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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)**

**INSIDE INFORMATION**  
**RELATING TO**  
**(I) COMMENCEMENT OF A NEW BUSINESS;**  
**AND**  
**(II) DISPUTE WITH THE FORMER CONTROLLING**  
**SHAREHOLDER OF A SUBSIDIARY**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of 51 Credit Card Inc. (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**(I) COMMENCEMENT OF A NEW BUSINESS**

As disclosed in the Company’s interim report for the six months ended 30 June 2022, the Company has established the campsite brand chain named 51 CAMP, with the aim to develop the “2H” (2-hours drive) urban camping circle centered on peri-urban campsites and complemented by remote campsites, and provide self-catering delicate camping services (the “**New Business**”). The purpose of this announcement is to give the shareholders (the “**Shareholders**”) and potential investors of the Company a more detailed introduction and business update with regard to the New Business.

## **INTRODUCTION TO THE CAMPING INDUSTRY**

Since 2020, the tourism industry has been hit hard by the COVID-19 pandemic, with cross-border and provincial travel being greatly restricted under its impact, short trips and suburban holidays became the mainstream of the market. Delicate camping, which focuses on affordable luxury equipment and facilities, became popular on major online social platforms. Delicate camping is more about user experience and aesthetics. Camping has gradually evolved from a niche outdoor experience to a popular lifestyle, which is deeply loved by the crowds of post-80s and post-90s generations, as well as parent-child families.

According to the “Analysis Report on the Development Prospect and Business Layout of China’s Camping Economy 2022 – 2025” issued by iiMedia Research, the core market size and driving market size of China’s camping economy showed an upward trend year by year. In 2021, the core market size of China’s camping economy reached RMB74.75 billion, increased by 62.5% year-on-year, and the driving market size was RMB381.23 billion. It is expected that the core market size of China’s camping economy will rise to RMB248.32 billion in 2025, and the driving market size will reach RMB1,440.28 billion. In addition, camping consumption is gradually falling into the category of normalized lifestyle, and according to the “China’s Camping Market Focused Insight 2022” issued by Analysys, it is predicted that the number of participants will reach 210 million in 2030, and the frequency of participation will continue to increase.

In relation to the popularity of camping industry, according to WeChat Index, the camping keyword command index has rapidly soared from around 10 million in 2021 to a peak of 250 million in August this year, and stabilized at around 100 million, representing an increase of more than 10 times. Similarly, Baidu Index in relation to such commands has soared from around 50,000 in 2021 to a peak of 2.4 million, and stabilized at around 1.5 million, increased by more than 30 times. Based on the two mainstream internet platforms in China, it can be seen that in 2022, with a recurring pandemic, delicate camping has been explosively developed as the facilities and comprehensive service capabilities of the camping industry had gone through significant upgrades.

As evidenced by the continuous introduction of national and local policies relating to the camping industry, the camping industry is being guided and encouraged, and there are also more refined requirements and guidelines for compliance and qualification requirements. Although it presents higher requirements for industry practitioners, it will also promote the acceleration of the process for keeping the survival of the fittest for the industry, and it will be an even greater opportunity for national chain brands that have talents, capital, operational capabilities and influences, and it present, there are few campsite brand chains with the mode of delicate camping that have a scale effect.

## **The New Business of the Group**

51 CAMP values the idea of being passionate, taking a trip to mountains and seas, and getting in touch with nature. As a fast-growing campsite chain brand, 51 CAMP mainly adopts the chain development patterns such as direct sales, co-branding, brand hosting and franchise. The campsite types feature various landscapes such as mountains, streams, forests, mines, lakesides and valleys. At the same time, 51 CAMP promotes self-catering delicate camping and has established the camping-leader-led campsite activity mode, which combine picnic, music, sports, adventure and various outdoor activities, introducing a brand-new lifestyle to get close to nature to city dwellers.

The revenue of 51 CAMP can mainly be divided into two types – To C and To B. Whilst To C mainly focuses on leisure experience services, including user self-service camping ticket reservation, camping equipment leasing, as well as delicate day camp camping meals, overnight check-in with fully furnished site, etc; To B includes commercial advertising shooting, live broadcast, commercial brand press conference, wedding shooting, bespoke wedding, music festivals, camping festivals, enterprise team building customization, event advertising sponsorship and other modes of site services.

