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**Lvji Technology Holdings Inc.**  
**驢跡科技控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1745)**

**(1) ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
AND  
(2) DELAY IN PUBLICATION OF 2021 AUDITED ANNUAL RESULTS**

This announcement is made by the Board pursuant to Rules 13.09 and 13.49(3) of the Listing Rules and the provisions of inside information under Part XIVA of the SFO.

For the reasons explained in the paragraph headed “Review of Unaudited Annual Results” in this announcement, the auditing process for the annual results of the Group for the year ended December 31, 2021 has not been completed yet as at the date of this announcement.

In order to keep the Shareholders and the public informed of the Group’s financial performance and position, the Board wishes to set forth below the unaudited annual results extracted from the management accounts of the Group for the year ended December 31, 2021. The Board confirms that the following unaudited annual results is prepared on the same basis as used in the audited financial statements of the Group for the year ended and as of December 31, 2020.

**KEY HIGHLIGHTS**

For the year ended December 31, 2021:

- Revenue increased by approximately 29.4% year-to-year to RMB381.7 million from RMB295.1 million in 2020. The increase in revenue was mainly due to the consistent recovery of tourism industry and the market demand.

- Excluding listing expenses and impairment loss of intangible assets, our adjusted profit for the year (a non-GAAP measure) amounted to approximately RMB13.0 million compared to adjusted profit of approximately RMB9.4 million recorded for the year of 2020.
- Loss for the year amounted to approximately RMB183.7 million compared to the loss for the year of 2020 of approximately RMB100.6 million.

## 1. Financial summary

	Year ended December 31,		Year-to-year
	2021	2020	change
	(RMB'000)	(RMB'000)	
	(Unaudited)	(Audited)	
Revenue	381,712	295,051	29.4%
Gross profit	116,825	74,678	56.4%
Loss before tax	(176,022)	(98,844)	78.1%
Loss for the year	(183,695)	(100,647)	82.5%
Net loss margin	(48.1)%	(34.1)%	(14.0)
			percentage
			points
Adjusted profit for the	12,981	9,361	38.7%
year excluding listing expenses			
and impairment loss of intangible			
assets*			
Adjusted net profit margin	3.4%	3.2%	0.2
excluding listing expenses and			percentage
impairment loss of intangible			point
assets*			

\* Non-GAAP measure

## 2. Operating metrics

	Year ended December 31,		Change
	2021	2020	(number)
Online tour guides developed	35,315	26,052	9,263

## BUSINESS REVIEW AND OUTLOOK

During the Reporting Period, the local epidemic situation in China showed a landscape of sporadic and regional outbreak intertwined and superimposed. The tourism industry as a whole faced a certain degree of uncertainty, becoming one of the industries most affected by the epidemic. At the stage when the epidemic was effectively controlled, the demand for travel rebounded rapidly, the number of trips increased significantly, and the Company's performance was also actively recovering. Since the second half of 2021, variants of the virus have spread rapidly overseas. In order to prevent and control the spread of the epidemic in China, some regions of the country have implemented lockdown or control measures, and tourism was inevitably restricted, resulting in obvious fluctuations in the recovery of the tourism economy in the second half of the year. In addition, revenue from online tour guides outside the PRC is still in a state of “being on the alert” due to the impact of international tourism not opened yet.

Despite resurging of the epidemic, the Company has formulated a business strategy to deal with the impact of the epidemic. Moreover, with our leading market position in online tour guides, excellent product and service experience, and flexible business strategy, the Company was able to respond quickly to market changes and developed steadily by seizing the opportunity of tourism recovery. As compared with the same period last year, total revenue has increased by 29.4% due to the increase in sales of online tour guides, while the strategy of “increasing revenue and reducing expenditure” has made initial results as a result of our adoption of proactive measures to control the operating cost.

With our industry-leading technology edge and outstanding product performance, we have also been well recognized by the market. In October 2021, we were awarded the title of “Guangzhou Leading Private Enterprise (廣州市民營領軍企業)” by the Guangzhou Municipal Bureau of Industry and Information Technology and the tile of “Guangzhou Digital Economy Benchmark Enterprise 2021 (2021年度廣州數字經濟標杆企業)” by the Guangzhou Internet Society.

## Results Highlights

- While the tourism industry is facing significant challenges due to the pandemic, the tourism industry has generally shown a good recovery, with the consumption demand for travel gradually picking up. Revenue from online tour guides continued to recover from the previous year and grew steadily, with total revenue increasing by 29.4% from RMB295.1 million in 2020 to RMB381.7 million in 2021.
- Benefiting from the steady growth in revenue, gross profit increased by 56.4% year-on-year from RMB74.7 million in 2020 to RMB116.8 million in 2021; gross profit margin increased from 25.3% in 2020 to 30.6% in 2021.
- Due to the negative impact of outbound travel not opened yet during the Reporting Period, revenue from online tour guides outside China has not recovered yet, and therefore the corresponding intangible assets recorded a non-recurring non-cash impairment loss of RMB196.7 million in 2021 (2020: RMB70.4 million).
- Adjusted profit excluding the non-recurring non-cash impairment loss of intangible assets and listing expenses as at December 31, 2021 increased by 38.7% year-on-year from RMB9.4 million in 2020 to RMB13.0 million in 2021. Adjusted profit margin increased to 3.4% from 3.2% in the same period in 2020. Loss for the year decreased significantly from RMB100.6 million in 2020 to RMB183.7 million in 2021.
- The number of online tour guides we have developed also increased, and we had developed 35,315 online tour guides covering tourist attractions in China and overseas in 2021 (2020: 26,052).

## **Business Review**

We continued to cultivate the domestic tourism market, actively seized the opportunity of China's tourism recovery, remained resilient and flexibly responded to changes in market demand. Despite the inevitable impact of the pandemic on our business, we still further consolidated our leading position in China's online tour guide industry. We continued to increase the number of tourist attractions covered by tour guides, and refined the content of our tour guides. We continued the in-depth cooperation with tourist attractions and tourism bureaus by focusing on schemes of all-round tourism and smart tourist attractions to help the digital upgrade as well as the recovery and development of the tourism industry. At the same time, we have been using new technologies and investing in research and development resources to enhance the production capacity of online tour guide and customized content, expand marketing channels, so as to continue to maintain our market leadership.

The types of tourist attractions for which we provide online tour guides include landscape, historical sites, cities, theme parks, zoos and botanical gardens, etc. In response to market demand under the normalized epidemic prevention and control, we increased the online tour guide coverage of tourist attractions on the peripheral tours and outskirts of cities to enhance our adaptability to market changes. In addition to a wide coverage of tourist attractions, we continuously optimized the original content of tour guides. Specifically, we carried out multi-dimensional technological innovation and content upgrading on online tour guides, optimized the quality of hand-painted maps to present more refined maps and highlight the characteristics of the tourist attractions; we upgraded and provided a variety of explanations, giving emotional and tonal labels to enhance the attractiveness of explanations; we enriched drawing style and optimized 3D hand-painted maps to present a graded tour guide, display the panorama of tourist attractions in a more intuitive manner and provide more interesting content for users to enhance the tourism experience. Furthermore, thanks to our extensive coverage of tourist attractions, we also became an ecological service provider of tour guide content for Alipay. As at December 31, 2021, we developed 35,315 online tour guides covering tourist attractions in China and overseas, which covered 288 AAAAA tourist attractions, 2,544 AAAA tourist attractions and 2,119 AAA tourist attractions in China.

