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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)

MAJOR TRANSACTION IN RELATION TO DEBT ACQUISITION

THE ACQUISITION

The Board is pleased to announce that on December 25, 2023, the Company entered into the Agreement with Guangzhou Asset Management for the Acquisition by Guangzhou Asset Management of the Huangtengxia series loan claims through the public listing and bidding services of the Guangdong Financial Assets Exchange Center. Accordingly, Guangzhou Asset Management is acquiring the assets for an amount of RMB370,494,751.20, as authorised by the Company. The Company agrees to contribute no less than 70% of the actual transaction price, while Guangzhou Asset Management will contribute no more than 30% and not exceeding RMB111.00 million.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened for Shareholders to consider and, if thought fit, authorise the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition. Therefore, Shareholders are not required to vote on the relevant resolutions regarding the approval of the Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, further details about the Acquisition, any other information

required to be disclosed under the Listing Rules and a notice of the extraordinary general meeting will be despatched by the Company to the Shareholders. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be despatched to the Shareholders on or before February 16, 2024.

INTRODUCTION

The Board is pleased to announce that on December 25, 2023, the Company entered into the Agreement with Guangzhou Asset Management for the Acquisition by Guangzhou Asset Management of the Huangtengxia series loan claims through the public listing and bidding services of the Guangdong Financial Assets Exchange Center. Accordingly, Guangzhou Asset Management is acquiring the assets for an amount of RMB370,494,751.20, as authorised by the Company. The Company agrees to contribute no less than 70% of the actual transaction price, while Guangzhou Asset Management will contribute no more than 30% and not exceeding RMB111.00 million.

The principal terms of the Agreement are set out as follows:

Date: December 25, 2023

Parities: (1) The Company; and
(2) Guangzhou Asset Management

Target Assets: The disposal involves the debt holdings of two entities, Qingyuan Huangtengxia Ecotourism Co., Ltd.* (清遠黃騰峽生態旅遊有限公司), and Qingyuan Ronghang Real Estate Development Co., Ltd.* (清遠榮航房地產發展有限公司), by Qingyuan Rural Commercial Bank (清遠農商行).

The Target Assets were listed by Qingyuan Rural Commercial Bank on October 21, 2023, through the Guangdong Financial Assets Exchange Center. The book value of the principal is RMB489.4252 million, with interest amounting to RMB81.6775 million and fees totaling RMB11.9981 million. The total debt holdings sum up to RMB583.1008 million.

Consideration: An amount of RMB370,494.751,20 was authorised by the Company

Payment of price: 1. The Company is required to pay an initial project guarantee deposit, equivalent to no less than 40% of the starting bid or RMB148.20 million, into the designated account of Guangzhou Asset Management prior to the bidding (the “**First Bidding**”).

2. In the event of a failed First Bidding by Guangzhou Asset Management or the cancellation of this listed transaction by Qingyuan Rural Commercial Bank, Guangdong Asset Management Company is obligated, within 20 working days from the conclusion of Qingyuan Rural Commercial Bank’s bidding or public delisting, to deduct relevant fees (including but not limited to due diligence fees, appraisal fees, etc.) totaling RMB0.2 million from the funds transferred to its account by the Company and refund the remaining

amount to the Company without interest.

3. If Guangzhou Asset Management successfully acquires the targeted assets in the First Bidding, the Company is required to (i) pay Guangdong Asset Management a cooperation service fee of RMB1.00 million on the day of the successful First Bidding; (ii) bear the relevant taxes after the public disposal of the targeted assets; and (iii) participate in Guangzhou Asset Management's bidding (the "**Second Bidding**") for the public disposal of the targeted assets at a price not lower than the disposal price and pay the bid guarantee deposit according to relevant rules.

4. If the Company successfully bids the targeted assets in the Second Bidding, the Company is required to sign a "Debt Transfer Agreement" with Guangzhou Asset Management within 5 working days from the transaction date and pay the transaction price/funds occupancy fee for the targeted assets in installments, committing not to offset the transaction price for any reason. The transaction price will be paid in full within 2 years from the date of the successful Second Bidding.

5. If the Company has not fully paid the transaction price as described in (4), the Company shall pay Guangzhou Asset Management a funds occupancy fee based on the remaining unpaid transaction price (not exceeding RMB110.00 million) at an annualised rate of 10%, starting from 90 days after the date of the successful Second Bidding on the disposal platform, on a quarterly basis.

6. The Company is required to pay the funds occupancy fee quarterly from 90 days after the date of successful Second Bidding on the disposal platform and settle the funds occupancy fee for the current quarter to Guangzhou Asset Management before the 20th day of the end of each natural quarter until the full payment of the transaction price. The Company may pay the remaining transaction price in full or in part in advance, and the funds occupancy fee will be calculated based on the actual number of days the remaining transaction price is occupied.

