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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 TRANSACTIONS INVOLVING THE SETTLEMENT

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The Board wishes to announce that on 1 March 2024 (after trading hours), Hangzhou Enniu and the Tiantu Respondent Group entered into the conditional Settlement Agreement in relation to the Settlement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tiantu Capital is a substantial Shareholder (as defined in the Listing Rules) and therefore connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Moreover, the other entity comprising the Tiantu Respondent Group, is a subsidiary of Tiantu Capital. As such, each of the Tiantu Respondent Group is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Accordingly, the Settlement Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) exceeds 25% and the total consideration exceeds HK\$10,000,000, the Settlement Agreement and the transactions contemplated thereunder constitute connected transactions of the Company which are subject to the requirements of announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on whether the Settlement Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, the Company has appointed Rainbow Capital (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be held to consider, and if thought fit, passing the ordinary resolution to approve, among others, the Settlement Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information regarding the Settlement Agreement, (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM to the Shareholders, will be despatched to the Shareholders on or before 22 March 2024.

CONNECTED TRANSACTIONS INVOLVING THE SETTLEMENT

The Board wishes to announce that on 1 March 2024 (after trading hours), Hangzhou Enniu and the Tiantu Respondent Group entered into the conditional Settlement Agreement in relation to the Settlement.

Background of the Settlement

As disclosed in the annual report of the Company for the year ended 31 December 2022, the Group has, among others, commenced arbitration proceedings against certain individuals and entities (including but not limited to Mr. Yang Fan) who were the then shareholders of Shouhui Kaizhuo to, among others, rescind the Acquisition and seek for damages for breach of contract in response to the deconsolidation of Shouhui Kaizhuo. Please refer to the announcement of the Company dated 9 January 2023 for details of the deconsolidation of Shouhui Kaizhuo.

Members of the Tiantu Respondent Group are two of the respondents to the Arbitration Proceedings. As at the date of this announcement, the Arbitration Proceedings are at an advanced stage whereby the Group has been able to understand the defenses made by the Tiantu Respondent Group and makes its assessments as to the merits of the Group's case. Having considered the advice from the Group's PRC legal counsel, the Group has negotiated with the Tiantu Respondent Group for possible settlement of the disputes under the Arbitration Proceedings, and the parties have reached consensus to enter into Settlement Agreement pursuant to which the parties have conditionally agreed to enter into the Settlement on the terms and conditions as set forth below.

Principal Terms of the Settlement Agreement

Date

1 March 2024

Parties

- (i) Hangzhou Enniu
- (ii) Tiantu Capital
- (iii) Tianjin Tiantu Xinghua

Each of Tiantu Capital and Tianjin Tiantu Xinghua is a connected person of the Company.

Major settlement terms

Conditional upon the satisfaction of the condition precedent of the Settlement Agreement, Hangzhou Enniu, Tiantu Capital and Tianjin Tiantu Xinghua have agreed that:

- (1) notwithstanding whether the HAC would agree to the Withdrawal Application (as defined below) or any decisions that may be made by the HAC in relation to the dispute among Hangzhou Enniu, Tiantu Capital and Tianjin Tiantu Xinghua, the parties agree that the Settlement Agreement constitutes a final settlement of the dispute among the parties in connection with the Acquisition, and the parties shall not have any claim against the other parties in connection with the contracts to which the Acquisition relates;
- (2) Tiantu Capital and Tianjin Tiantu Xinghua will continue to hold the approximately 6.0% and 13.12% equity interest in Shouhui Kaizhou, respectively, which is currently registered under their respective names, as nominee for and on behalf of the relevant member of the Group in accordance with the terms of the Nominee Agreement; and
- (3) Tiantu Capital and Tianjin Tiantu Xinghua will compensate Hangzhou Enniu by waiving and reducing the consideration for the Acquisition by Hangzhou Enniu of the approximately 19.12% equity interest in Shouhui Kaizhou from Tiantu Capital and Tianjin Tiantu Xinghua from the aggregate amount of RMB176,730,000 to RMB101,730,000. As Hangzhou Enniu has previously paid an aggregate of RMB176,730,000 to Tiantu Capital and Tianjin Tiantu Xinghua as consideration for the Acquisition, the amount of RMB75,000,000, as to RMB30,181,633 by Tiantu Capital and RMB44,818,367 by Tianjin Tiantu Xinghua, will be paid back to the Group within 30 business days after the later of (i) the satisfaction of the condition precedent of the Settlement Agreement; (ii) the date on which the HAC approves the Withdrawal Application; and (iii) (if the Withdrawal Application is not accepted by the HAC) the date on which the HAC makes its arbitral award in connection with the Arbitration Proceedings.