In relation to our SaaS business, we developed and continuously iterated on the product named “Digital View Pass (數景通)” with smart management, smart marketing and smart service as the core, offering digital marketing solutions for tourist attractions. By constructing smart mini programs, digital marketing system, smart tourist attractions system and private internet traffic system, the digital marketing system and delicacy operation system were constructed in tourist attractions and informationalized resources were integrated to meet the digital upgrading demand of various tourist attractions and the culture and tourism bureaus, so as to achieve new business growth in tourist attractions and enhance the operational and management efficiency of tourist attractions. We vigorously promoted and successfully delivered such product in several tourist attractions, and continued to iterate and optimize the version according to the feedback from the tourist attractions.

We established in-depth cooperation with the culture and tourism bureaus across China, aiming to change the service mode of the tourism industry and consumers’ way of travelling. The all-rounded tour guide system we built contains high-definition exquisite hand-painted maps, which, combined with “location-based service” (LBS) precise positioning and local characteristics, comprehensively presents the information of tourist attractions, food recommendation, tourist center, parking lot, accommodation to provide consumers with all-round travel assurance and makes it easy for consumers to realize smart and convenient travel. We also upgraded a smart tourist attractions management service system to assist management departments of the government in efficient management and reasonable deployment of local tourism resources in the form of big data center, command center, Internet portal, etc. For example, in the tourist attractions operation service, the system can perform passenger flow control, big data heat map analysis, smart terminal remote unified management and artificial intelligence learning, which can deeply explore the consumption potential of consumers, improve the service experience of tourist attractions, increase the operation revenue of tourist attractions and help the digital upgrade of tourist attractions. During the Reporting Period, we successfully delivered several key projects of smart tourist attractions management service system. The revenue from sale of customized content was basically flat with that of last year, with revenue of approximately RMB12.8 million in 2021 (2020: RMB13.0 million).

## **Business Outlook and Strategies**

In the medium to long term, the effective implementation of prevention and control policies and the widespread vaccination of the COVID-19 vaccine will provide a boost to the future recovery of China's tourism industry, and the process of recovery will not stop. With the strong national support for "Internet + Tourism", the tourism industry will develop in the direction of digitization and intelligence. "Virtual reality", "smart tour guide" and "data monitoring" have become the basic requirements for tourist attractions to promote the construction of smart tourism. With the advocacy of the government to develop high-quality development of tourism with the help of technological innovation, it is expected that the penetration of online tourism products will increase continuously, and the digital development of China's tourism will accelerate once again and generate considerable potential for growth. At the same time, the on-going expansion of Chinese middle-class base and the demand for consumer upgrade will not change as the core drivers for the long-term development of the tourism industry. We are always confident in the future development prospects of the tourism industry. We will continue to focus on our core strategy in combination with the enterprise positioning of "China's leading culture and tourism industry chain service platform", maintain our leading position in online tour guide market, continue to lead the development of online tour guide industry, accelerate the digitization of tourist attractions, create smart solutions for tourist destinations and gradually build a service platform for the whole industry chain of culture and tourism.

In the future, according to the market demand, we will flexibly adjust the coverage of online tour guide products, and continuously optimize the content of our tour guide products to enhance the user experience of consumers; strengthen the innovation as well as research and development capability, continuously upgrade the products and services such as "Digital View Pass" and "Lvji Mobile Tour" to meet the demand of digital upgrading of tourist attractions, empower the marketing of tourist attractions and improve the operational efficiency of tourist attractions; deepen the sustainable cooperative relationship with local culture and tourism bureaus, and polish the all-rounded smart tour guide system. We will strive to build an industry chain of culture and tourism service platform to continue to strengthen our leadership market position; in the meantime, we will strictly manage our working capital and control the operating cost to ensure healthy cash flows and good cash position, and continue to identify merger and acquisition opportunities to promote our future growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Year ended December 31, 2021 compared to Year ended December 31, 2020

#### Revenue

We generate our revenue from sales of online tour guides through OTAs, to travel agencies and through Lvji APP, and from sales of customized content to administrators of tourist attractions and cultural sites. The following table sets forth a breakdown of our revenue for the years indicated:

	<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Sale of online tour guides through OTAs	<b>339,900</b>	281,694
Sale of online tour guides to travel agencies	<b>28,830</b>	99
Sale of online tour guides through Lvji APP	<b>156</b>	256
Sale of customized content	<b>12,826</b>	13,002
<b>Total revenue</b>	<b><u>381,712</u></b>	<b><u>295,051</u></b>

#### *Sale of Online Tour Guides*

We provide comprehensive online tour guides to end users with respect to the tourist attractions that we cover. Our online tour guides can be purchased by the end users from OTAs, travel agencies and through our Lvji APP.

#### *Sale of online tour guide through OTAs*

We generated a substantial portion of our revenue from sale of online tour guides through OTAs in 2021. We provide our API to embedded portals or mini programs or APPs on the platform of OTAs in order for the end users to purchase our standard online tour guides for different tourist attractions. End users' access to our cloud system is through our H5 pages embedded into OTA's stand-alone APPs and mini programs by our open API. Our strategic alliance with major OTAs enables us to broaden our reach by leveraging the vast end user base of these OTAs.



We generated majority of our revenue from the sale of our online tour guides through OTAs, which accounted for approximately 89.0% of our total revenue in 2021. Revenue from the sale of online tour guides through OTAs increased by approximately 20.7% from RMB281.7 million in 2020 to approximately RMB339.9 million in 2021. The increase was primarily due to an increase in the number of tour guides purchased by consumers through OTAs with the continuous recovery of tourism industry. We present revenue from online tour guides business received from the OTAs on a gross basis as it represents the gross amount of unit price generated from the end users for the online tour guides we sold, while the concession fees retained by the OTAs are recorded as our cost of sales.

#### *Sale of online tour guides to travel agencies*

We sell online tour guides in a form of activation codes, which may be embedded in a physical card, to travel agencies, which in turn sell to the end users. The end user may input the activation code to access and use our online tour guides through our H5 pages, which can be accessed by official accounts of the travel agencies or the tourist attractions, our mini programs, or others.

The number of travel agencies we sold to increased from 85 in 2020 to 97 in 2021. Revenue from sale of online tour guides to travel agencies significantly increased from RMB0.1 million in 2020 to RMB28.8 million in 2021. The increase was mainly attributable to the continuous recovery of tourism industry and the demand for travel.

#### *Sale of online tour guides through our Lvji APP*

Tourists may access almost all of our online tour guides directly through our Lvji APP. It is available for download and mobile users can purchase online tour guides directly from us through the APP. The Lvji APP is built to enable access to our full online tour guides offerings with clear and functional interfaces. We offer certain location-based features that are only available on our Lvji APP, such as weather information, push notifications of nearby attractions, businesses or places of interest when the mobile APP detects that the user is arriving at such destinations or places, real time Chinese-to-English and English-to-Chinese translation features and enable sharing to social media platforms.

The number of registered users of our Lvji APP increased from 2,119,802 in 2020 to 2,196,319 in 2021. Revenue from sale of online tour guides through our Lvji APP remained relatively stable at RMB0.3 million in 2020 to RMB0.2 million in 2021.

## ***Sale of Customized Content***

We also sell customized online tour guide products and services to administrators of tourist attractions and to a lesser degree, cultural sites. We typically create bespoke, proprietary online tour guide contents for tourist attractions in a form of an independent APP or mini program or H5 pages commissioned by the administrators of the tourist attractions or cultural sites and charge one-time service fees.

