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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)

**ANNOUNCEMENT OF THE RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The Board hereby announces the unaudited consolidated results of the Group for the Reporting Period with the comparative figures for the Corresponding Period.

KEY HIGHLIGHTS

For the Reporting Period:

- Revenue increased by approximately 13.6% to approximately RMB304.9 million from approximately RMB268.5 million for the Corresponding Period.
- Gross profit decreased by approximately 13.8% to approximately RMB85.9 million from approximately RMB99.7 million for the Corresponding Period, with a gross profit margin of approximately 28.2% compared to approximately 37.1% for the Corresponding Period.
- Results for the period recorded a profit of approximately RMB56.1 million as compared to a profit of approximately RMB52.3 million for the Corresponding Period, with an increase of approximately 7.3%.

1. Financial summary

	For the six months ended June 30,		Year-to-year change
	2025	2024	
	(RMB'000)	(RMB'000)	
	(Unaudited)	(Unaudited)	
Revenue	304,876	268,501	13.5%
Gross profit	85,915	99,666	(13.8%)
Profit before tax	69,593	82,616	(15.8%)
Profit for the period	56,073	52,346	7.1%
Net profit margin	18.4%	19.5%	(1.1%)

2. Operating metrics

	As of June 30,		Change
	2025	2024	
Number of online tour guides developed	75,939	66,229	14.7%

BUSINESS REVIEW AND OUTLOOK

Results Highlights

For the Reporting Period:

- Total revenue amounted to approximately RMB304.9 million, representing an increase of approximately 13.6% as compared with the Corresponding Period. Total revenue from sale of online tour guides amounted to approximately RMB304.7 million, representing an increase of approximately 13.6% as compared with the Corresponding Period, which was mainly attributable to the increase in sale of our online tour guides due to the strong recovery of the tourism market.
- Gross profit amounted to approximately RMB85.9 million, representing a decrease of approximately 13.8% as compared with the Corresponding Period. Gross profit margin for the first half of 2025 amounted to approximately 28.2%, as compared to gross profit margin for the Corresponding Period of approximately 37.1%. The decrease in gross profit margin was mainly attributable to the decline in the sales volume of online electronic guides sold through travel agencies and the increase in amortisation cost of intangible assets.
- Profit for the Reporting Period amounted to approximately RMB56.1 million as compared with profit for the Corresponding Period of approximately RMB52.3 million, representing an increase of approximately 7.3%, which was mainly attributable to (i) the increase in our revenue as a result of the increase in sale of our online tour guides due to the strong recovery of the tourism market; and (ii) our active efforts in implementing various expenses and budget-related policies to control the selling and distribution expenses and the administrative expenses.
- Selling and distribution expenses were approximately RMB3.2 million, representing a decrease of approximately 59.5% as compared with the Corresponding Period, which was mainly attributable to the various initiatives adopted by us to control operating costs and reduce unnecessary expenses during the Reporting Period. Administrative expenses were approximately RMB9.9 million, representing an increase of approximately 10.5% as compared with the Corresponding Period, which was mainly attributable to improvement of the office environment.
- We continued to consolidate our market-leading position of online tour guides by optimizing the content of tour guide products and improving our users' experience. We have also increased the development of our online tour guides, with a total of 75,939 (as of June 30, 2024: 66,229) online tour guides developed by us as of June 30, 2025.

Business Review

We are a market leader in China's and the world's online tour guide industry. We deploy software on the cloud system to provide online tour guides with proprietary contents, which include illustrated maps, editorial content and voice-over commentaries of the tourist attractions, and are implemented to include functions such as real-time navigation. In addition, taking advantage of AR, MR and AI technologies, and relying on our more than 60,000 electronic tour maps for tourist attractions around the world, we are 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. We believe that such business strategies will generate long-term value for the Shareholders.

During the Reporting Period, China's domestic and outbound travel activities witnessed a rapid growth. Attributed to our leading market position in online tour guides, outstanding products and service experience, flexible operation strategies, etc., the Company quickly seized the opportunity for the tourism recovery and demonstrated our strong power in the face of a recovery in the industry. Our revenue for the Reporting Period increased by approximately 13.6% to approximately RMB304.9 million as compared to the Corresponding Period. Also, we had made active efforts to implement various measures in controlling operating costs and reducing unnecessary expenses, which achieved effective outcomes. During the Reporting Period, the selling and distribution expenses decreased by approximately 59.4% as compared to the Corresponding Period, while administrative expenses increased by approximately 10.5% as compared to the Corresponding Period. We recorded a profit of approximately RMB56.1 million for the Reporting Period, representing an increase of approximately 7.3% as compared to approximately RMB52.3 million for the Corresponding Period. The Company adheres to the development strategy of continuously improving user experience for tour guides. As of June 30, 2025, we had developed a total of 75,939 online tour guides covering tourist attractions in China and overseas, which domestically covered 921 AAAAA tourist attractions, 5,322 AAAA tourist attractions, and 5,874 AAA tourist attractions.