The RMB75 million repayable by Tiantu Capital and Tianjin Tiantu Xinghua as referred to in paragraph (3) above, will be settled by cash or by any other settlement method as the parties thereof may agree.

Under the Settlement Agreement, in order to halt the HAC from further proceeding with the Arbitration Proceedings pending the Settlement Agreement becoming unconditional, Hangzhou Enniu, Tiantu Capital and Tianjin Tiantu Xinghua have agreed that, within 10 business days of signing the Settlement Agreement, Hangzhou Enniu shall apply to the HAC to withdraw its claims against Tiantu Capital and Tianjin Tiantu Xinghua in the Arbitration

Proceedings (the “**Withdrawal Application**”). Within 10 business days of receiving the documents relating to the Withdrawal Application from the HAC, Tiantu Capital and Tianjin Tiantu Xinghua shall apply to the HAC to withdraw their respective counterclaims against Hangzhou Enniu. If any party fails to make the requisite withdrawal application in accordance with the Settlement Agreement, such defaulting party will need to pay the other party a compensation of RMB5,000,000. As advised by the Group’s PRC counsel, the Withdrawal Application would not jeopardize the Group’s right to recommence its action against Tiantu Capital and Tianjin Tiantu Xinghua.

Condition precedent

The major settlement terms of the Settlement Agreement as referred to under the sub-paragraph headed “Major Settlement Terms” are subject to the Independent Shareholders’ approval for the transactions contemplated under the Settlement Agreement having been obtained in accordance with the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT

Prior to entering into the Settlement Agreement, the Board had considered various factors, including but not limited to: (i) the advice from the Group’s PRC legal advisers in respect of the possible outcome of the Arbitration Proceedings and its recommendation to the Group in reaching a possible settlement with the Tiantu Respondent Group; (ii) the compensation that the Tiantu Respondent Group will provide to the Group of RMB75 million which will be repayable by the Tiantu Respondent Group in accordance with the terms of the Settlement Agreement; (iii) the additional time, costs and efforts that the Group may need to incur for advancing the Arbitration Proceedings at least insofar as the claims against the Tiantu Respondent Group are concerned; and (iv) the arbitration risk that any unfavourable outcome of the Arbitration Proceedings may jeopardize the Group’s claim against the other respondents to the Arbitration Proceedings (including but not limited to Mr. Yang Fan) in connection with the Acquisition.

Taking into account the relevant factors and the terms of the Settlement Agreement, all Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser, and other than the Director who has abstained from voting) are of the view that: (i) the terms of the Settlement Agreement are fair and reasonable and are on normal commercial terms or better; and (ii) the Settlement is in the interests of the Group and the Shareholders as a whole. The Directors considered that the entering into of the Settlement Agreement shall not cause material adverse impacts to the Group’s operations.

INFORMATION ABOUT THE PARTIES

The Company is an investment holding company and the Group is principally engaged in the provision of financial technology services and SaaS services in the PRC.

The Tiantu Respondent Group comprise of Tiantu Capital and Tianjin Tiantu Xinghua.

Tiantu Capital is an H-share company listed on the NEEQ and the Main Board of the Stock Exchange and is an investment holding company, and through its subsidiaries, principally engaged in private equity investment and fund management particularly in the consumer brands and companies in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, its shares are ultimately held as to approximately 43.85% by Wang Yonghua (王永華) and as to approximately 15.06% by Li Yiming (黎溢銘).

Tianjin Tiantu Xinghua is a wholly-owned subsidiary of Tiantu Capital which principally engages in equity investment.