Our comprehensive coverage of tourist attractions, quality online tour guides and advanced technology allow us to have a better understanding of the demand from the tourists. We mainly customize online tour guides for tourist attractions administrators and such guides may include AI commentaries, automatic positioning, and additional functions including big-data analysis, among others. The customized content services that we sell to cultural sites mainly focused on smart tourism and all-for-one tourism products based on the online tour guides for the tourist attractions in the region, including list of all tourist attractions in local cities and rural areas, navigation in the illustrated maps of tourist attractions, surrounding urban commercial services, among others.

The number of tourism attractions with customized online tour guide contents increased from 661 in 2020 to 700 in 2021. Revenue from sale of customized content remained relatively stable at RMB13.0 million in 2020 to RMB12.8 million in 2021.

## **Cost of Sales**

Our cost of sales consists of concession fees retained by OTAs, amortization of other intangible assets, tax and expenses and costs of content customization.

Cost of sales increased by approximately 20.2% from RMB220.4 million in 2020 to RMB264.9 million in 2021. The increase was mainly due to (i) the increase in the OTA concession fees, which was attributable to the increase in our online tour guides sold through OTAs; (ii) the increase in amortization of other intangible assets, which was attributable to the increases in the number of tourist attractions we covered and the number of online tour guides we developed.

## **Gross Profit**

As a result of the foregoing, our gross profit increased by approximately 56.4% from approximately RMB74.7 million in 2020 to approximately RMB116.8 million in 2021 on a year-to-year basis. Our gross profit margin increased from approximately 25.3% in 2020 to 30.6% in 2021, which was mainly due to the growth of the Company's tour guide sales business led by the recovery of domestic travel business.

## **Other Income and Gains**

Other income and gains increased by approximately 106.1% from RMB9.9 million in 2020 to RMB20.4 million in 2021. The increase was mainly due to the increase in foreign currency exchange gains.

## **Selling and Distribution Expenses**

Selling and distribution expenses increased by approximately 87.5% from RMB39.3 million in 2020 to RMB73.7 million in 2021. The increase was mainly due to the increased marketing expenses caused by the increase in promotion services of offline tourist attractions and the increase in online marketing expenses.

## **Administrative Expenses**

Administrative expenses decreased by approximately 43.1% from RMB72.8 million in 2020 to RMB41.4 million in 2021. The decrease was mainly due to the decrease in one-off listing expenses.

## **Other Expenses**

Other expenses mainly include impairment loss of intangible assets and other miscellaneous expenses. Other expenses increased from RMB71.0 million in 2020 to RMB198.0 million in 2021. The increase was mainly due to the impairment loss of other intangible assets of approximately RMB196.7 million in 2021 (2020: RMB70.4 million) which was appraised by an independent professional valuer.

During the Reporting Period, the recent resurgence of COVID-19 cases in China led to tightened prevention and control measures, including lockdowns of several cities. Additionally, there are increasing uncertainties in the timing of domestic tourists being able to travel abroad. Therefore, as required under the Group's accounting policies on assets impairment when there are any indications of impairment that exist at the balance sheet date, the Company's management performed impairment testing on certain copyrights (the "**Copyrights**") representing 34,946 online tour guides which comprise illustrated maps, text and audio contents the Group procured from suppliers and were further developed and integrated into the Group's online tour guides in view of the significant decrease in number of and revenue from online tour guides sold to end users visiting the tourist attractions overseas. As of December 31, 2021, the carrying amount of certain copyrights (representing 23,539 out of 34,946 online tour guides) were written down to the recoverable amount of RMB345.7 million, with an impairment loss of RMB196.7 million charged to profit or loss during the Reporting Period.

The valuation was carried out on a value in use basis in accordance with International Accounting Standards (“IAS”) 36, pursuant to which value in use is defined as “the present value of the future cash flows expected to be derived from an asset or Cash-generating Unit”. The independent professional valuer has conducted valuation in accordance with the IAS issued by the International Valuation Standards Council. The value in use basis was developed through the application of the income approach technique known as the discounted cash flow method. This method eliminates the discrepancy in the time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to the operation of these overseas online tour guides.

In the valuation, it is assumed that the forecasted performances of the subject assets and the Company’s projected business can be achieved with the effort of management. The key assumptions are listed as follows:

No.	Item	Key Factors	Value	Reference
1	Cost	Sales Cost		Amortization expenses of corresponding copyrights
		Operation Cost	17.2%	Average ratio of last 3 years
2	Depreciation and Amortization	Fixed Asset Depreciation Expense	0.81%	Average ratio of last 3 years as at the Valuation Date
		Right of Use Assets Amortization Expense	0.43%	Average ratio of last 3 years as at the Valuation Date
3	Tax	Tax Rate	15.00%/25.00%	
4	Remaining Life	Remaining Life	0.1–10 years	The remaining amortization useful life of copyrights
5	Working Capital	Working Capital	8.33%	The collection period of revenue relating to online tour guides is estimated to be one month
6	Capital expenditure (CAPEX)	CAPEX		Assumed the maintenance expenditure, equal to current depreciation and amortization

The after-tax discount rate was 17% (pre-tax rate: 19.73%) for the Copyrights, considering the current market situation, business risk and the expected return from the intangible asset related businesses.

The Copyrights were initially recognised and measured at cost incurred and there were no inputs and assumptions adopted then. The above-mentioned inputs and assumptions were adopted for the first time in the valuation model with reference to the Group's operations and performance.

## **Income Tax**

We recorded an income tax expense of RMB7.7 million in 2021 compared to approximately RMB1.8 million in 2020, which was mainly due to the increase in taxable income.

## **Loss for the Year**

Loss for the year increased year-to-year to loss of RMB183.7 million in 2021 from loss of RMB100.6 million in 2020. Net loss margin increased from approximately 34.1% in 2020 to net loss margin of 48.1% in 2021. Excluding listing expenses and impairment loss of intangible assets, our adjusted profit for the year (a non-GAAP measure) increased by approximately 38.7% year-to-year to profit of RMB13.0 million in 2021 from profit of RMB9.4 million in 2020. Our adjusted net profit margin (a non-GAAP measure) increased from adjusted net profit margin of 3.2% to adjusted net profit margin of 3.4% in 2021. The increase in our adjusted net profit margin was mainly due to the increase in gross profit margin.

Reference is made to the announcement of the Company dated March 1, 2022 (the “**Profit Alert Announcement**”) in relation to the profit alert of the results of the Company for the year ended December 31, 2021. It was stated that the Group expected to record a net loss of not more than RMB3.5 million in 2021 in the Profit Alert Announcement. The actual loss is significantly more than that in the Profit Alert Announcement mainly due to the impairment loss recognized in respect of intangible assets of RMB196.7 million. The significant increase in the amount of impairment loss was mainly due to the recent resurgence of COVID-19 cases in China which led to tightened prevention and control measures, including lock-downs of several cities. There were also increasing uncertainties in the timing of domestic tourists being able to travel abroad. In assessing the amount of impairment loss in relation to online tour guides sold to end users visiting overseas tourist attractions, the management of the Company took a more conservative view in estimating the timing of overseas travels and related future cash flows, which led to a significant increase in the amount of impairment loss. Please refer to the paragraph headed "Other Expenses" in this announcement for details of the impairment loss.

## **OTHER FINANCIAL INFORMATION**

### **Liquidity and Capital Resources**

We fund our liquidity needs mainly from net cash generated from our operation and the net proceeds received from the Global Offering. We have adopted a prudent financial management approach towards our treasury management policies and thus maintained a healthy liquidity position throughout 2021. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors our liquidity position to ensure that the liquidity structure of our assets, liabilities and other commitments can meet our funding requirements from time to time.

