

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus dated December 31, 2020 (the “**Prospectus**”) of Cheshi Holdings Limited (the “**Company**”).

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Cheshi Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

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The Company announces that the Over-allotment Option described in the Prospectus and the announcement of the offer price and allotment results dated January 14, 2021 (the “**Announcement**”) has been fully exercised by the Sole Representative, on behalf of the International Underwriters, on January 26, 2021 in respect of an aggregate of 30,600,000 Offer Shares (the “**Over-allotment Shares**”), representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to (among other things) facilitate the return to XC Group Limited of the borrowed Shares under the Stock Borrowing Agreement which were used to cover over-allocations in the International Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.23 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

A further announcement will be made by the Company after the end of the stabilization period in connection with the Global Offering pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

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Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on Tuesday, February 2, 2021.

Shareholding Structure of the Company upon the Completion of the Full Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the full exercise of the Over-allotment Option is as follows:

Shareholders	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares	
	Number of issued Shares	Approximate % of issued share capital	Number of issued Shares	Approximate % of issued share capital
XC Group Limited	771,900,000 ⁽¹⁾	64.11%	802,500,000	65.00%
SA Nominee ⁽²⁾	80,000,000	6.64%	80,000,000	6.48%
RSU Nominee	20,000,000	1.66%	20,000,000	1.62%
Other public Shareholders	332,100,000	27.58%	332,100,000	26.90%
Total	<u>1,204,000,000</u>	<u>100.00%</u>	<u>1,234,600,000</u>	<u>100.00%</u>

Notes:

- (1) The number of Shares held by XC Group Limited does not take into account the 30,600,000 Shares borrowed by ABCI Securities Company Limited under the Stock Borrowing Agreement.
- (2) Mr. Zhu Boyang, the executive Director of the Company, was vested with 20,000,000 Shares pursuant to the SA Scheme as of the date of this announcement.

Use of Proceeds

The Company will receive additional net proceeds of approximately HK\$36.7 million from the issue of the Over-allotment Shares, after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the Over-allotment Option. The Company intends to apply the additional net proceeds on a pro rata basis for the purposes as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus.

PUBLIC FLOAT

Immediately after the issue and allotment of the Over-allotment Shares, the number of Shares in public hands represents not less than 25% of the total issued share capital of the Company, which satisfies the minimum percentage of public float requirements prescribed in Rule 8.08 of the Listing Rules.

A further announcement will be made by the Company after the end of the stabilization period in connection with the Global Offering pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

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

Hong Kong, January 26, 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.