The Group has the following advantages in developing the New Business:

- **Management team advantage**

The majority of the management team of the Group are experienced outdoor enthusiasts and operators, who have in-depth understanding of the campsite business as well as the skills and decision-making ability necessary for the campsite business development, including campsite selection, planning, construction, operation, marketing, catering, supply chain, etc.

- **Marketing capability advantage**

Since its establishment in 2012, the Group has focused on the mobile internet sector for a long period of time. It built up strong R & D capability of products and technology and digital marketing capability, and can quickly apply the existing technology and operation capability on the New Business, greatly empowering the New Business in terms of the construction of multi-channel digital marketing and management system, data analysis system construction and other aspects.

## **RESOURCES ALLOCATION**

Launched in April 2022 and having become available in May 2022, the New Business achieved the following results up to October 2022: There have been a total of 25 campsites mainly located across Hangzhou City and its peripheral cities within two hours driving distance, including Huzhou, Shaoxing and others. With the implementation and standardization of the business operations gradually becoming solid in almost half a year, the Group is exploring a scalable expansion into other city regions such as Sanya, Hainan Province, Guangzhou, Guangdong Province and Shanghai. The Group currently has over 130 employees for the New Business in total, 40 of whom work at the headquarters and 90 at campsites for operations.

51 CAMP conducts its marketing through two modes, namely channel marketing and sales marketing. From the aspect of channel marketing, 51 CAMP has been spotted on major social platforms and Online Travel Agent (OTA) channels, including Mini Program at Weixin (微信小程序), Xiaohongshu (小紅書), Tiktok (抖音), Meituan (美團), Dianping (大眾點評), Ctrip (攜程), Fliggy (飛豬), Miye (覓野) and others. As for sales marketing, 51 CAMP's brand awareness and its customers acquisition capability have been comprehensively enhanced by the collaboration between online public traffic and private traffic carried out by the Group, supplemented by the offline customer expansion at the campsite and organizing and participation in trade fairs and exhibitions.

### **Financial and operational data**

Up to 31 October 2022, the accumulated sales revenue of the New Business amounted to approximately RMB7.228 million, the New Business has incurred operating expenses amounted to approximately RMB20.4801 million in aggregate and capital expenditure of approximately RMB21.4064 million in aggregate.

The monthly operation data of the New Business are as follows:

Month	May	Jun	Jul	Aug	Sep	Oct
Orders	138	1,154	1,577	1,483	5,467	14,279
Numbers of						
Customers	276	2,308	3,154	2,966	10,934	28,558
Sales revenue	RMB133,000	RMB431,000	RMB584,000	RMB506,000	RMB1,648,000	RMB3,926,000

In addition, the New Business saw a peak in customer traffic and a surge in orders received during the Golden Week in October 2022. The orders completed at the campsites accumulated to approximately 6,774 during the Golden Week, and the seven-day customer cumulative flow reached 10,772, generating a total sales revenue of approximately RMB2.297 million.

51 CAMP, on the other hand, has grown to the scale of more than 20 campsites in only half a year, and with the Group’s accumulated digital marketing and user operation capabilities, it had merely taken three months since May 2022 to become the national number one campsite brand in China with official recognition for several months on Xiaohongshu (小紅書), a well-known social platform.

The Board is optimistic about the future prospects of the New Business. In the future, the Group plans to attract investors and partners by camping operation with a higher standardized mode and special camping resources with high-quality, introducing flexible and diversified cooperation model, and achieving sustainable and replicable large-scale development for the New Business.

## (II) DISPUTE WITH THE FORMER CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The Board wishes to further inform the Shareholders and potential investors of the Company that the Group has a dispute with Mr. Yang Fan (“**Mr. Yang**”), the former controlling shareholder of Beijing Shouhui Kaizhuo Technology Co., Ltd.\* (北京首惠開桌科技有限公司) (“**Shouhui Kaizhuo**”) (which holds the entire equity interest in Beijing Yaku Shikong Information Exchange Technology Co., Ltd.\* (北京雅酷時空信息交換技術有限公司) (“**Yaku Shikong**”), which in turn holds a valid payment business license (the “**Payment License**”), as to the management of Shouhui Kaizhuo (a wholly-owned subsidiary of the Company).