As of December 31, 2021, we had cash and cash equivalents of approximately RMB359.7 million (2020: RMB516.4 million), net current assets of approximately RMB411.8 million (2020: RMB532.3 million) and total equity of approximately RMB949.2 million (2020: RMB1,140.4 million). Our current ratio determined by current assets divided by current liabilities was approximately 6.13 times as of December 31, 2021 (2020: 10.75 times). The decrease in our cash and cash equivalents, net current assets and current ratio was mainly due to the increase in other intangible assets. We had no bank borrowings as of December 31, 2021 (2020: Nil), and thus gearing ratio determined by bank borrowings divided by total equity was not applicable to us (2020: not applicable). Our cash and cash equivalents are denominated in RMB, Hong Kong dollars and US dollars.

### **Capital Expenditure**

Our capital expenditures consist of acquisition of property, plant and equipment and acquisition of other intangible assets.

Property, plant and equipment comprise mainly our furniture and fixtures, leasehold improvements and construction in progress. Property, plant and equipment decreased by approximately RMB1.7 million or 44.0%, which was mainly due to depreciation of property, plant and equipment of approximately RMB1.8 million.

Other intangible assets comprise copyrights and computer software and are amortized over their expected useful life. Other intangible assets decreased by approximately RMB54.4 million or 9.2%, which was mainly due to (i) the amortization of intangible assets of RMB90.0 million; and (ii) the impairment of intangible assets of RMB196.7 million.

## **Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures**

We did not have any significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures in 2021.

## **Future Plans for Material Investments and Capital Assets**

As stated in the Prospectus, approximately 6.5% (approximately HK\$37.7 million) of the net proceeds from the Listing is intended to use for upgrading our existing hardware and software and procuring servers and approximately 20% (approximately HK\$116.0 million) of the net proceeds from the Listing is intended to be used for strategic investments and acquisitions. For further details of the proposed use of the net proceeds from the Listing, please refer to the Prospectus.

During the year ended December 31, 2021, we have commenced the process of improving our development capabilities, but no actual purchases has been made.

Save as disclosed in the Prospectus and the announcement of investment in a limited partnership published on December 15, 2020, there was no other plans for material investments and capital assets during the year ended December 31, 2021 and up to the date of this announcement.

## **Employee and Remuneration Policies**

As of December 31, 2021, we had a total of 217 full-time employees (2020: 248). The remuneration of the employees is determined based on their performance, experience, competence and market comparable. The Company has adopted the Share Option Scheme as an incentive to the employees, Directors and other eligible participants. Further details of which are described in the subsection headed “Statutory and General Information – D. Other Information – 1. Share Option Scheme” in Appendix IV to the Prospectus. As of December 31, 2021, no share options had been granted or agreed to be granted by us pursuant to the Share Option Scheme. In addition, the Company has adopted the Share Award Scheme to recognize contributions by employees and to provide them with incentives and to retain them for the continual operation and development of the Group. Further details of the Share Award Scheme are disclosed in the Company’s announcement dated January 21, 2022.

As required by the PRC laws, we participate in various statutory employee benefit plans, including social insurance funds, namely a pension contribution plan, a medical insurance plan, a work-related injury insurance plan, maternity insurance, unemployment insurance and a housing provident fund. We are required under the PRC laws to contribute to employee benefit plans at specified percentages of salaries, bonuses and certain allowances of our employees up to a maximum amount specified by the local governments from time to time.

We primarily recruit our employees through recruitment agencies and online channels, including our corporate websites and social networking platforms. We have adopted robust internal training policies, pursuant to which management, technology and other training are regularly provided to our employees by in-house trainers or third-party consultants.

We have founded a labor union to provide employees with a wealth of recreational and collective welfare activities. We believe that the foundation of the labor union helps us to maintain a good working relationship with our employees and we did not experience any significant labor disputes or any material difficulties in recruiting employees for our operations in 2021.

### **Contingent Liabilities**

The Group did not have any material contingent liabilities as at December 31, 2021.

### **Charge on Assets**

As at December 31, 2021, the Group had a pledged deposit of RMB0.2 million (2020: RMB0.4 million), which was pledged to the government authorities for conducting tourist related business in the PRC.



# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended December 31, 2021*

		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>(RMB'000)</b>	<b>(RMB'000)</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
REVENUE	4	<b>381,712</b>	295,051
Cost of sales		<u><b>(264,887)</b></u>	<u>(220,373)</u>
<b>Gross profit</b>		<b>116,825</b>	74,678
Other income and gains	4	<b>20,401</b>	9,929
Selling and distribution expenses		<b>(73,665)</b>	(39,273)
Administrative expenses		<b>(41,418)</b>	(72,822)
Other expenses	6	<b>(197,984)</b>	(71,018)
Finance costs	7	<u><b>(181)</b></u>	<u>(338)</u>
<b>LOSS BEFORE TAX</b>	5	<b>(176,022)</b>	(98,844)
Income tax expense	8	<u><b>(7,673)</b></u>	<u>(1,803)</u>
<b>LOSS FOR THE YEAR</b>		<u><u><b>(183,695)</b></u></u>	<u><u>(100,647)</u></u>
<b>Attributable to:</b>			
Owners of the parent		<u><u><b>(183,695)</b></u></u>	<u><u>(100,647)</u></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	10		
Basic and diluted ( <i>RMB</i> )		<u><u><b>(12.55 cents)</b></u></u>	<u><u>(7.16 cents)</u></u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the year ended December 31, 2021*

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	<b>2020</b> <b>(RMB'000)</b> <b>(Audited)</b>
<b>LOSS FOR THE YEAR</b>	<b><u>(183,695)</u></b>	<b><u>(100,647)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>OTHER COMPREHENSIVE LOSS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		
Exchange differences on translation of financial statements	<u>(7,555)</u>	<u>(22,210)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(7,555)	(22,210)
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b><u>(7,555)</u></b>	<b><u>(22,210)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b><u>(191,250)</u></b>	<b><u>(122,857)</u></b>
<b>ATTRIBUTABLE TO:</b>		
Owners of the parent	<u>(191,250)</u>	<u>(122,857)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As of December 31, 2021*

		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>(RMB'000)</b>	<b>(RMB'000)</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,118</b>	3,780
Other intangible assets	<i>11</i>	<b>533,962</b>	588,384
Right-of-use assets		<b>2,921</b>	4,973
Financial assets at fair value through profit or loss	<i>12</i>	<b>–</b>	15,000
Total non-current assets		<b>539,001</b>	612,137
<b>CURRENT ASSETS</b>			
Trade receivables	<i>13</i>	<b>47,895</b>	20,497
Prepayments, deposits and other receivables	<i>14</i>	<b>49,128</b>	49,571
Amount due from a related party	<i>21(c)</i>	<b>–</b>	80
Financial assets at fair value through profit or loss	<i>12</i>	<b>35,104</b>	–
Pledged deposit	<i>15</i>	<b>200</b>	350
Cash and cash equivalents	<i>15</i>	<b>359,665</b>	516,385
Total current assets		<b>491,992</b>	586,883
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>16</i>	<b>10,312</b>	2,578
Other payables and accruals	<i>17</i>	<b>22,456</b>	15,002
Contract liabilities	<i>18</i>	<b>2,960</b>	2,712
Deferred income	<i>19</i>	<b>1,161</b>	2,031
Amounts due to related parties	<i>21(c)</i>	<b>3,405</b>	–
Lease liabilities		<b>2,855</b>	2,634
Tax payable		<b>37,087</b>	29,618
Total current liabilities		<b>80,236</b>	54,575
<b>NET CURRENT ASSETS</b>		<b>411,756</b>	532,308
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>950,757</b>	1,144,445

		<b>2021</b>	2020
	<i>Notes</i>	<b>(RMB'000)</b>	<b>(RMB'000)</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income	19	<b>1,342</b>	1,481
Lease liabilities		<u><b>248</b></u>	<u>2,547</u>
Total non-current liabilities		<u><b>1,590</b></u>	<u>4,028</u>
<b>Net assets</b>		<u><b>949,167</b></u>	<u>1,140,417</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	20	<b>100,648</b>	100,648
Reserves		<u><b>848,519</b></u>	<u>1,039,769</u>
<b>Total equity</b>		<u><b>949,167</b></u>	<u>1,140,417</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on November 7, 2018. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on January 17, 2020 (the “**Listing Date**”).