INFORMATION OF GUANGZHOU ASSET MANAGEMENT

Guangzhou Asset Management is a limited liability company registered in China, primarily engaged in the acquisition, operation, and disposal of financial non-performing assets. Based on publicly available information, as at the date of this announcement, Asset Management Company is beneficially owned as to approximately 60.02% by Guangzhou Yuexiu Financial Holdings Group Co., Ltd.* (廣州越秀資本控股集團股份有限公司), approximately 16.26% by Guangdong Hengjian Investment Holdings Co., Ltd.* (廣東恆健投資控股有限公司), approximately 9.51% by Guangdong Yueke Financial Group Co., Ltd.* (廣東粵科金融集團有限公司) and approximately 5.22% by Guangzhou Hengyun Enterprise Holdings Co., Ltd.* (廣州恆運企業集團股份有限公司).

Guangzhou Yuexiu Financial Holdings Group Co., Ltd.* (廣州越秀資本控股集團股份有限公司) is listed on the Shenzhen Stock Exchange (stock code: 000987). Guangdong Hengjian Investment Holdings Co., Ltd.* (廣州恆健投資控股有限公司) is wholly-owned by the State-owned Assets Supervision and Administration Commission of Guangdong Province (廣東省人民政府國有資產監督

管理委員會), primarily engaging in the operation and management of state-owned equity. Guangdong Yueke Financial Group Co., Ltd.* (廣東粵科金融集團有限公司) is beneficially owned as to 90.00% by the Guangdong Provincial People's Government (廣東省人民政府) and 10.00% by the Guangdong Provincial Department of Finance (廣東省財政廳), primarily involved in risk investment. Guangzhou Hengyun Enterprise Holdings Co., Ltd.* (廣州恆運企業集團股份有限公司) is listed on the Shenzhen Stock Exchange (stock code: 000531).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Asset Management Company and its beneficial owners are independent third parties of the Company.

INFORMATION OF THE COMPANY

The Company is a market leader in China's and the world's online tour guide industry. The Company deploys software on the cloud system to provide online tour guides with proprietary contents, which include illustrated maps of tourist attractions, editorial contents and voice-over commentaries of the points of interest in the tourist attractions, and are implemented to include functions such as real-time navigation. In addition, taking advantage of augmented reality (AR), mixed reality (MR) and artificial intelligence (AI) technologies, and relying on our more than 40,000 electronic tour maps for tourist attractions around the world, the Company is committed to bringing a new sensory experience in the real world and the virtual world by introducing nationally known IP virtual characters with emotional appeal, so as to provide a wonderful dream journey for users.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition aims to facilitate further collaboration between the Company and the state-owned asset management companies. It will enable the Company to leverage resources from state-owned asset management companies, enhance its development capabilities, expand its business diversification, reduce dependence on specific markets or sectors, mitigate operational risks, attract investors more effectively, secure favorable financing conditions, and further support the Company's development and expansion plans.

The directors, including independent non-executive directors, believe that the Acquisition is conducted under normal commercial terms, is fair and reasonable, and aligns with the overall interests of the Shareholders.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened for Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition. Therefore, Shareholders are not required to vote on the relevant resolutions regarding the approval of the Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, further details about the Acquisition, any other information required to be disclosed under the Listing Rules and a notice of the extraordinary general meeting, will be despatched by the Company to the Shareholders. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be despatched to the Shareholders on or before February 16, 2024.

DEFINITIONS

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

“Acquisition”	The Acquisition of Huangtengxia series loan claims listed on Guangdong Financial Assets Center
“Agreement”	the transfer agreement dated 25 December 2023 entered into between the Company and Guangzhou Asset Management in respect of the Acquisition
“Board”	means the board of directors of the Company
“Company”	Lyji 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
“Director(s)”	means the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to, among other things, consider and, if thought fit, authorise the Agreement;
“Guangzhou Asset Management”	Guangzhou Asset Management Company Limited* (廣州資產管理有限公司), a company limited by shares incorporated in China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Qingyuan Rural Commercial Bank”	Guangzhou Qingyuan Rural Commercial Bank Co., Ltd. (廣州清遠農村商業銀行股份有限公司), a company limited by shares incorporated in China
“Share(s)”	ordinary share(s) of USD\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)

“Target Assets”	the two loan claims of Guangzhou Qingyuan Rural Commercial Bank Co., Ltd. (廣州清遠農村商業銀行股份有限公司) concerning the disposal of Qingyuan Huangtengxia Ecotourism Co., Ltd. (清遠黃騰峽生態旅遊有限公司) and Qingyuan Ronghang Real Estate Development Co., Ltd. (清遠榮航房地產發展有限公司)
“RMB”	Renminbi, the lawful currency of China
“%”	means a percentage

By Order of the Board
Lyji Technology Holdings Inc.
Zang Weizhong
Chairman and Executive Director

Guangzhou, the PRC, December 27, 2023

As at the date of this announcement, the Board comprises Mr. Zang Weizhong, Mr. Wang Lei and Mr. Liu Hui as executive Directors; and Ms. Gu Jianlu, Ms. Gao Yuanyuan and Ms. Gu Ruizhen as independent non-executive Directors.

** For identification purpose only*