; and,
3. About \$HK12.10 million for Working Capital.

Chigo Holding Ltd is in the business of manufacturing and selling air-conditioners, mainly in the People's Republic of China (PRC), proper, being distinct and separate from the HKSAR of the PRC.

In fact, the Company makes the claim of being the fourth-largest producer, in sales' volume, of air-conditioners in the PRC, proper, having captured about 7.60 percent of the market in the most-populous

country of the world (about 1.30 billion people are said to be resident of the PRC, proper).

The bread-and-butter of the Company is the split type of air-conditioner, the sales of which accounted for about 80.20 percent of the Turnover in respect of the 2008 Financial Year, ended December 31.

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