In relation to our SaaS business for the smart and digital marketing of tourist attractions, we continuously iterated on the product named “Digital View Pass (數景通)” with smart management, smart marketing and smart service as our core, offered 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 information-based 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 have made vigorous efforts to promote the “Digital View Pass (數景通)” to various culture and tourism bureaus and successfully launched it in several tourist attractions. In order to better adapt to the national modernisation requirements for all-for-one tourism, we had independently updated several e-commerce operation functions to optimize the user experience, making “Digital View Pass (數景通)” more competitive among similar products.

Meanwhile, with extensive cooperation with content creators (such as uploaders who provided travel content, bloggers, and internet celebrities) on mobile internet platforms, we comprehensively enhanced the popularity and user conversion rates of Lvji online tour guide products through precise interactions with quality content creators. We also launched tailor-made and featured Lvji online tour guide suit products for such content creators. With the help of this program, we will be able to create a private internet traffic model for the long-term cultivation of the user market, thereby helping the Company move towards a good trend with simultaneous growth in two areas: OTAs and mobile internet platforms.

Results Highlights

During the Reporting Period, as the revenue from online tour guides recorded a year-on-year increase compared to the Corresponding Period due to the rapid growth of China’s domestic and outbound travel activities, our total revenue increased by approximately 13.6% from approximately RMB268.5 million for the Corresponding Period to approximately RMB304.9 million for the Reporting Period; gross profit margin decreased from approximately 37.1% as of June 30, 2024 to approximately 28.2% as at June 30, 2025. A net profit during the Reporting Period amounted to approximately RMB56.1 million, representing an increase of approximately 7.3% as compared to a net profit for the Corresponding Period of approximately RMB52.3 million.

During the Reporting Period, we further consolidated our market-leading position of online tour guides by continuously investing in R&D resources and increasing the coverage of tourist attractions. The number of online tour guides developed by us and the number of tourist attractions in China covered by our online tour guides increased. The number of our online tour guides increased from 66,229 as at June 30, 2024 to 75,939 as at June 30, 2025, while the number of tourist attractions in China covered by our online tour guides increased from 44,519 as at June 30, 2024 to 51,495 as at June 30, 2025.

Business Review

Benefiting from the rapid growth of China's domestic and outbound travel activities, we further consolidated our market-leading position in China's online tour guide industry. During the Reporting Period, we continued to increase the number of tourist attractions covered by tour guides, upgraded the contents of our maps and voice-over commentaries, and increased in-depth cooperation with local travel agencies and tourist attractions by focusing on online and offline digital twin schemes of all-rounded tourism and the digital marketing schemes of smart tourist attractions to help the recovery and development of the tourism market. At the same time, we have been using new technologies and investing in R&D resources to enhance the production capacity of online tour guides and customised content, and expand marketing channels, so as to continue to maintain our market leadership.

The Number of Tourist Attractions Covered Continued to Increase and the Content of Tour Guides was Multi-dimensionally Upgraded

During the Reporting Period, we increased the number of tourist attractions covered in China. The types of tourist attractions for which we provide online tour guides include landscapes, historical sites, cities, theme parks, zoos and botanical gardens, etc. In particular, as of June 30, 2025, our online tour guides covered 921 AAAAA tourist attractions, 5,322 AAAA tourist attractions, and 5,874 AAA tourist attractions.

In addition to the wide coverage of tourist attractions, we have been continuously optimizing the original content of tour guides. Specifically, we carried out multi-dimensional innovation on online tour guides, displaying various topics such as literary classics, local scenery, science fiction, children's education, patriotism education, etc., including creative radio drama, interesting audio production for tour guides, video editing, animation, 3D scene and sticker design; we upgraded the content of articles, strengthened the content of cultural tourism, explored and enhanced the cultural connotation of tourist attractions to display the cultural essence from multiple angles and strengthened the construction of the content of tourist attractions; we expanded the sharing of practical and personalized content from single tourist attraction explanation mode to sharing and recommendation of multiple contents to realize the transformation of creative characters and perspectives; we upgraded the audio-visual module and integrated video animation with the cultural knowledge of tourist attractions to enrich the display form of tourist attractions; we enriched the drawing style and created 3D hand-painted maps to intuitively display the panorama of tourist attractions and provide more interesting content for users to enhance the tourism experience.

