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51信用卡

51 CREDIT CARD INC.

51 信用卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

CONNECTED TRANSACTION IN RELATION TO THE FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

Reference is made to the announcements of the Company dated 31 January 2022 and 30 March 2022 relating to the proposed loan facility of RMB50,000,000 to the Borrower (an indirect 73.86%-owned subsidiary of the Company), which was subsequently terminated on 30 March 2022.

FINANCIAL ASSISTANCE

The Board announces that on 28 April 2022, Hangzhou Zhenniu (an indirect wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Borrower, pursuant to which Hangzhou Zhenniu will provide the Borrower the Loan in the principal amount of RMB8,000,000 for a term of three years.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Borrower is an indirect 73.86%-owned subsidiary of the Company, and is owned as to approximately 12.50% by Tiantu Xingshen, which is a limited liability partnership and controlled by Tiantu Xingshuo as the general partner. Tiantu Xingshuo is ultimately controlled by Mr. Wang, a substantial Shareholder. As such, the Borrower is regarded as a connected subsidiary of the Company and a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for the Loan exceed 0.1% and are less than 5%, the Loan Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements only and are exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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FINANCIAL ASSISTANCE

On 28 April 2022, Hangzhou Zhenniu (an indirect wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Borrower, pursuant to which Hangzhou Zhenniu will provide the Borrower the Loan with the terms and conditions summarised below.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarised below:

- Date** : 28 April 2022 (after trading hours)
- Parties** : (i) Hangzhou Zhenniu, as the lender; and
(ii) the Borrower, which is a connected subsidiary and a connected person of the Company.
- Loan** : A loan in the principal amount of RMB8,000,000, which shall be advanced to the Borrower within 10 business days from the date of the Loan Agreement, and will be funded by the internal resources of the Group.

Interest : Interest rate of 5.8% per annum, which was determined with reference to (i) the current cost of funds of the Group of 5.64% per annum for a loan with a five-year term obtained from commercial banks in the PRC; and (ii) the prevailing market interest rate for loans with similar nature and tenor in the PRC, for which reference was made to the loan prime rate of 4.6% per annum (for five-year loans) as announced by The People’s Bank of China with effect from April 2022.

The interest shall start to accrue from the date when Hangzhou Zhenniu advances the principal amount (i.e. RMB8,000,000) to the Borrower and shall be repaid together with the principal of the Loan.

Tenor : Three years from the date of the Loan Agreement. Hangzhou Zhenniu is entitled to request the Borrower to repay the outstanding principal of the Loan and corresponding interest at any time during, but in any event on or before the expiry of, the tenor of the Loan.

Repayment : The Borrower shall repay the principal amount of the Loan together with the accrued interest at the maturity date or the early repayment date (as the case may be).

Purpose of the Loan : To finance the business operation of the Borrower for the continuing product development of the Little Blue Book APP, including the development of such application’s information technology systems and software, upgrading the functionality of the platform, and enhancing the distribution channels for the Little Blue Book APP.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Borrower (an indirect 73.86%-owned subsidiary of the Company) is principally engaged in the provision of commercial information searching service and operates a business information search tool, the “Little Blue Book APP”, which aims to provide users with valuable commercial information. The Little Blue Book APP was launched in September 2019. In 2021, the Little Blue Book APP repositioned itself as a “smart sales growth cloud platform”, launched the “Intelligence Smart Expansion” product targeting small and medium-sized enterprises and provided sales solutions targeting medium and large-sized enterprises. The Little Blue Book APP generates subscription income from corporate and individual customers. Since the launch of Little Blue Book APP, the number of users has exceeded 6.5 million, and as at 31 December 2021, the number of active users of the Little Blue Book APP amounted to approximately 0.3 million per month. Furthermore, the revenue of the Borrower increased from nil for the year ended 31 December 2020 to RMB4.1 million for the year ended 31 December 2021. Based on the unaudited management accounts of the Borrower for the year ended 31 December 2021, the Borrower generated a net loss of approximately RMB26.1 million and the Borrower had (i) total assets of approximately RMB9.5 million as at 31 December 2021, which mainly comprised bank balances and cash, other current assets and other receivables; and (ii) net assets of approximately RMB2.5 million as at 31 December 2021.

As the business of Little Blue Book APP is still in its early development stage, its continuing product development, acquisition of market share and business operation require financial support from its shareholders. As the source of funds for the Loan is principally surplus cash of the Group, which may just be placed as deposits with commercial banks in the PRC with a fixed deposit rate of approximately 2.75% per annum for a three-year term as announced by The People’s Bank of China (substantially lower than the interest rate of the Loan), the Company considers that the provision of the Loan can better utilise the funds of the Group in its commercial information searching business through the continuous expansion of the Borrower’s business, and to avoid the burden of loan interest otherwise required to be borne by the Borrower through external financing.

Taking into consideration (i) that the Borrower is an indirect 73.86%-owned subsidiary of the Company, which the Group would be able to control and assess its financial conditions from time to time; (ii) the improvement in revenue of the Borrower since its last round of equity financing funding, which was utilised in the technology development, promotion and operation of the Little Blue Book APP; and (iii) the continuing product development of the Little Blue Book APP and the enhancement of its distribution channels enables the Little Blue Book APP to further expand its user base and increase its market share, which is expected to generate positive contribution in financial and operational performance of the Borrower in the long run; the Directors consider that the Borrower is credible and possesses the necessary repayment ability to repay the Loan. Given the nature of business of the Borrower, the Borrower is asset-light and therefore it is not feasible for the Borrower to provide sufficient assets as security. The Borrower is indirectly owned as to 73.86% by the Company with the remaining 26.14% equity interest owned by six other minority shareholders, whose shareholding interests range from 1.25% to 12.50%. Despite no security has been provided for the Loan and the Loan will be solely provided by Hangzhou Zhenniu, taking into consideration the factors as mentioned above and the fact that Hangzhou Zhenniu is the single largest shareholder who has control over the operation and management of the Borrower, the Directors consider it fair and reasonable for Hangzhou Zhenniu to solely provide the Loan to the Borrower without any security.

