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## **Cheshi Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1490)**

### **VOLUNTARY ANNOUNCEMENT PROVISION OF FINANCIAL ASSISTANCE**

This is a voluntary announcement made by the Company.

#### **THE SHAREHOLDERS LOAN AGREEMENT**

The Board is pleased to announce that on September 10, 2021 (after trading hours), Congshu Internet, an indirect wholly-owned subsidiary of the Company, and Congshu Management entered into the Shareholders Loan Agreement with ZAXZX, pursuant to which Congshu Internet and Congshu Management agreed to provide the Shareholders Loan in an aggregate principal amount of RMB26.00 million, of which RMB13.26 million will be provided by Congshu Internet and RMB12.74 million will be provided by Congshu Management in proportion to their equity interest in ZAXZX.

#### **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios in respect of the provision of the Shareholders Loan by Congshu Internet are less than 5%, the provision of the Shareholders Loan by Congshu Internet does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Xu is (i) an executive Director and chairman of the Board; and (ii) a controlling shareholder of the Company and is therefore a connected person of the Company. Further, as Congshu Management is a 30%-controlled company of Mr. Xu, Congshu Management is an associate of Mr. Xu and is, therefore, a connected person of the Company. ZAXZX is directly wholly-owned by Zhixinglian, which is held as to 51% by Congshu Internet and 49% by Congshu Management.

Accordingly, the provision of the Shareholders Loan by Congshu Internet to ZAXZX constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Nevertheless, pursuant to Rule 14A.89 of the Listing Rules, the provision of the Shareholders Loan by Congshu Internet is fully exempt given that (i) it is conducted on normal commercial terms; and (ii) it is in proportion to the equity interest directly held by Congshu Internet and Congshu Management in ZAXZX and without guarantee.

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## **THE SHAREHOLDERS LOAN AGREEMENT**

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The major terms of the Shareholders Loan Agreement are set out below:

Date	:	September 10, 2021 (after trading hours)
Parties	:	(i) Congshu Management (as lender) (ii) Congshu Internet (as lender) (iii) ZAXZX (as borrower)
Principal Amount	:	An aggregate amount of RMB26,000,000, of which RMB13.26 million will be provided by Congshu Internet and RMB12.74 million will be provided by Congshu Management.
Interest Rate	:	6% per annum. It is a legitimate and effective rate of interest that does not exceed four times the LPR announced by the PBOC for the same period.
Interest Payment	:	Interest is paid annually on September 10th.
Shareholders Loan Validity Period	:	From September 10, 2021 to September 9, 2024 (“Repayment Date”).
Repayment Date	:	ZAXZX must repay the loan on or before Repayment Date.
Repayment	:	ZAXZX must pay the amount actually owing or remaining unpaid by it including the remaining interest on the Repayment Date.

## **INFORMATION ON ZAXZX**

As at the date of this announcement, ZAXZX is directly wholly-owned by Zhixinglian, which is held as to 51% by Congshu Internet and 49% by Congshu Management. ZAXZX is accounted as a controlling subsidiary of the Company.

ZAXZX is a company incorporated in PRC. Zhonganxin Zhixing (Beijing) Technology Co., Ltd.\* (中安信智行(北京)科技有限公司) is an intelligent travel platform focusing on automotive industry. It integrates upstream and downstream resources and is principally engages in supply chain service, Saas service, technical service and other services. ZAXZX has entered cooperation agreements with Zhejiang Geely Holding Automobile Sales Co., Ltd.\* (浙江吉利汽車集團銷售有限公司) and Shanghai General Motors Sales Co., Ltd\* (上海通用汽車銷售有限公司) and is currently proactively exploring cooperative opportunities with upstream suppliers.

## **INFORMATION ON THE GROUP**

The Group operates online automobile vertical media platforms in China that offer comprehensive and high-quality automobile content produced by our in-house content team and distributed across our proprietary, comprising our PC websites, mobile websites and mobile applications, and over 1,000 business partner platforms.