Ms. Zou Yunli, a non-executive Director, is materially interested in the transactions contemplated under the Settlement Agreement by virtue of her interest in shares of Tiantu Capital listed on the NEEQ and her position as executive director of Tiantu Capital. Accordingly, she has abstained from voting on the resolutions passed at the Board meeting for approving the Settlement Agreement and the transactions contemplated thereunder. Save for Ms. Zou Yunli, none of the Directors (including the independent non-executive Directors) has a material interest the transactions contemplated under the Settlement Agreement.

LISTING RULES IMPLICATIONS

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INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on whether the Settlement Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, the Company has appointed Rainbow Capital (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be held to consider, and if thought fit, passing the ordinary resolution to approve, among others, the Settlement Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution at the EGM. As at the date of the announcement, Tiantu Capital and its associates, as well as Mr. Li Anxin (spouse of Ms. Zou Yunli) will be required to abstain from voting on the resolution relating to the Settlement Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Settlement Agreement and the transactions contemplated thereunder and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolution.

A circular containing, among other things, (i) further information regarding the Settlement Agreement, (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM to the Shareholders, will be despatched to the Shareholders on or before 22 March 2024.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the entire equity interest in Shouhui Kaizhuo from the former shareholders of Shouhui Kaizhuo under the acquisition agreement for the Acquisition dated 1 April 2017 (as supplemented)
“Arbitration Proceedings”	the arbitration proceedings against the Tiantu Respondent Group commenced by the Group in the PRC in regards to, among others, rescind the Acquisition and seek for damages for breach of contract
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors 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(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Settlement Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HAC”	Hangzhou Arbitration Commission (杭州仲裁委員會)

“Hangzhou Enniu”	Hangzhou Enniu Network Technology Co., Ltd.* (杭州恩牛網絡技術有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Hangzhou Shangniu LLP”	Hangzhou Shangniu Investment Management Partnership (Limited Partnership) (杭州商牛投資管理合夥企業(有限合夥)), a limited partnership established in the PRC and a subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Rainbow Capital (HK) Limited (滄博資本有限公司), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Tiantu Capital and its associates, and Mr. Li Anxin (spouse of Ms. Zou Yunli) and any Shareholder who has a material interest in the Settlement Agreement and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEEQ”	the National Equities Exchange and Quotations System

“Nominee Agreement”	the supplemental agreement dated 25 June 2019 to supplement the agreement for the Acquisition dated 1 April 2017, pursuant to which Hangzhou Enniu and Hangzhou Shangniu LLP transferred their entire equity interest in Shouhui Kaizhuo back to the former shareholders of Shouhui Kaizhuo who would, in substance, hold such equity interest as nominee shareholders for the benefit of Hangzhou Enniu and Hangzhou Shangniu LLP
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Settlement”	the settlement of the disputes under the Arbitration Proceedings and the transactions contemplated under the Settlement Agreement
“Settlement Agreement”	the conditional settlement agreement dated 1 March 2024 entered into among Hangzhou Enniu, Tiantu Capital and Tianjin Tiantu Xinghua in relation to the Settlement
“Share(s)”	ordinary share(s) of par value of USD0.00001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Shouhui Kaizhuo”	Beijing Shouhui Kaizhuo Technology Co., Ltd.* (北京首惠開桌科技有限公司), a wholly owned subsidiary of the Company immediately prior to its deconsolidation on 3 August 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules

“Tianjin Tiantu Xinghua”	Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership)* (天津天圖興華股權投資合夥企業(有限合夥)), a limited partnership established in the PRC and a subsidiary of Tiantu Capital, and a connected person of the Company
“Tiantu Capital”	Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) formerly known as Tian Tu Investment Management Limited (深圳市天圖投資管理有限公司), a company established in the PRC with limited liability and whose shares are listed on the NEEQ (stock code: 833979) and the Main Board of the Stock Exchange (stock code: 1973), and a connected person of the Company
“Tiantu Respondent Group”	collectively, Tiantu Capital and Tianjin Tiantu Xinghua
“USD”	United States dollar, the lawful currency of the United States of America
“%”	per cent

* For identification purpose only

By Order of the Board

51 Credit Card Inc.

Sun Haitao

Chairman, Chief Executive Officer and Executive Director

1 March 2024

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 Chloe Cuicui and the independent non-executive Directors are Mr. Ye Xiang, Mr. Xu Xuchu and Mr. Shou Jian.