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Cheshi Technology Inc.

車市科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

**DISCLOSEABLE TRANSACTION
WEINET FUND'S SUBSCRIPTION OF LIMITED
PARTNERSHIP INTERESTS IN A FUND**

THE SUBSCRIPTION AND THE PARTNERSHIP AGREEMENT

Reference is made to the announcement of the Company dated May 12, 2021 in relation to the establishment of Weinet Fund (the “**Announcement**”). Unless otherwise defined herein, capitalized terms defined in this announcement shall have the same meanings as those defined in the Announcement. On May 12, 2021, Beihai Media and Congshu Beijing entered into a partnership agreement with Taoyuan Investment in relation to the establishment of Weinet Fund with an initial registered capital of RMB51 million, with an objective to invest into forward-looking projects in automobile, new consumption and digital new media industries which include industrial internet, smart auto technology, auto services, new consumption, content technology and other fields. In order to balance and diversify the investment portfolio of Weinet Fund, decrease investment risk and achieve capital appreciation, the Company is pleased to announce that, on October 13, 2021, Weinet Fund (as Limited Partner), Wang Yuanshu (as Limited Partner) and Taoyuan Investment (as General Partner) entered into the Partnership Agreement, pursuant to which Weinet Fund agreed to subscribe for the Limited Partnership Interests in the Fund, for a capital commitment of RMB30 million. The Fund will be managed by Taoyuan Investment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction(s) contemplated under the Partnership Agreement exceeds 5% but is less than 25%, the entering into the Partnership Agreement and the transaction(s) contemplated thereunder constitute a discloseable transaction of the Company and is therefore subject to announcement and notification requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

On May 12, 2021, Beihai Media and Congshu Beijing entered into a partnership agreement with Taoyuan Investment in relation to the establishment of Weinet Fund with an initial registered capital of RMB51 million, with an objective to invest into forward-looking projects in automobile, new consumption and digital new media industries which include industrial internet, smart auto technology, auto services, new consumption, content technology and other fields. In order to balance and diversify the investment portfolio of Weinet Fund, decrease investment risk and achieve capital appreciation, the Company is pleased to announce that, on October 13, 2021, Weinet Fund (as Limited Partner), Wang Yuanshu (as Limited Partner) and Taoyuan Investment (as General Partner) entered into the Partnership Agreement, pursuant to which Weinet Fund agreed to subscribe for the Limited Partnership Interests in the Fund, for a capital commitment of RMB30 million.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement, to which all parties to the Fund have agreed upon, are summarized as follows:

- Date** : October 13, 2021
- Name of the Fund** : Gongqingcheng Ruibo Equity Investment Partnership (L.P.)*
(共青城銳博股權投資合夥企業(有限合夥))
- Parties** : (1) Taoyuan Investment (as General Partner)
(2) Wang Yuanshu (as Limited Partner)
(3) Weinet Fund (as Limited Partner)
- Purpose** : The Fund is established for the purpose of achieving capital appreciation by investing in the Master Fund through which the Fund could make equity or quasi-equity investment into private equity projects.
- Term of the Fund** : 6 years commenced on January 1, 2020, with an option to be extended for no more than two years for purposes of the orderly liquidation of the investment projects of Master Fund.

Capital contribution of the Fund : The capital contribution to be made by each of the partners is as follows:

Partner	Capacity	Capital contribution (RMB)	Percentage of interest in the capital contribution (Approximately)
Taoyuan Investment	General Partner	10,000	0.02%
Wang Yuanshu	Limited Partner	20 million	39.99%
Weinet Fund	Limited Partner	30 million	59.99%

The aggregate commitment amount will be funded by cash from Weinet Fund's internal resources in a lump sum or by installment (installment period should be no more than six months) and should be settled in accordance with the timeline set out in the capital contribution payment notice to be issued by the General Partner. Weinet Fund's capital contribution into the Fund at the amount of RMB30 million was determined after arm's length negotiations among Weinet Fund, Wang Yuanshu and Taoyuan Investment with reference to the registered capital requirement of the Fund.

Management of the Fund : Taoyuan Investment, being the General Partner, is responsible for the investment, management, administration and daily operation of the Fund under the Limited Partners' supervision.

Management expenses : As a limited partner of the Master Fund, the Fund allocates and pays management fees at the Master Fund level in accordance with the agreement of the Master Fund. Save for the aforesaid fees, the Fund does not need to pay the General Partner and/or its designated party any other management fees or similar expenses, the partners of the Fund does not share or bear any other management fees or similar expenses.

