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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on January 21, 2022, the Company has adopted the Scheme in which the Employees will be entitled to participate.

The specific objectives of the Scheme are: (i) to recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The 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. No shareholders' approval is required to adopt the Scheme. However, where any grant of the Awarded Shares is proposed to be made to any person who is a Connected Person of the Company, or involves the issuing of any new Shares by the Company, the Company shall comply with the relevant provisions of the Listing Rules as may be applicable. This announcement is made on a voluntary basis.

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SUMMARY OF THE SCHEME

A summary of principal terms of the Scheme is set out below.

Objectives

The specific objectives of the Scheme are: (i) to recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration

The Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, subject to any early termination as may be determined by the Board.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding 5% of the total number of the issued Shares from time to time.

The maximum number of shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the total number of the issued Shares in any 12-month period.

Operation of the Scheme

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary or any party designated by the Company as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the rules of the Scheme and the Trust Deed.

Subject to the rules of the Scheme, in the event that the Awarded Shares are to be allotted and issued as new Shares under the general mandate for the purpose of the Trust, the Board shall cause an amount equal to the total subscription price of such new Shares to be allotted and issued be transferred from the Company's resources as subscription monies for the new Shares and cause to issue and allot such new Shares to the Trustee, which shall be held upon trust for the relevant Selected Employee subject to the terms and conditions set out in the rules of the Scheme and in the Trust Deed. The Company shall issue and allot such new Shares at not less than nominal value to the Trustee. The Company shall comply with the relevant Listing Rules and the articles of association of the Company when allotting and issuing any new Shares under general mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued to the Trustee.

Subject to the rules of the Scheme, the Board may from time to time instruct the Trustee to purchase the Shares on the Stock Exchange or accept and receive a specified number of Shares from any party designated by the Company and to hold them in trust for the benefit of the Selected Employees on and subject to the terms and conditions of the rules of the Scheme and the Trust Deed.

Award of Awarded Shares

Subject to the rules of the Scheme, the Board may, from time to time, at its absolute discretion select any Employee (other than any Excluded Employee) for participation in the Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

In determining the number of Awarded Shares to be granted to any Selected Employee (excluding any Excluded Employee), the Board shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the relevant Selected Employee to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

The Board is entitled to impose any conditions (including a period of continued service within the Group after the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Employee, and shall inform the Trustee and such Selected Employee the relevant conditions of the Award and the Awarded Shares. The Board is entitled to impose lock-up conditions such as limiting the amount of Awarded Shares which may be disposed of on a monthly basis within a certain period (the “**Restricted Period**”) in relation to the vested Awarded Shares received by the Selected Employees as it deems appropriate.

Where any grant of Awarded Shares is proposed to be made to any Selected Employee who is a Director (including an independent non-executive Director), such grant must first be approved by the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by a majority of the other members of the Remuneration Committee.

Where any grant of Awarded Shares is proposed to be made to any person who is a Connected Person of the Company, or involves the issuing of any new Shares by the Company, the Company shall comply with the relevant provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders’ approval requirements, unless otherwise exempted under the Listing Rules.

Vesting of Awarded Shares

Subject to the terms and condition of the Scheme and the fulfillment of all relevant vesting conditions, the respective Awarded Shares held by the Trustee on behalf of the Selected Employee pursuant to the provision of the rules of the Scheme shall vest in such Selected Employee in accordance with the relevant vesting schedule (if any), and the Trustee shall cause the Awarded Shares to be transferred to such Selected Employee on the Vesting Date.

Prior to the later of the Vesting Date or the expiry of the Restricted Period (if any), any Award made under the Scheme shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award.

The Board may at its discretion, with or without further conditions, grant additional Shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Employee upon the vesting of any Awarded Shares.

Disqualification of Selected Employee

In the event that prior to or on the Vesting Date, a Selected Employee is found to be an Excluded Employee or is deemed to cease to be an Employee, including but not limited to the following circumstances:

- (a) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (b) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (c) where such person has been convicted of any criminal offence;
- (d) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (e) where such person has been found in breach of employee manual or employment contract or applicable regulations, and the relevant member of the Group decides to terminate his employment,

the relevant Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund.

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

Rights and Restrictions of Selected Employees

A Selected Employee shall not have any interest or rights, including the right to receive dividends, in the Awarded Shares prior to the Vesting Date.

A Selected Employee shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust.

No instructions shall be given by a Selected Employee, including voting rights, to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee.

Restrictions

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time, including but not limited to the following circumstances:

- (a) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awarded Shares or in respect of the Scheme, unless the Board determines otherwise;
- (b) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules;
- (c) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (d) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results;
or
- (e) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

Rights attached to the Shares

Any Awarded Shares transferred to a Selected Employee in respect of any Award(s) will be subject to all the provisions of the articles of association of the Company as amended from time to time, any restrictions or undertakings imposed by the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day on which the register of members of the Company is closed, the first day of the reopening of the register of members. Accordingly, the Selected Employee will be entitled to participate in all dividends or other distributions paid or made on or after the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members.

Lapse of Award

In the event that the vesting conditions are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Employee shall have no claims against the Company, the Board, the Trust or the Trustee. The relevant Awarded Shares shall remain part of the Trust Fund and would be used for further Awards subject to relevant terms of the Scheme and compliance with the Listing Rules and all applicable laws.

Alteration and Termination of the Scheme

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Employee under the Scheme.

The Scheme shall terminate on the earlier of:

- (a) the 10th anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Selected Employee under the Scheme.

LISTING RULES IMPLICATIONS

The 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. No shareholders' approval is required to adopt the Scheme. However, where any grant of the Awarded Shares is proposed to be made to any person who is a Connected Person of the Company, or involves the issuing of any new Shares by the Company, the Company shall comply with the relevant provisions of the Listing Rules as may be applicable. This announcement is made on a voluntary basis.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context otherwise requires:

“Adoption Date”	January 21, 2022, being the date on which the Scheme is adopted by the Company
“Award”	an award of the Awarded Shares by the Board to a Selected Employee pursuant to the Scheme
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares as awarded by the Board
“Board”	the board of Directors
“Company”	Lvji Technology Holdings Inc. (驢跡科技控股有限公司), an exempted company with limited liability incorporated on November 7, 2018 in the Cayman Islands
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any of its Subsidiaries, and/or any party designated by the Company as permitted under the Scheme to the Trust as determined by the Board from time to time
“Director(s)”	the director(s) of the Company
“Employee(s)”	any employee (including without limitation any executive director) of any member of the Group

“Excluded Employee(s)”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares
“Scheme”	the share award scheme of the Company, constituted by the rules of the Scheme, in its present form or as amended from time to time
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees (other than the Excluded Employees), including without limitation:</p> <ul style="list-style-type: none"> (a) HK\$100 as initial sum; (b) all Shares acquired by the Trustee for the purpose of the Trust and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; (c) any Residual Cash; (d) any Awarded Shares or other property to be vested or not vested with the Selected Employee under the terms of the Scheme; and (e) all other properties from time to time representing (a), (b), (c) and (d) above
“Trustee”	FUTU TRUSTEE LIMITED, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“US”	the United States of America
“US\$”	US dollars, the lawful currency of US

“Vesting Date” in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the Scheme

“%” per cent

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

Guangzhou PRC, January 21, 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.