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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 DECONSOLIDATION OF SUBSIDIARIES

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of 51 Credit Card Inc. (the “**Company**”, 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 and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DECONSOLIDATION OF SUBSIDIARIES

Reference is made to the announcement of the Company dated 4 November 2022 (the “**Announcement**”) in relation to, *inter alia*, the dispute with the former controlling shareholder of a subsidiary. Unless otherwise specified, capitalised terms used in this announcement have the same meanings as defined in the Announcement.

Since Mr. Yang restricted the management of Shouhui Kaizhuo and its subsidiary (together the “**SK Group**”) from contacting the staff of the Group, and disrupted the business operation of SK Group since 3 August 2022, the Group has been unable to carry out workplace communication with the SK Group and also unable to access all the books and records of the SK Group. Despite the Group’s repeated efforts in negotiating with Mr. Yang and the management of SK Group since 3 August 2022 in hope of reaching a favorable resolution, such efforts have proved to be futile. The management of the SK Group ceased to report to the Group on any business matter, and the Group is unable to obtain all the necessary books and records of the SK Group to ascertain the operational status and financial situation of the SK Group.

Despite the Group's efforts in taking protective measures over the past few months such as (i) taking legal action against Shouhui Shidai and Yaku Shikong for the repayment of loans an aggregate of RMB101,425,800 to the Group (the "**Loans**"); (ii) obtaining an order from the court to freeze the bank accounts of Shouhui Shidai and Yaku Shikong; and (iii) commencing legal proceedings against the relevant individuals and entities (including but not limited to Mr. Yang), the Board is of the view that the Company is currently unable to control the assets and operations of the SK Group and is unable to exercise its decision-making rights over the SK Group. The Company has discussed the issue with its auditors. After having taken into account the applicable requirements under the International Financial Reporting Standards in relation to the consolidated financial statements of the Group for the year ended 31 December 2022, the Board considers that the SK Group shall be deconsolidated from the Group with effect from the date of the event that Mr. Yang seized the Group's management right over the office of SK Group (i.e., 3 August 2022) (the "**Deconsolidation**"), on the basis that (i) the Company is unable to control the operation and finance of SK Group; (ii) the Company is unable to obtain the books and records of SK Group since 3 August 2022; (iii) the Company is unable to obtain report from the management of SK Group on business matter; and (iv) the Company is unable to direct the future development of SK Group.

In light of the above circumstances, the Group will exclude the financial position of the SK Group as at and after 3 August 2022 and the results and cash flows of the SK Group since 3 August 2022 from the consolidated financial statements of the Group for the financial year ended 31 December 2022. The Board considered that the consolidated financial statements of the Group for the year ended 31 December 2022 be prepared on such basis will present the results and state of affairs of the Group more fairly as a whole in light of the current situation of the SK Group.

IMPACT OF THE DECONSOLIDATION

The Group is principally engaged in the provision of financial technology services, SaaS service and camping business in the PRC. The deconsolidated subsidiaries are principally engaged in the prepaid card issuance and acceptance, internet payment and technology services businesses in the PRC.

The revenue of the deconsolidated subsidiaries represented approximately 18% and 51% of the revenue of the Group for the year ended 31 December 2021 and six months ended 30 June 2022 respectively.

The Deconsolidation will result in a deconsolidation of assets, liabilities and certain reserves in the financial statements of the SK Group, which will lead to an one-off loss on deconsolidation to the Group. The Board expects that the Deconsolidation will have a significant impact on the consolidated financial statements of the Group for the year ended 31 December 2022. As at the date of this announcement, the annual audit is taking place and the Company is in the course of quantifying the financial impact of the Deconsolidation on the Group.

The Group will continue to make all lawful efforts to enforce and protect its shareholders' rights.

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

9 January 2023

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.