## **BACKGROUND**

As disclosed in the prospectus of the Company dated 29 June 2018, the Group acquired the entire equity interest in Shouhui Kaizhuo from the former shareholders of Shouhui Kaizhuo (the “**Former Shareholders**”) at a consideration comprising of (i) cash consideration of RMB466 million; (ii) approximately 1.956% equity interest in Hangzhou Enniu Network Technology Co., Ltd.\* (杭州恩牛網絡技術有限公司) (a wholly-owned subsidiary of the Company) (“**Hangzhou Enniu**”); and (iii) approximately 1.5455% shareholding interest of the Company (the “**Acquisition**”). The said Acquisition completed in December 2017, and a cash consideration of approximately RMB259.3 million had been paid to, and approximately 1.956% equity interest in Hangzhou Enniu had been acquired by, the Former Shareholders. The remaining consideration shall be payable after obtaining the confirmation on change of the de facto controller in respect of the Payment License from the People’s Bank of China (“**PBOC**”) , and such condition is in charge by Mr. Yang and his related entities.

## **THE INCIDENT**

As at the date of this announcement, the change of the de facto controller in respect of the Payment License has not yet been confirmed by the PBOC. Mr. Yang has nevertheless become aggressive over the past few months and has directly gone to the office of Shouhui Kaizhuo in Beijing and claimed that the personnel of Shouhui Kaizhuo shall report to him instead of the Group, restricted the management of Shouhui Kaizhuo from contacting the staff of the Group, and sent his staff to interfere with the business operation of Shouhui Kaizhuo. Such incident has caused disruption to the business operation of Shouhui Kaizhuo. The Group has promptly negotiated with each of Mr. Yang and his representatives to try to reach an amicable solution, but such attempts were in vain.

## **Views of the Board and the Audit Committee**

The Board and the audit committee of the Company are of the view that (i) Mr. Yang’s assertion that he should be the one who manages Shouhui Kaizhuo is completely groundless; and (ii) the said dispute with Mr. Yang is without any fault of the Group and its Directors, as the stipulated condition regarding the payment of the remaining consideration has not yet been fulfilled, and the Group has already been in full cooperation in facilitating the process of fulfilling such condition, and whether such condition can be fulfilled is beyond the control of the Group. It is resolved by the Board that the Group shall continue to use all its best efforts and endeavours to enforce and protect its shareholders’ rights and interests in Shouhui Kaizhuo.

In the past, the Group, through its wholly-owned subsidiary, Hangzhou Zhenniu Information Technology Co., Ltd.\* (杭州振牛信息科技有限公司), has provided loans from time to time to Beijing Shouhui Shidai Information Technology Co., Ltd.\* (北京首惠時代信息技術有限公司), (“**Shouhui Shidai**”) (a wholly-owned subsidiary of Shouhui Kaizhuo) and Yaku Shikong to support their business operations. Due to the above incident, the Group has taken legal action against Shouhui Shidai and Yaku Shikong for the repayment of loans in an aggregate of RMB101,425,800. The Group has also applied to the court and obtained an order to freeze the bank accounts of Shouhui Shidai and Yaku Shikong with a view to ensure no illegal fund outflow can be executed.

The Group has also consulted multiple lawyers with relevant legal expertise and formally engaged one of them as the Group’s legal advisor to assist the Group in response to the further action taken and the possible measures which may be adopted by the Former Shareholders, in particular Mr. Yang, in order to protect the interests of the Group and the Shareholders as a whole.

The Company will make further announcement(s) to keep its Shareholders and potential investors informed as and when appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board

**51 Credit Card Inc.**

**Sun Haitao**

*Chairman and Executive Director*

4 November 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, Mr. Xu Xuchu and Mr. Shou Jian.*

\* *For identification only*