With the introduction of nationally known IP virtual characters to tourist attractions, users can realize real-time interaction with the virtual IP characters on smartphones by virtue of the AR technology, which will greatly increase user conversion rates and frequency of utilization of our tour guides. Therefore, we can establish emotional links with users, and comprehensively upgrade and iterate on the electronic tour map products for tourist attractions. By upgrading and iterating on the tour guide contents with innovative and interactive voice-over commentaries, the online electronic tour map business is expected to usher in a multi-fold growth in market capacity.

Continuous Development of SaaS Business for the Smart and Digital Marketing of Tourist Attractions

We established in-depth cooperation with the culture and tourism bureaus, travel agencies and tourist attractions 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 LBS with precise positioning and local characteristics, comprehensively presents information on tourist attractions, food recommendations, tourist centers, parking lots and accommodations to provide consumers with all-rounded travel assurance and makes it easy for consumers to realize smart and convenient travel. We are also working with an internet platform to create the "Future Tourist Attractions" project, aiming to satisfy the personalized service needs of consumers through digital transformation and upgrading. Consumers only need a mobile phone to enjoy the whole smart travel service of "before, during and after the tour". We have developed 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 centers, command centers, internet portals, etc. For example, in the tourist attractions operation service, the system can perform passenger flow monitoring, heat map analysis, intelligent terminal management and AI learning, which could analyze tourists' consumption habits and provide data reference for the management of tourist attractions, resulting in the digital upgrading of tourist attractions. During the Reporting Period, we successfully delivered several key projects of smart tourist attractions digital management service system.

In addition, in order to improve the digital marketing and detailed operation service of tourist attractions, we also developed the SaaS system "Lvji Travel Tool" to help tourist attractions enhance their digital operation ability, diversify the options for consumers' returning purchases, construct private internet traffic pool system in tourist attractions, provide solutions for smart tourist attractions and facilitate the digital upgrading of tourist attractions, creating an extensive application prospect for China's action plan on "Internet + Tourism".

Applying AI and MR Innovative Technologies to Create Long-term Value

As a technology-driven company, we always insist on the application of innovative technology to cooperative tourist attractions, using innovative technologies such as AI large model technology and MR technology combined with online tour guides to provide consumers experience of not only the sensory effect of visual impact but also seamless switching of tour guide contents perfectly. “Lvji MR” has functions such as panoramic MR, MR panoramic live broadcast, MR comic live broadcast and MR video documentary filming. We have core technology for autonomous data collection, panoramic pictures, panoramic video synthesis, MR playback and live broadcast and post-processing synthesis technology capabilities to provide static, dynamic, online comprehensive MR solution capabilities to enable us to provide higher quality services for the tourism market at the stage of strong recovery and growth in China’s tourism industry. During the Reporting Period, relying on the Company’s rich resources of global tourist attractions, we jointly created the “offline large-space immersive cultural tourism MR product under the Void Realm (虛空之境) series” with leading enterprises in China’s MR technology industry, enabling users to walk freely in the space of Lvji Void Realm to visit historic sites around the world in the same way as in real life. The product also supports multi-player teams to move forward in the same scene where they can communicate and interact with each other. The immersive exploration experience supports a large number of users to experience simultaneously and can quickly complete the rotation of entire audience in the shortest rest time. Based on the revolutionary breakthroughs in AI technology and our long-term R&D and application in the fields of big data, AI and XR technologies, the commercial operation of “Lvji MR” will become the second growth curve of the Company. We believe that such business strategies will generate long-term value for the Shareholders.

Business Outlook and Strategies

Over the past six and a half years, there have been significant changes in the industrial structure of the domestic and outbound tourism markets in China, and the tourism industry is being developed towards smart and digital tourism. “Virtual reality”, “smart tour guide” and “data monitoring” have become the basic requirements for tourist attractions to promote the construction of smart tourism. In 2025, the Chinese government launched several measures to stimulate domestic consumption, resulting in the accelerated recovery of the tourism market. At the same time, the increasing demand of consumers for contactless tourism, reserved tours and peripheral tours in central cities have been promoting the continuous improvement of digital facilities in tourist attractions and thus continuously improving the tourism experience of consumers. We believe that we are well-positioned to capture the recovery of the tourism industry and the opportunity of popularization of smart tourism to resume growth within a short period with our core competitive advantages on continuous technological innovations and strategic cooperation with OTAs. 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 market-leading position in the online tour guide market, reduce costs and increase efficiency. We are confident to capture the opportunity of recovery, continue to lead the development of the online tour guide industry, and strive to build a service platform for the whole industry chain of culture and tourism.