Having considered (i) the reasons for and benefits of the Loan as set out above; (ii) the provision of the Loan is to support the Borrower's operation for the development of the Group's commercial information searching business; (iii) the interest rate under the Loan Agreement is higher than the interest rate received by the Group by placing cash deposits with commercial banks in the PRC, and was determined with reference to the current cost of funds of the Group and the prevailing market interest rate for loans with similar nature and tenor in the PRC; and (iv) the financial flexibility of the Group to reallocate the funds of the Loan to other suitable investment targets or investment opportunities should they arise during the tenor of the Loan (given that Hangzhou Zhenniu is entitled to request the Borrower for the early repayment of the outstanding principal of the Loan and corresponding interest at any time during the tenor of the Loan); the Directors (including the independent non-executive Directors) are also of the view that the terms of the Loan Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, HANGZHOU ZHENNIU AND THE BORROWER

The principal activity of the Company is investment holding whilst its major operating subsidiaries operate an online credit card management platform.

Hangzhou Zhenniu is a company established in the PRC and is principally engaged in investment holding.

The Borrower is a company established in the PRC and is principally engaged in the provision of commercial information searching services. As at the date of this announcement, it is an indirect 73.86%-owned subsidiary of the Company. The remaining 26.14% equity interest in the Borrower is owned as to (i) 4.74% by 杭州藍鵬企業管理諮詢合夥企業(有限合夥) Hangzhou Lanpeng Enterprise Management Consulting Partnership (Limited Partnership)*, a limited liability partnership controlled by its general partner, Lu Wei 路偉, an Independent Third Party; (ii) 4.73% by 杭州霖項信息技術合夥企業(有限合夥) Hangzhou Linxiang Information Technology Partnership (Limited Partnership)*, a limited liability partnership controlled by its general partner, Xiang Jianbiao 項建標, an Independent Third Party; (iii) 12.50% by 深圳天圖興深天使創業投資合夥企業(有限合夥) Shenzhen Tiantu Xingshen Tianshi Venture Investment Partnership (Limited Partnership)* (“**Tiantu Xingshen**”), a limited liability partnership controlled by its general partner, 深圳天圖興碩股權投資管理有限公司 Shenzhen Tiantu Xingshuo Equity Investment Management Co., Ltd.* (“**Tiantu Xingshuo**”); (iv) 1.46% by 寧波梅山保稅港區策然投資管理合夥企業(有限合夥) Ningbo Meishan Bonded Port Zone Area Ceran Investment Management Partnership (Limited Partnership)*, a limited liability partnership controlled by its general partner, Guo Ruyi 郭如意, an Independent Third Party; (v) 1.46% by 杭州一起來電投資合夥企業(有限合夥) Hangzhou Yiqilaidian Investment Partnership Enterprise (Limited Partnership)*, a limited liability partnership controlled by its general partner, 杭州來電投資管理有限公司 Hangzhou Laidian Investment Management Co., Ltd.*, an Independent Third Party; and (vi) 1.25% by 杭州雲卓二期投資合夥企業(有限合夥) Hangzhou Yunzhuo Phase II Investment Partnership (Limited Partnership)*, a limited liability partnership controlled by its general partner, 杭州盈動投資管理有限公司 Hangzhou Yingdong Investment Management Co., Ltd.*, an Independent Third Party.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Borrower is an indirect 73.86%-owned subsidiary of the Company, and is owned as to approximately 12.50% by Tiantu Xingshen which is a limited liability partnership and controlled by Tiantu Xingshuo as the general partner. Tiantu Xingshuo is ultimately controlled by Mr. Wang, a substantial Shareholder, who is indirectly interested in an aggregate of approximately 13.54% shareholding of the Company. As such, the Borrower is regarded as a connected subsidiary of the Company and a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for the Loan exceed 0.1% and are less than 5%, the Loan Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements only and are exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Loan Agreement and the transactions contemplated thereunder and therefore, no Director is required to abstain from voting on the relevant resolutions of the Board approving the Loan Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings when used herein.

“Board”	the board of Directors
“Borrower”	深圳小藍本網絡技術有限公司 Shenzhen Xiaolanben Network Technology Ltd.*, a company established in the PRC and an indirect 73.86%-owned subsidiary of the Company

“Company”	51 Credit Card Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“connected subsidiary”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hangzhou Zhenniu”	杭州振牛信息科技有限公司 Hangzhou Zhenniu Information Technology Co., Ltd.*, a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Loan”	the loan in the principal amount of RMB8,000,000 to be granted by Hangzhou Zhenniu to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 28 April 2022 entered into between Hangzhou Zhenniu and the Borrower in respect of the Loan
“Mr. Wang”	Mr. Wang Yonghua, a substantial Shareholder
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	the ordinary share(s) of US\$0.00001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

* *For identification and translation purposes only*

By order of the Board
51 Credit Card Inc.
Sun Haitao
Chairman, Chief Executive Officer and Executive Director

28 April 2022

As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Ms. Wu Shan; the non-executive Directors are Ms. Zou Yunli, Ms. Gao Li and Ms. Jiang Cuicui and the independent non-executive Directors are Mr. Ye Xiang and Mr. Xu Xuchu.