The Company is an investment holding company. During the year, the Group was principally engaged in the business of providing online tour guide in the People’s Republic of China (the “**PRC**” or “**Mainland China**”). In the opinion of the directors of the Company, the ultimate controlling shareholder of the Group is Mr. Zang Weizhong (“**Mr. Zang**”), the Chairman and the Chief Executive Officer.

### Information about subsidiaries

As at the date of this announcement, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Zhonghexin Technology Holdings Limited	British Virgin Islands November 13, 2018	–	100%	–	Investment holding
Zitop Technology Holdings Limited	Hong Kong November 19, 2018	HKD10,000	–	100%	Investment holding
Guangzhou Zhixin Information Consultancy Limited * 廣州智鑫信息諮詢有限公司(i)	PRC/Mainland China December 21, 2018	RMB300,000,000	–	100%	Investment holding
Lvji Technology Group Company Limited * 驢跡科技集團有限公司(ii)	PRC/Mainland China December 14, 2013	RMB128,272,396	–	100%	Sale of online tour guide
Huoer Guosi Lvji Software Technology Limited * 霍爾果斯驢跡軟件科技有限公司(ii)	PRC/Mainland China May 31, 2017	RMB1,000,000	–	100%	Sale of online tour guide
Guangzhou Lvji International Travel Agency Limited * 廣州驢跡國際旅行社有限公司(ii)	PRC/Mainland China January 31, 2018	RMB1,000,000	–	100%	Sale of online tour guide

Name	Place and date of incorporation/ registration and place of business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Guangxi Lvji Software Technology Limited * 廣西驢跡軟件科技有限公司(ii)	PRC/Mainland China September 21, 2018	RMB1,000,000	–	100%	Sale of customized content
Huoer Guosi Yuntai Technology Company Limited * 霍爾果斯元泰科技有限公司(ii)	PRC/Mainland China November 6, 2020	RMB1,000,000	–	100%	Sale of online tour guide
Guangzhou Lvji Digital Technology Company Limited * 廣州驢跡數字化科技有限公司(ii) (iii)	PRC/Mainland China November 17, 2020	RMB1,000,000	–	100%	Sale of online tour guide
Lvji (Longquan) Holdings Limited* 驢跡(龍泉)控股有限公司(ii)	PRC/Mainland China February 10, 2021	RMB200,000,000	–	100%	Sale of online tour guide

**Notes:**

- (i) This entity is a wholly-foreign-owned enterprise established under the PRC Law.
  - (ii) These entities are limited liability enterprises established under the PRC Law.
  - (iii) This entity was renamed from Guangzhou Gaodeding Technology Company Limited to Guangzhou Lvji Digital Technology Company Limited on July 6, 2021.
- \* The English names of these companies represent the best effort made by the management of the Company to directly translate the Chinese names as they do not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except for financial asset at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended December 31, 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### **3. OPERATING SEGMENT INFORMATION**

The Group is principally an online tour guide provider in Mainland China.

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

#### **Geographical information**

During the year, since the majority of the Group's revenue and operating profit were generated from the sale of online tour guide and customized content in Mainland China, all of the Group's identifiable assets and liabilities were located in Mainland China, and overseas income from any individual district did not exceed 10% of total revenue, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

#### **Information about major customers**

No revenue from a single end user, travel agency, tourist attraction administrator or government office contributed to 10% or more of the total revenue of the Group during the year.



#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
<i>Revenue from contracts with customers</i>		
Sale of online tour guide through OTAs	339,900	281,694
Sale of online tour guide to travel agencies	28,830	99
Sale of online tour guide through Lvji APP	156	256
Sale of customized content	<u>12,826</u>	<u>13,002</u>
	<u><u>381,712</u></u>	<u><u>295,051</u></u>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
<b>Types of goods or services</b>		
Sale of online tour guide	368,886	282,049
Sale of customized content	<u>12,826</u>	<u>13,002</u>
	<u><u>381,712</u></u>	<u><u>295,051</u></u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<u><u>381,712</u></u>	<u><u>295,051</u></u>

The following table shows the amounts of revenue recognized in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Revenue recognized that was included in contract liabilities		
Sale of customized content	<u><u>2,712</u></u>	<u><u>2,780</u></u>

**(ii) Performance obligations**

Information about the Group's performance obligations is summarized below:

*Revenue from the sale of online tour guide through OTAs and Lvji APP*

The performance obligation is satisfied when the online tour guides are activated by end users. The end users make the payments in advance. OTAs reconcile and settle the payments received from the end users with the Group on a monthly basis and the credit term is usually 45 days.

*Revenue from the sale of online tour guide to travel agencies*

The performance obligation is satisfied when the right to use the online tour guide is transferred to travel agencies and travel agencies generally pay in advance.

*Revenue from the sale of customized content*

The performance obligation is satisfied when the content is checked and accepted by the customers and payment is generally due within 30 days from acceptance.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Within one year	<u>3,020</u>	<u>2,712</u>
<b>Other income and gains</b>		
	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
<i>Other income and gains</i>		
Government grants (note (i))	6,039	6,487
Franchise income (note 19)	1,347	2,667
Interest income	6,114	7,585
Foreign exchange differences, net	3,757	(6,974)
Ticket agency service	1,095	—
Investment income	67	—
Others	<u>1,982</u>	<u>164</u>
	<u>20,401</u>	<u>9,929</u>

*Note (i):* The amount represents subsidies received from local government authorities in connection with certain tax refunds and various industry-specific subsidies. There are no unfulfilled conditions relating to such government subsidies recognized.

## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Concession fee	169,950	140,847
Depreciation of property, plant and equipment	1,826	1,734
Amortization of other intangible assets (note 11) (note (i))	90,006	75,283
Impairment of other intangible assets (note 11)	196,676	70,447
Depreciation of right-of-use assets	2,702	2,220
Lease payments not included in the measurement of lease liabilities	38	32
Research and development costs	10,100	13,584
Listing expenses	–	39,561
Auditor's remuneration	2,600	2,500
Employee benefit expense (including directors' remuneration)		
Wages and salaries	26,752	30,362
Pension scheme contributions (defined contribution scheme) (note (ii))	3,751	370
	<u>30,503</u>	<u>30,732</u>
Foreign exchange differences, net	3,757	(6,974)
Impairment of trade receivables (note 13)	289	207
Fair value loss, net		
Financial assets at fair value through profit or loss (note 12)	36	–
Bank interest income	(6,144)	(7,585)
Government grants	(6,039)	(6,487)
Investment income	<u>(67)</u>	<u>–</u>

*Note (i):* The amortisation of copyrights and other intangible assets for the year are included in “cost of sales” in the consolidated statement of profit or loss.