- Rights and obligations of the General Partner** : Pursuant to the Partnership Agreement, it is agreed that the General Partner may, inter alia, decide on the following matters:
- (a) represent the Fund externally;
 - (b) issue a capital contribution payment notice to the Limited Partner based on the capital contribution need of the Master Fund where the said notice shall set out the relevant Limited Partner's payable amount and the due date for such payment;
 - (c) invest, manage, use and dispose of assets of the Fund with supervision of the Limited Partners; and
 - (d) prepare register of partners for the Fund.
- Unlimited liability of the General Partner** : The General Partner shall also bear unlimited joint and several liability for debt of the Fund.
- Rights and obligations of the Limited Partners** : Pursuant to the Partnership Agreement, it is agreed that the Limited Partners shall, inter alia, enjoy the following rights:
- (a) exercise voting rights in accordance with the relevant applicable laws and provisions of the Partnership Agreement;
 - (b) obtain periodic report and audited financial report of the Fund;
 - (c) enjoy the revenue distribution of the Fund; and
 - (d) remove or change the General Partner for any substantial losses arising from intentional or gross negligence of the General Partner.
- Limited liability of the Limited Partners** : The Limited Partners shall bear limited liability for debt of the Fund to the extent of their respective capital contribution.
- Transferability of the interests** : The limited partnership interests in the Fund may not be transferred in any manner without Taoyuan Investment's prior written consent.

Profit Distributions : In calculating all the Fund's partners' distribution amounts on the level of the Master Fund, the General Partner is entitled to do the calculation on the assumption that all the Fund's partners directly subscribe for the interest in the Master Fund and should distribute such amounts to the relevant partners of the Fund as soon as possible.

The Fund should pay to the General Partner or its designated person certain income share on the level of the Master Fund in accordance with the provisions of the partnership agreement of the Master Fund. The Fund or the Limited Partners does not need to pay the General Partner, management person or its designated person revenue share or similar expenses, repeatedly.

INFORMATION OF THE FUND AND TAOYUAN INVESTMENT

The Fund is a limited partnership established in the PRC and registered as a private equity fund in accordance with the applicable laws and rules.

Taoyuan Investment is a limited liability company established under the laws of the PRC. It is also a private equity fund manager registered with the Asset Management Association of China and is principally engaged in making private equity investments.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Taoyuan Investment is held as to 28% by Mr. Liu Yunli with the remaining 72% by other Independent Third Parties. As at the date of this announcement, Mr. Liu Yunli, through LYL Weihui Limited, holds approximately 4.05% of the issued shares of the Company. Mr. Liu Yunli is also the general manager of the strategic investment department of Sina Weibo. Save as disclosed herein, Taoyuan Investment and its other respective associates and ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE COMPANY, WEINET FUND AND WANG YUANSHU

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the principal business activity of which is investment holding. Its subsidiaries are principally engaged in the provision of online advertising service and transaction facilitation service through its vertical media platform.

Weinet Fund is a partnership fund established in the PRC and is principally engaged in the provision of assets management services.

Wang Yuanshu is a Chinese natural person holding 39.99% limited partnership interests of the Fund.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Wang Yuanshu is an Independent Third Party.

REASONS AND BENEFITS OF THE SUBSCRIPTION AND THE ENTERING INTO THE PARTNERSHIP AGREEMENT

Having considered (i) the Subscription provides Weinet Fund with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation; and (ii) the Subscription enables the Group to make investment while reducing direct investment risks, leveraging on the professional management team of the Fund, the Directors consider the terms of the Subscription are on normal commercial terms, which are fair and reasonable, and the Subscription is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the transaction contemplated under the Subscription Agreement exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to announcement and notification requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Cheshi Technology Inc. (formerly known as Cheshi Holdings Limited), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Fund”	Gongqingcheng Ruibo Equity Investment Partnership (L.P.)* (共青城銳博股權投資合夥企業(有限合夥)), a partnership established and registered in the PRC;
“General Partner”	the general partner of the Fund, being Taoyuan Investment;
“Group”	the Company and its subsidiaries including its consolidated affiliated entities;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Party(ies)”	an individual or a company who is independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates;
“Limited Partners”	the limited partners of the Fund, being Weinert Fund and Wang Yuanshu;
“Limited Partnership Interests”	the limited partnership interests in the Fund (not being fully paid-up) represented by a capital commitment of RMB30 million made by Weinert Fund to the Fund;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Fund”	Suzhou Boxiang Equity Investment Partnership (L.P.)* (蘇州博祥股權投資合夥企業(有限合夥)), a limited partnership established in the PRC, and was registered as a private equity fund in accordance with the applicable laws and rules;
“Partnership Agreement”	the partnership agreement dated October 13, 2021 entered into between Weinert Fund, Wang Yuanshu and Taoyuan Investment in relation to the management and operation of the Fund;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	subscription of the Limited Partnership Interests in the Fund;
“Taoyuan Investment”	Gongqingcheng Taoyuan Investment Management Co., Ltd.* (共青城韜遠投資管理有限公司), a limited liability company established under the laws of the PRC on January 15, 2018, and the general manager of Weinert Fund with 1.96% interest in the capital contribution of the initial registered capital of Weinert Fund;

“Weinet Fund”

Changxing Weinet Congyue Equity Investment Partnership (L.P.)* (長興微網縱躍股權投資合夥企業(有限合夥)), a limited partnership established in the PRC, and was registered as a private equity fund in accordance with the applicable laws and rules; and

“%”

percentage.

By order of the Board
Cheshi Technology Inc.
Xu Chong
Chairman and Executive Director

Beijing, the PRC, October 13, 2021

As of 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.

* *For identification purposes only*