## **INFORMATION ON CONGSHU MANAGEMENT AND MR. XU**

Congshu Management is a limited partnership established under the laws of the PRC on September 9, 2016 and intended provision of trustee services to the Company for the administration and management of its share incentive scheme.

As at the date of this announcement, Mr. Xu is (i) an executive Director and chairman of the Board; and (ii) a controlling shareholder of the Company and is therefore a connected person of the Company. Further, as Congshu Management is a 30%-controlled company of Mr. Xu, Congshu Management is an associate of Mr. Xu and is, therefore, a connected person of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SHAREHOLDERS LOAN AGREEMENT**

ZAXZX is principally engages in providing supply chain service, Saas service, technical service and other services to downstream corporate clients in travelling industry. The provision of the Shareholders Loan will provide additional funding to ZAXZX so as to maintain a sufficient level of liquidity and financial flexibility for its business operation. The Directors consider that the Group could be benefited from improving overall profitability and broadening the source of profit of the Group should ZAXZX performs well.

In view of the above, the Directors are of the view that the terms of the Shareholders Loan Agreement are on normal commercial terms or better and fair and reasonable and the entering into of Shareholders Loan Agreement is in the interest of the Company and shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios in respect of the provision of the Shareholders Loan by Congshu Internet are less than 5%, the provision of the Shareholders Loan by Congshu Internet does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Xu is (i) an executive Director and chairman of the Board; and (ii) a controlling shareholder of the Company and is therefore a connected person of the Company. Further, as Congshu Management is a 30%-controlled company of Mr. Xu, Congshu Management is an associate of Mr. Xu and is, therefore, a connected person of the Company. ZAXZX is directly wholly-owned by Zhixinglian, which is held as to 51% by Congshu Internet and 49% by Congshu Management.

Accordingly, the provision of the Shareholders Loan by Congshu Internet to ZAXZX constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Nevertheless, pursuant to Rule 14A.89 of the Listing Rules, the provision of the Shareholders Loan by Congshu Internet is fully exempt given that (i) it is conducted on normal commercial terms; and (ii) it is in proportion to the equity interest directly held by Congshu Internet and Congshu Management in ZAXZX and without guarantee.

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Cheshi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange;
“Congshu Management”	Beijing Congshu Management Consulting Center* (北京樅樹管理諮詢中心), a limited partnership established under the laws of the PRC on September 9, 2016, and is held as to 99% by Mr. Xu and 1% by the general manager of ZAXZX;
“Congshu Internet”	Congshu Beijing Internet Technology Company Limited* (北京樅樹互聯科技有限公司), a limited liability company established under the laws of the PRC on January 30, 2019, and is an indirect wholly-owned subsidiary of the Company;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LPR”	Loan Prime Rate
“Mr. Xu”	Mr. Xu Chong, the chairman of the Board, an executive Director and a controlling shareholder of the Company;
“PBOC”	The People’s Bank of China

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders Loan”	the proposed Shareholders Loan in aggregate amount of RMB26.00 million, of which RMB13.26 million will be provided by Congshu Internet and RMB12.74 million will be provided by Congshu Management, as contemplated under the Shareholders Loan Agreement;
“Shareholders Loan Agreement”	the shareholders loan agreement entered into among Congshu Internet, Congshu Management and ZAXZX dated September 10, 2021 in relation to the Shareholders Loan provided by Congshu Internet and Congshu Management to ZAXZX at an aggregate amount of RMB26.00 million;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ZAXZX”	Zhonganxin Zhixing (Beijing) Technology Co., Ltd.* (中安信智行(北京) 科技有限公司), a limited liability company established under the laws of the PRC on 4 February 2021;
“Zhixinglian”	Zhixinglian (Shenzhen) Technology Co., Ltd* (智行鏈(深圳) 科技有限公司), a limited liability partnership established under the laws of the PRC on September 9, 2016, which is held as to 51% by Congshu Internet and 49% as to Congshu Management;
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

\* For identification purposes only.

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

Beijing, the PRC, September 12, 2021

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