

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.



Cheshi Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF FINANCIAL PRODUCT

SUBSCRIPTION OF FINANCIAL PRODUCT

Congshu Beijing, a wholly-owned subsidiary of the Company, subscribed the Financial Product offered by NBCB for RMB15 million on January 27, 2021.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the subscription amount for NBCB Wealth Management Product exceeds 5% but is less than 25%, the subscription of NBCB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Subscription of NBCB Wealth Management Product when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of this Wealth Management Products was akin to a bank deposit, which would not constitute a “transaction” under Chapter 14 of the Listing Rules, taking into account the relatively low-risk and flexible redemption nature of these Wealth Management Products. Recently, upon preparation of the Company’s annual report, relevant finance department staffs revisited relevant transactions, and sought advices from the Board and professional advisers on the Listing Rules implications. Accordingly, the Company is advised to publish this announcement with Board’s approval as soon as practicable.

SUBSCRIPTION OF FINANCIAL PRODUCT

The Board announces that, Congshu Beijing, a wholly-owned subsidiary of the Company, subscribed NBCB Wealth Management Product on January 27, 2021. The principal terms of the Subscription of the Financial Product are set out below:

NBCB Wealth Management Product

Date of Subscription	:	January 27, 2021
Parties	:	(1) Congshu Beijing, the subscriber; and (2) NBCB, the issuer.
Name of the Financial Product	:	Ningyin Mixed Model 90-day Open Wealth Management Product No. 2* (寧銀理財寧贏混合類 3 個月定期開放式理財 2 號)
Risk rating of product	:	Relatively low
Subscription amount	:	RMB15 million in cash payable upon subscription
Product type and return	:	Non-principal guaranteed with floating rate of income
Expected rate of return	:	3.60% per annum
Investment portfolio	:	The NBCB Wealth Management Products invest in various kinds of products, including but not limited to: bank deposits, bonds, money market instruments, non-standardized debt assets, asset management plans, trust scheme and other assets, etc.
Term of investment	:	Open
Financial Product expiration date	:	December 31, 2050
Right to redeem and repayment arrangement	:	From January 26, 2021 until December 31, 2050, each 11th day to the 26th day of January, April, July and October, respectively, shall be the redemption open period (“ Redemption Open Period ”). The Subscriber shall have the right to lodge applications of redemption request during the Redemption Open Period. NBCB will confirm the redemption request on the next business day of the Redemption Open Period. NBCB shall pay the relevant redemption amount to the Subscriber within three business days upon confirmation of its redemption request.

NBCB shall pay the relevant principal and the corresponding return to the Subscriber in a lump sum within three business days after the expiration of the NBCB Wealth Management Product.

REASONS AND BENEFITS FOR SUBSCRIPTION OF THE FINANCIAL PRODUCT

In order to enhance the capital efficiency as well as the return from working capital, the Group reasonably utilizes its idle capital to subscribe for the Financial Product issued by the commercial banks and other financial institutions in the PRC to earn additional income without affecting its normal operations. At the same time, the Financial Products offer a better potential return to the Group when compared to the deposit interest rates normally offered by commercial banks in the PRC. The conditions of the Financial Product will be closely and effectively monitored by the Company. The subscription of the Financial Product was funded by the surplus cash of the Company and are highly liquid, therefore they would not affect the working capital or the operation of the Company. The Subscription was funded by internal working capital of the Company.

The Directors are of the view that the Subscription of the Financial Product is determined on normal commercial terms and are fair and reasonable, and that the Subscription of the Financial Product is in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of online advertising service and transaction facilitation service through its vertical media platform. The principal activity of Congshu Beijing is provision of online advertising services.

NBCB is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002142).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, NBCB and its respective ultimate beneficial owner is independent from the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the subscription amount of NBCB Wealth Management Product exceeds 5% but is less than 25%, the subscription of NBCB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the Subscription of NBCB Wealth Management Product when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. The failure to make timely disclosure was due to a misunderstanding that the nature of NBCB Wealth Management Product was akin to a bank deposit, which would not constitute a “transaction” under Chapter 14 of the Listing Rules, taking into account the relatively low-risk and flexible redemption nature of

NBCB Wealth Management Product. Recently, upon preparation of the Company's annual report, relevant finance department staffs revisited relevant transactions, and sought advices from the Board and professional advisers on the Listing Rules implications. Accordingly, the Company is advised to publish this announcement with Board's approval as soon as practicable.

PROPOSED MEASURES IN THE FUTURE

In the future, the Company will implement the following measures consistently to the Group:

- (1) paying close attention, conducting periodic review and reporting by the finance department on the purchase, subscription or sale of any wealth management products;
- (2) enhancing training provided to the Directors, senior management and responsible finance staffs on identifying differences between bank wealth management products with highly liquidity and low risk nature and bank deposit, so as to strength their understanding and to emphasize the importance of disclosure obligations under the Listing Rules;
- (3) requiring the management to report transaction (with a relatively low threshold) which may constitute potential disclosable transactions for assessment against disclosure obligations under the Listing Rules prior to entering into any of those transactions; and
- (4) seeking advice from professional advisers, including but not limited to the Company's compliance adviser and Hong Kong legal adviser, prior to taking any action in relation to any transactions that may constitute discloseable transactions or any major events.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors of the Company
“Company”	Cheshi Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability; the shares of the Company are listed on the Main Board of the Stock Exchange
“Congshu Beijing” or “Subscriber”	Congshu Beijing Technology Company Limited (縱樹 (北京) 科 技有限公司), a limited liability company established under the laws of the PRC on September 28, 2015, one of our consolidated affiliated entities and is deemed to be an indirect wholly- owned subsidiary of our Company pursuant to the contractual arrangements
“Director(s)”	the director(s) of the Company
“Financial Product”	NBCB Wealth Management Product

“Group”	the Company, its subsidiaries and consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NBCB Wealth Management Product”	Ningyin Mixed Model 90-day Open Wealth Management Product No.2* (寧銀理財寧贏混合類 3 個月定期開放式理財 2 號)
“NBCB”	Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Congshu Beijing for the Financial Product
“%”	percentage

By order of the Board
Cheshi Holdings Limited
Xu Chong
Chairman and Chief Executive Officer

Beijing, PRC, February 4, 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. XU Chong, Mr. LIU Lei, Mr. ZHU Boyang, Ms. SUO Yan as executive Directors; and Mr. XU Xiangyang, Mr. LI Ming and Mr. NG Jack Ho Wan as independent non-executive Directors.