*Note (ii):* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. OTHER EXPENSES

An analysis of other expenses is as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Impairment of other intangible assets (note 11)	196,676	70,447
Fair value loss, net		
Financial assets at fair value through profit or loss (note 12)	36	–
Others	<u>1,272</u>	<u>571</u>
	<u>197,984</u>	<u>71,018</u>

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Interest on lease liabilities	<u>181</u>	<u>338</u>

## 8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/ jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

The provision for Mainland China corporate income tax is based on the statutory rate of 25% of the assessable profits of the subsidiaries of the Group operating in Mainland China as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on January 1, 2008.

Lvji Technology Group Company Limited (“**Lvji Technology**”) was qualified as a “High-and-New Technology Enterprise” (“**HNTE**”) under the PRC Corporate Income Tax Law in December 2016. Lvji Technology is entitled to a preferential income tax rate of 15% for three years starting from December 2016, if the criteria for HNTE are met each year. After reapplication of HNTE in December 2019, Lvji Technology is entitled to a preferential income tax rate of 15% for three years starting from December 2019, if the criteria for HNTE are met each year.

Huoer Guosi Lvji Software Technology Limited (“**Huoer Guosi Lvji**”) was incorporated in Korgos, Xinjiang, the PRC on May 31, 2017. According to the applicable regulations, Huoer Guosi Lvji is exempted from corporate income tax for four years from the first year of operation which was 2017.

Guangxi Lvji Software Technology Limited (“**Guangxi Lvji**”) was incorporated in Beihai, Guangxi, the PRC on September 21, 2018. According to the applicable regulations, Guangxi Lvji is entitled to a preferential income tax rate of 9% for five years from the first year of operation which was 2018.

Huoer Guosi Yuntai Technology Limited (“**Yuntai Lvji**”) was incorporated in Korgos, Xinjiang, the PRC on November 6, 2020. According to the applicable regulations, Yuntai Lvji is exempted from corporate income tax for four years from the first year of operation which was 2020.

The major components of income tax expense of the Group are as follows:

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	2020 <b>(RMB'000)</b> <b>(Audited)</b>
Current income tax – Mainland China	<b>9,198</b>	2,956
Overprovision in prior year	<u><b>(1,525)</b></u>	<u>(1,153)</u>
Total tax charge for the year	<u><u><b>7,673</b></u></u>	<u><u>1,803</u></u>

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rate in Mainland China to the tax expense at the effective tax rate, and a reconciliation of the standard tax rate to the effective tax rate, are as follows:

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	%	2020 <b>(RMB'000)</b> <b>(Audited)</b>	%
Loss before tax	<u><u><b>(176,022)</b></u></u>		<u><u>(98,844)</u></u>	
Tax at the statutory tax rate	<b>(44,005)</b>	<b>25.0</b>	(24,711)	25.0
Lower tax rates for specific provinces or enacted by local authority	<b>14,542</b>	<b>(8.3)</b>	16,236	(16.0)
Overprovision in prior year	<b>(1,525)</b>	<b>0.9</b>	(1,153)	1.0
Expenses not deductible for tax	<b>323</b>	<b>(0.2)</b>	21	0.0
Tax losses not recognised	<b>262</b>	<b>(0.1)</b>	812	(1.0)
Tax impact of deductible temporary differences not recognised	<b>38,326</b>	<b>(21.8)</b>	10,598	(11.0)
Tax losses utilised from previous periods	<u><b>(250)</b></u>	<b>0.1</b>	<u>–</u>	–
Tax charge at the Group's effective tax rate	<u><u><b>7,673</b></u></u>	<b>(4.4)</b>	<u><u>1,803</u></u>	(1.8)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from January 1, 2008 and applies to earnings generated after December 31, 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from January 1, 2008. The applicable tax rate of the Group is 10%. At the end of the reporting period, deferred tax has not been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such remaining earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognized at December 31, 2021 was RMB2,663,000 (2020: RMB19,259,000). There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 9. DIVIDENDS

No dividend has been declared and paid by the Company and its subsidiaries during the year (2020: nil).

## 10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,463,650,000 (2020: 1,406,052,329) in issue during the year, as adjusted for the assumption that 1,089,000,000 new shares issued pursuant to the Capitalisation Issue (as defined in note 20) had been issued on January 1, 2019.

The Group had no potentially dilutive ordinary shares in issue during the year ended December 31, 2021 (2020: nil).

The calculations of basic and diluted earnings per share are based on:

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	2020 <b>(RMB'000)</b> (Audited)
<b>Earnings</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u><u>(183,695)</u></u>	<u><u>(100,647)</u></u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	<u><u>1,463,650,000</u></u>	<u><u>1,406,052,329</u></u>

# 11. OTHER INTANGIBLE ASSETS

## December 31, 2021 (Unaudited)

	<b>Copyrights</b> <b>(RMB'000)</b>	<b>Computer software</b> <b>(RMB'000)</b>	<b>Total</b> <b>(RMB'000)</b>
At January 1, 2021:			
Cost	793,978	138	794,116
Accumulated amortization and impairment	<u>(205,701)</u>	<u>(31)</u>	<u>(205,732)</u>
Net carrying amount	<u>588,277</u>	<u>107</u>	<u>588,384</u>
Cost at January 1, 2021, net of accumulated amortization and impairment	588,277	107	588,384
Additions	232,260	–	232,260
Amortization provided during the year	(89,992)	(14)	(90,006)
Impairment during the year	<u>(196,676)</u>	<u>–</u>	<u>(196,676)</u>
At December 31, 2021	<u>533,869</u>	<u>93</u>	<u>533,962</u>
At December 31, 2021:			
Cost	1,026,238	138	1,026,376
Accumulated amortization and impairment	<u>(492,369)</u>	<u>(45)</u>	<u>(492,414)</u>
Net carrying amount	<u>533,869</u>	<u>93</u>	<u>533,962</u>

**December 31, 2020 (Audited)**

	Copyrights (RMB'000)	Computer software (RMB'000)	Total (RMB'000)
At January 1, 2020:			
Cost	614,308	138	614,446
Accumulated amortization	<u>(59,985)</u>	<u>(17)</u>	<u>(60,002)</u>
Net carrying amount	<u>554,323</u>	<u>121</u>	<u>554,444</u>
Cost at January 1, 2020, net of accumulated amortization	554,323	121	554,444
Additions	179,670	–	179,670
Amortization provided during the year	(75,269)	(14)	(75,283)
Impairment during the year	<u>(70,447)</u>	<u>–</u>	<u>(70,447)</u>
At December 31, 2020	<u>588,277</u>	<u>107</u>	<u>588,384</u>
At December 31, 2020:			
Cost	793,978	138	794,116
Accumulated amortization and impairment	<u>(205,701)</u>	<u>(31)</u>	<u>(205,732)</u>
Net carrying amount	<u>588,277</u>	<u>107</u>	<u>588,384</u>

As of December 31, 2021, as a result of the outbreak of COVID-19 and limitation of traveling abroad, the management performed impairment testing on copyrights for online tour guides overseas. The recoverable amounts of each copyright have been determined based on the value in use and the pre-tax discount rate applied to the cash flow projections is 17.00%. As of December 31, 2021, the carrying amount of certain copyrights were written down to the recoverable amount of RMB345,703,000, with an impairment loss of RMB196,676,000 charged to profit or loss during the year ended December 31, 2021.



## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Structure deposits	20,104	–
Unlisted investment, at fair value		
Chongqing Chengyu Baijing Cultural Industry Equity Investment Fund Partnership (Limited Partnership)	15,000	15,000
	<u>35,104</u>	<u>15,000</u>
Analyzed into:		
Current	35,104	–
Non-current	–	15,000
	<u>35,104</u>	<u>15,000</u>
	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
At January 1, 2021	15,000	–
Additions	43,140	15,000
Net gain from fair value adjustment	31	–
Disposal	(23,067)	–
At December 31, 2021	<u>35,104</u>	<u>15,000</u>

## 13. TRADE RECEIVABLES

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Trade receivables	48,255	20,704
Impairment of trade receivables	(360)	(207)
	<u>47,895</u>	<u>20,497</u>

The Group's trading terms with OTAs are mainly on credit. The credit period for OTAs is generally 45 days. Each OTA has a maximum credit limit. The credit period for other customers is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Within 3 months	43,529	19,532
3 to 6 months	738	297
6 months to 1 year	3,131	140
Over 1 years	497	528
	<u>47,895</u>	<u>20,497</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
At beginning of year	207	–
Impairment for the year	289	207
Impairment provision written off during the year	(136)	–
At end of year	<u>360</u>	<u>207</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. At the end of the reporting period, the probability of default is minimal for debtors other than defaulted receivables, with expected credit loss rates of 0.19% to 14.31%. Trade receivables for which the balances are overdue with ageing of more than a year and the counterparties failed to make the demanded repayments are defaulted receivables, which are fully provided.

#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Prepayments to suppliers	25,546	33,558
Government grant receivable	–	46
Contract cost	2,043	2,386
Deposit	5,851	4,000
Interest receivable	34	5,097
Prepaid taxes and other tax recoverable	13,847	308
Other receivables	1,807	4,176
	<u>49,128</u>	<u>49,571</u>

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default. The majority of the above balances were settled within 12 months and had no historical default. During the year, the Group estimated that the expected loss rate for the above receivables is insignificant.

## 15. CASH AND CASH EQUIVALENTS AND A PLEDGED DEPOSIT

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Cash and bank balances	359,865	516,735
Less: Pledged deposit	<u>(200)</u>	<u>(350)</u>
Cash and cash equivalents	<u><u>359,665</u></u>	<u><u>516,385</u></u>

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB288,659,000 (2020: RMB99,640,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The pledged deposit was pledged to the government authorities for conducting tourist-related business in Mainland China.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 16. TRADE PAYABLES

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Trade payables	<u><u>10,312</u></u>	<u><u>2,578</u></u>

An ageing analysis of the trade payables at the end of the reporting period, based on the transaction date, is as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Within 3 months	10,042	2,422
3 to 12 months	143	29
1 to 2 years	–	127
2–3 years	<u>127</u>	<u>–</u>
	<u><u>10,312</u></u>	<u><u>2,578</u></u>

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

## 17. OTHER PAYABLES AND ACCRUALS

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Other payables	7,090	6,073
Payroll and welfare payables	3,448	7,248
Other tax payable	<u>11,918</u>	<u>1,681</u>
	<u><b>22,456</b></u>	<u><b>15,002</b></u>

Other payables are non-interest-bearing and repayable on demand.

## 18. CONTRACT LIABILITIES

Contract liabilities include unsatisfied performance obligations resulting from contracts of customized content for which the Group has received consideration at the end of the reporting period. Contract liabilities are recognized as revenue upon the Group satisfying its performance obligations under the relevant contracts.

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Sale of customized content	<u><b>2,960</b></u>	<u><b>2,712</b></u>

Movements in contract liabilities during the year are as follows:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
At the beginning of the year	2,712	2,780
Additions	13,074	12,934
Revenue recognized during the year	<u>(12,826)</u>	<u>(13,002)</u>
At the end of the year	<u><b>2,960</b></u>	<u><b>2,712</b></u>

## 19. DEFERRED INCOME

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
At the beginning of the year	3,512	1,892
Additions	338	4,287
Released to franchise income ( <i>note 6</i> )	<u>(1,347)</u>	<u>(2,667)</u>
At the end of the year	<u><u>2,503</u></u>	<u><u>3,512</u></u>
Less: Current portion	<u>(1,161)</u>	<u>(2,031)</u>
Non-current portion	<u><u>1,342</u></u>	<u><u>1,481</u></u>

Deferred income represents the payment received in advance from franchisees for the right to access the brand name of the Group. These franchise payments are released to other income and gains over the franchise period.

## 20. SHARE CAPITAL

### Shares

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Issued and fully paid: 1,463,650,000 (2020: 1,463,650,000) ordinary shares of US\$0.01 each	<u><u>100,648</u></u>	<u><u>100,648</u></u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital (USD'000)	Share capital (RMB'000 Equivalent)
<b>Issued and fully paid:</b>			
At January 1, 2020	11,000,000	110	758
Issue of shares from the initial public offering ( <i>note (a)</i> )	310,300,000	3,103	21,373
Capitalization issue ( <i>note (b)</i> )	1,089,000,000	10,890	75,008
Issue of shares under the general mandate ( <i>note (c)</i> )	<u>53,350,000</u>	<u>534</u>	<u>3,509</u>
At December 31, 2020 and 2021	<u><u>1,463,650,000</u></u>	<u><u>14,637</u></u>	<u><u>100,648</u></u>

- Note (a):* On the Listing Date, 310,300,000 new ordinary shares were issued in connection with the Company's initial offering on the Stock Exchange.
- Note (b):* Pursuant to a written resolution of the shareholders of the Company passed on December 20, 2019, a total of 1,089,000,000 shares of US\$0.01 each were allotted and issued at par value to the shareholders as of the date immediately before the Listing Date in proportion by way of capitalization of US\$10,890,000 (the "**Capitalization Issue**") from the Company's share premium account on the Listing Date.
- Note (c):* On October 12, 2020, the Company entered into the subscription agreements with the subscribers, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 53,350,000 subscription shares. On October 28, 2020, 53,350,000 new ordinary shares were issued according to the Subscription Agreements. The subscription shares were allotted and issued under the general mandate. Further details are disclosed in the Company's announcement dated October 12, 2020.

## 21. RELATED PARTY TRANSACTIONS AND BALANCES

The directors of the Company are of the view that the following parties/companies are related parties that had transactions or balances with the Group during the year.

### (a) Name and relationship

Name of related parties	Relationship with the Group and the Company
Mr. Zang Weizhong (" <b>Mr. Zang</b> ")	A substantial shareholder
Mr. Fan Baoguo (" <b>Mr. Fan</b> ")	A substantial shareholder

### (b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2021 (RMB'000) (Unaudited)	2020 (RMB'000) (Audited)
Advances to a related party:		
Mr. Zang	—	80
Repayment of advances to a related party:		
Mr. Zang	80	—
Advances from related parties:		
Mr. Zang	2,449	—
Mr. Fan	956	—
	3,405	—

The advances from and to related parties are unsecured, interest-free and repayable on demand.

**(c) Outstanding balances with related parties**

The Group had the following balances with related parties:

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	<b>2020</b> <b>(RMB'000)</b> <b>(Audited)</b>
Amount due from a related party:		
Mr. Zang	<u>–</u>	<u>80</u>
	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	<b>2020</b> <b>(RMB'000)</b> <b>(Audited)</b>
Amounts due to related parties:		
Mr. Zang	<u>2,449</u>	<u>–</u>
Mr. Fan	<u>956</u>	<u>–</u>
	<u><b>3,405</b></u>	<u><b>–</b></u>

The Company had no transactions or balances with related parties.

