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If you have sold or transferred all your shares in Chigo Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



CHIGO HOLDING LIMITED
志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 449)

PROPOSED BONUS ISSUE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of Chigo Holding Limited to be held at The Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 4 January 2011, Tuesday at 10:00 a.m. (the "EGM") is set out on pages 8 to 10 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

If you are not able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

17 December 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall having the following meanings:

“Articles”	the articles of association of the Company, approved and adopted on 19 June 2009 and as amended from time to time
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of nine (9) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders
“Bonus Share(s)”	the new ordinary Share(s) to be issued under the Bonus Issue
“Companies Law”	the Companies Law (2010 Revision), as consolidated, amended and revised from time to time of the Cayman Islands
“Company”	Chigo Holding Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at The Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 4 January 2011, Tuesday at 10:00 a.m. or any adjournment thereof
“Excepted Shareholder(s)”	those Overseas Shareholder(s) (if any) to whom the Board, after making appropriate enquiries, considers to be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 December 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	share option(s) granted or to be granted under the share option scheme of the Company by the Company on 19 June 2009
“Overseas Shareholder(s)”	holder(s) of Share(s) whose address(es) as shown on the register of members of the Company on the Record Date to be outside Hong Kong
“Qualifying Shareholder(s)”	holder(s) of Share(s), not being Excepted Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	4 January 2011, being the date of reference to which entitlements to the Bonus Issue are to be determined
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	the non-listed warrant(s) issued and placed by the Company on 2 December 2010
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable of the Bonus Issue is set out below:

Latest time for lodging the subscription form(s) in respect of the Warrant(s) with a remittance in cash for the amount of the subscription price for the respective Share(s) in order to be qualified for the Bonus Issue	5:00 p.m., 21 December 2010, Tuesday
Last day of dealings in the Shares on a cum-entitlement basis	24 December 2010, Friday
Latest time for exercising the Option(s) together with a remittance in cash for the amount of the exercise price for the respective Share(s) in order to be qualified for the Bonus Issue	11:30 a.m., 24 December 2010, Friday
First day of dealings in the Shares on an ex-entitlement basis	28 December 2010, Tuesday
Latest time for lodging transfers of the Shares for registration in order to qualify for the Bonus Issue.	4:30 p.m., 29 December 2010, Wednesday
Closure of Register of Members	30 December 2010, Thursday to 4 January 2011, Tuesday (both days inclusive)
Latest date and time to return form of proxy for the EGM.	10:00 a.m., 2 January 2011, Sunday
Date and time of the EGM	10:00 a.m., 4 January 2011, Tuesday
Record Date	4 January 2011, Tuesday
Register of Members re-opens.	5 January 2011, Wednesday
Certificates for the Bonus Shares expected to be despatched	7 January 2011, Friday
Dealings in Bonus Shares commence.	11 January 2011, Tuesday

Note: All times refer to Hong Kong local time in this circular.

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



CHIGO HOLDING LIMITED
志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 449)

Executive Directors:

Mr. Li Xinghao (*Chairman and Chief Executive Officer*)
Mr. Lei Jianghang (*Vice Chairman*)
Dr. Ding Xiaojiang
Mr. Huang Xingke

Independent non-executive Directors:

Mr. Wan Junchu
Mr. Zhang Xiaoming
Mr. Fu Xiaosi

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 08, 19th Floor
Greenfield Tower (South Tower)
Concordia Plaza
1 Science Museum Road
Tsimshatsui, Kowloon
Hong Kong

17 December 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED BONUS ISSUE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 9 December 2010, where it is stated that the Board has resolved to recommend a Bonus Issue subject to the conditions set out below. Reference is also made to the announcement of the Company dated 10 December 2010, which sets out the expected timetable of the Bonus Issue.

This circular gives you further information in respect of the Bonus Issue.

LETTER FROM THE BOARD

2. PROPOSED BONUS ISSUE

Basis of Bonus Issue

Subject to the conditions as set out under the paragraph headed “2. Proposed Bonus Issue – Conditions of the Bonus Issue” below, the Bonus Issue is proposed to be made on the basis on nine (9) Bonus Shares for every one (1) existing Share to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

The Bonus Shares will be credited as fully paid by way of capitalisation of an amount in the share premium account of the Company. Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the then existing Shares in issue.

On the basis of 782,201,000 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased by the Company before the Record Date, it is anticipated that 7,039,809,000 new Shares will be issued under the Bonus Issue, representing 900% of the issued share capital as at the Latest Practicable Date and the Record Date.

Any adjustments to (i) the exercise price and the then outstanding number of Options, and (ii) the subscription price of the then outstanding Warrants, upon the completion of the Bonus Issue will be further announced.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders only. Arrangements for the Excepted Shareholders are further elaborated below under the paragraph headed “2. Proposed Bonus Issue – other terms of the Bonus Issue”. The Register of Members will be closed from 30 December 2010, Thursday to 4 January 2011, Tuesday (both days inclusive) during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue. Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 29 December 2010, Wednesday.