The maximum amount due from a related party outstanding during the year are set out below:

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	<b>2020</b> <b>(RMB'000)</b> <b>(Audited)</b>
Maximum amount due from a related party outstanding:		
Mr. Zang	<u><b>80</b></u>	<u><b>80</b></u>

The related party balances are non-trade in nature, unsecured, interest-free and repayable on demand.

**(d) Compensation of key management personnel of the Group**

	<b>2021</b> <b>(RMB'000)</b> <b>(Unaudited)</b>	<b>2020</b> <b>(RMB'000)</b> <b>(Audited)</b>
Short-term employee benefits	<u><b>780</b></u>	<u>786</u>
Contributions to the pension scheme	<u><b>84</b></u>	<u>49</u>
	<u><b>864</b></u>	<u><b>835</b></u>

## 22. EVENTS AFTER THE REPORTING PERIOD

The outbreak of novel coronavirus (“**COVID-19**”) in January 2020 has inevitably caused a certain impact on both the overall tourism market and business operation of the Group, mainly due to travel restrictions and other precautionary measures imposed by the relevant local authorities that resulted in temporary closure of tourist attraction areas, delays in commencement of work, temporary closure of business of suppliers and overall decline in market demand during the outbreak period. The Group’s business operations have been heavily disrupted by the outbreak of COVID-19 and the subsequent precautionary measures as well as restrictions on tourism and travel imposed by countries and regions around the world.

The Group estimates that the degree of the COVID-19 impact will be dependent on the duration of epidemic and the outcome of preventive measures undertaken by the respective local authorities. Given the dynamic circumstances and uncertainties of the COVID-19 situation, the Group will keep continuous attention on the development of COVID-19 and react actively to its impacts on the operation and financial position of the Group, and in the event that there are any significant financial impacts, the Company will reflect it in the Group’s 2022 interim and annual financial statements.

As further detailed in the Company’s announcement dated January 21, 2022, the Company has adopted the Share Award Scheme in which the selected employees will be entitled to participate. The Share Award Scheme does not constitute a share option scheme nor an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.



## **USE OF PROCEEDS**

The Shares were successfully listed on the Stock Exchange on the Listing Date. The net proceeds from the Listing were approximately HK\$580.0 million (after deducting the underwriting commissions and other related listing expense payable by the Company in connection with the Global Offering). For the year ended December 31, 2021, the Group has used approximately HK\$354.8 million (equivalent to approximately RMB314.4 million).

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. Since the Listing Date, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code. During the Reporting Period, the Company had complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision C.2.1 of the Corporate Governance Code.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zang Weizhong currently serves as chairman of the Board and chief executive officer of the Company. He is responsible for formulation of business plans, strategies and other major decisions of the Group, as well as overall management of the Group. The Board believes that at the current stage of development of the Group, vesting the roles of both chairman and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also meets regularly on a quarterly basis to review the operations of the Company led by Mr. Zang. Accordingly, the Board believes that this arrangement will not have impact on the balance of power and authorizations between the Board and the management of the Company.

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

## **Compliance with the Model Code**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all the Directors and the Directors have confirmed that they had complied with the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the Reporting Period.

## **Purchase, Sale or Redemption of the Company's Listed Securities**

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities in 2021.

## **Audit Committee**

The Audit Committee consists of three independent non-executive Directors, namely Ms. Gu Jianlu, Ms. Wu Daxiang and Ms. Gu Ruizhen. The chairman of the Audit Committee is Ms. Gu Jianlu.

The Audit Committee has, together with the senior management of the Company, reviewed and agreed the accounting principles and practices adopted by the Company as well as the unaudited annual results of the Group for the year ended December 31, 2021 contained herein.

## **Events after December 31, 2021**

Save for the above and otherwise disclosed in the section headed "*Notes to the Financial Statements – Events After the Reporting Period*" in this announcement, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2021 and up to the date of this announcement.

## **DIVIDEND**

No dividend was declared and paid by the Company for the year ended December 31, 2021 (2020: Nil). The Directors do not recommend any payment of a final dividend for the year ended December 31, 2021 (2020: Nil).

## REVIEW OF UNAUDITED ANNUAL RESULTS

The publication of the announcement relating to the preliminary results of the Group for the year ended December 31, 2021 as agreed by the Company's independent auditor (the "**Auditor**" and the "**2021 Audited Results**", respectively) will be delayed as the auditing process for the annual results of the Group for the year ended December 31, 2021 has not been completed due to a number of factors resulting from restrictions on travelling and logistics brought by the recent resurgence of COVID-19 cases in China, including (i) delays in receiving audit confirmations from banks, customers and suppliers resulting from disruption to postal services in China; and (ii) lockdown measures implemented in China which caused the audit fieldwork unable to commence as scheduled and hindered the audit process to access and gather necessary documents and information required for the audit on a timely basis.

In view of the above, the unaudited annual results of the Group for the year ended December 31, 2021 contained herein have not been agreed by the Auditor.

## FURTHER ANNOUNCEMENT(S)

The Company is in constant liaison with the Auditor to monitor the situation. The Company will use its best endeavor to publish and despatch the 2021 Audited Results and the annual report for the year ended December 31, 2021 to the Shareholders as soon as practicable. Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the 2021 Audited Results as agreed by the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain Shareholders' eligibility to attend and vote at the said meeting (and the proposed arrangements relating to dividend payment, if any). In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process.

**The financial information contained herein in respect of the unaudited annual results of the Group has not been audited and has not been agreed with the Auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITION

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

“AI”	artificial intelligence
“API”	application programing interface, a set of clearly defined methods of communication between various software components
“APP”	application software designed to run on smartphones and other mobile devices
“AR”	augmented reality
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “Lvji”	Lvji Technology Holdings Inc. (驢跡科技控股有限公司), an exempted company with limited liability incorporated on November 7, 2019 in the Cayman Islands
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“COVID-19”	2019 novel coronavirus disease
“Director(s)”	the director(s) of the Company
“GAAP”	generally accepted accounting principles
“Global Offering”	the offering of the Company’s Shares as described in the Prospectus

“Group”, “we”, “us”, or “our”	the Company and its subsidiaries
“H5”	a mark-up language used for structuring and presenting content on the World Wide Web, the fifth and current major version of the HTML standard
“HKAS”	Hong Kong Accounting Standard
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standard(s) (including HKASs and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange, which occurred on the Listing Date
“Listing Date”	January 17, 2020, the date on which the Shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“OTA”	online travel agency
“Prospectus”	the prospectus dated December 31, 2019 issued by the Company

“RMB”	Renminbi, the lawful currency of China
“SaaS”	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company, currently of nominal value US\$0.01 each
“Share Award Scheme”	a share award scheme adopted by the Company on January 21, 2022
“Share Option Scheme”	a share option scheme adopted by the Company on December 20, 2019
“Shareholder(s)”	holder(s) of the Share(s)
“USD”	United States dollars, the lawful currency of the United States of America

- \* The names of the PRC established companies or entities have been included in this announcement in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. The English translation of company names in Chinese which are marked with “\*” are for identification purposes only.

By order of the Board  
**Lvji Technology Holdings Inc.**  
**Zang Weizhong**  
*Chairman, Executive Director and Chief Executive Officer*

Guangzhou, the PRC, March 31, 2022

*As at the date of this announcement, the Board comprises Mr. Zang Weizhong, Mr. Wang Lei and Mr. Liu Hui as executive Directors; Mr. Cheung King Him Edmund as non-executive Director; and Ms. Gu Jianlu, Ms. Wu Daxiang and Ms. Gu Ruizhen as independent non-executive Directors.*