In order for the holders of the Warrants to be qualified for the Bonus Issue, they must lodge the subscription form together with a remittance in cash for the amount of the subscription price for the respective Share(s) no later than 5:00 p.m. on 21 December 2010, Tuesday.

LETTER FROM THE BOARD

In order for the holders of the Options to be qualified for the Bonus Issue, they must exercise the Option(s) together with a remittance in cash for the amount of the exercise price for the respective Share(s) no later than 11:30 a.m. on 24 December 2010, Friday.

Reasons for the proposed Bonus Issue

As a gesture of gratitude to the Shareholders for their loyalty to and support of the Company, the Board has decided to propose the Bonus Issue for Shareholders' approval. The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the shareholders' base of the Company.

Other terms of the Bonus Issue

Enquiries will be made by the Board in relation to the Overseas Shareholder(s) (if any) as at the Record Date. If, based on the results of such enquiries, the Board is of the view that the exclusion of any Overseas Shareholder is necessary or expedient for the purposes of the Bonus Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place, the Bonus Share(s) will not be issued to that particular Overseas Shareholder. In such circumstances, arrangements will be made for the Bonus Share(s) which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

The Company will make further announcement in respect of the details of the Overseas Shareholders (if any) (including the number of the Overseas Shareholders (if any) and their jurisdictions) as at the Record Date.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM;
- (ii) the Listing Committee granting, or agreeing to grant, the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the memorandum and articles of association of the Company and the Companies Law to effect the Bonus Issue.

LETTER FROM THE BOARD

Application to the Stock Exchange

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being proposed to be sought, on any other stock exchange.

3. VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the voting on the relevant resolution at the EGM will be conducted by way of poll.

4. EGM

The notice of the EGM, which contains, inter alia, the ordinary resolution to approve the Bonus Issue is set out on pages 8 to 10 of this circular.

A form of proxy for use at the EGM is enclosed. If you are not able to attend the EGM, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

5. RECOMMENDATION

The Directors consider that the Bonus Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolution to be proposed at the EGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
On behalf of the Board
Li Xinghao
Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING



CHIGO HOLDING LIMITED 志高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 449)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Chigo Holding Limited (the “Company”) will be held at The Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 4 January 2011, Tuesday at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications):

As Ordinary Business

1. **“THAT**, subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting, or agreeing to grant, the listing of and permission to deal in the Bonus Shares (as hereinafter defined); and (ii) compliance with the relevant legal procedures and requirements (if any) under the memorandum and articles of association of the Company and the Companies Law (2010 Revision), as consolidated, amended and revised from time to time of the Cayman Islands, to effect the Bonus Issue:
 - (a) upon the recommendation of the directors of the Company, a sum of HK\$70,398,090 being part of the amount standing to the credit of the share premium account of the Company, or such other sum as may be necessary to give effect to the bonus issue of shares pursuant to this resolution, be capitalised and accordingly the directors of the Company be and are hereby authorised and directed to apply such sum in paying up in full at par such number of new ordinary shares (“**Bonus Shares**”) of HK\$0.01 each in the capital of the Company, and that such Bonus Shares shall be issued, allotted and distributed, credited as fully paid up, to and amongst those shareholders whose names appear on the register of members of the Company on 4 January 2011 (the “**Record Date**”) (not being those shareholder(s) (the “**Excepted Shareholder(s)**”), whose address(es) as shown on the register of members of the Company on the Record Date to be outside Hong Kong (if any), to whom the board of directors of the Company, after making enquiries, considers to be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue) on the basis of nine (9) Bonus Shares for every one (1) existing issued ordinary share (“**Share**”) of HK\$0.01 each in the share capital of the Company held by them respectively on the Record Date;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Bonus Shares to be issued and allotted pursuant to this resolution shall be subject to the memorandum and articles of association of the Company and shall rank *pari passu* in all respects with the then existing Shares in issue on the Record Date; and
- (c) the directors of the Company be authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the Excepted Shareholders, the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

By order of the Board
Leung Hon Man
Company Secretary

Hong Kong, 17 December 2010

Head office and Principal Place of Business in Hong Kong:

Unit 08, 19th Floor

Greenfield Tower (South Tower)

Concordia Plaza

1 Science Museum Road

Tsimshatsui, Kowloon

Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- 1 Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. Any member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company.
- 2 Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
- 4 To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.
- 5 The register of members of the Company will be closed from 30 December 2010, Thursday to 4 January 2011, Tuesday, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for voting at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. 29 December 2010, Wednesday.

As at the date of this notice, the executive Directors are Li Xinghao, Lei Jianghang, Ding Xiaojiang and Huang Xingke, and the independent non-executive Directors are Wan Junchu, Zhang Xiaoming and Fu Xiaosi.