In the long run, we believe that tourism will continue to develop rapidly benefiting from the continuous increase in the base number of Chinese middle class and upgrading consumption. With the further increase in the support for “Internet + Tourism” in China and the advocacy of the government to promote high-quality development of tourism with the help of technological innovation, it is expected that the online penetration of online tourism products will increase continuously, and the digital development of China’s tourism will accelerate and generate a considerable growth potential. Local governments are expected to make continuous efforts in smart travel, safe travel, contactless services and other aspects to accelerate the return of the tourism economy to the track of rapid development.

We strived to build an industry chain of culture and tourism service platforms to continue to strengthen our leading market position. Specifically, we continuously optimized tour guide products, enriched the content of tour guides and upgraded 3D hand-painted maps combined with MR and AI technologies to make the interactive experience of consumers more interesting; paid close attention to the latest development of outbound tourism, and adjusted our overseas online tour guide business strategy accordingly; and applied the latest AIGC technology to produce MR digital visual contents of tourist attractions, and constructed a set of modern industrialized production processes and management methods for the digital contents of tourist attractions. The Company's team has independently developed a platform for the modern industrialized creation processes and management of digital images of tourist attractions, namely the visual data production and management platform + CG production tool integration system (BPL), which accumulated a lot of high-quality digital assets, forming a mature team for creativity, production, technical R&D, and management. Building our strengths in digital and creative cultural tourism, and against the backdrop of the rapid growth of demand for technology-enabled cultural tourism projects across China, the Company is deeply engaged in expressing Chinese stories in international languages, deeply exploring new ways of integrating online games and offline experience in cultural tourism.

We have optimized the “Lvji Mobile Tour” and built three systems of comprehensive management, comprehensive operation and comprehensive service according to the demand of digital upgrading of the tourist attractions to empower the marketing of tourist attractions and enhance the operations' innovation ability and second sale revenue ability, and thus promote the long-term development of the tourist attractions. We will focus on the establishment of all-rounded tourism demonstration districts and counties and optimize the demonstrative all-rounded labelling system and tourist transport center system with the goal of building a national all-rounded tourism demonstration area to construct a trinity of “provinces and cities, regions and tourist attractions” all-rounded tourism big data comprehensive service platform. We will also continue to upgrade our SaaS business and build a multi-terminal and multi-channel one-stop smart tourism ecological platform, connecting consumers' “dining, accommodation, transportation, entertainment, and shopping” and other supporting consumer service facilities. Our goal is to facilitate the tourist attractions to realize their smart management, smart marketing and smart services.

MANAGEMENT DISCUSSION AND ANALYSIS

Reporting Period compared to Corresponding Period

	For the six months ended June 30,	
	2025 (RMB'000) (Unaudited)	2024 (RMB'000) (Unaudited)
REVENUE	304,876	268,501
Cost of sales	<u>(218,961)</u>	<u>(168,835)</u>
GROSS PROFIT	85,915	99,666
Other income and gains, net	2,465	668
Selling and distribution expenses	(3,194)	(7,875)
Administrative expenses	(10,043)	(9,092)
Provision for ECL allowance of trade receivables	(1,861)	(210)
Other expenses	(546)	(320)
Finance costs	<u>(3,143)</u>	<u>(221)</u>
PROFIT BEFORE TAX	69,593	82,616
Income tax expenses	<u>(13,520)</u>	<u>(30,270)</u>
PROFIT FOR THE PERIOD	<u>56,073</u>	<u>52,346</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	<u>56,073</u>	<u>52,346</u>

Revenue

We generate our revenue from (i) sale of online tour guides through OTAs, travel agencies and Lvji APP; and (ii) sale of customised content to administrators of tourist attractions and cultural sites. The following table sets forth a breakdown of our revenue for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Sale of online tour guides through OTAs	293,304	235,038
Sale of online tour guides to travel agencies	11,371	33,019
Sale of online tour guides through Lvji APP	74	123
Sale of customised content	127	321
Total revenue	<u>304,876</u>	<u>268,501</u>

Revenue increased by approximately 13.6% from approximately RMB268.5 million for the Corresponding Period to approximately RMB 304.9 million for the Reporting Period.

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 and through our Lvji APP.

Sale of online tour guides through OTAs

We generated a substantial portion of our revenue from sale of online tour guides through OTAs for the Reporting Period. 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 can access to our cloud system 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.

The sale of our online tour guides through OTAs accounted for approximately 96.2% of our total revenue for the Reporting Period. 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. We continued to maintain sound cooperation relationships with leading OTAs. Revenue from the sale of online tour guides through OTAs increased by approximately 24.8% from approximately RMB235.0 million for the Corresponding Period to approximately RMB293.3 million for the Reporting Period. The increase was primarily due to an increase in the number of tour guides purchased by customers through OTAs with the recovery of tourism industry.

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. During the Reporting Period, revenue from the sale of online tour guides to travel agencies decreased by approximately 65.5% from approximately RMB 33.0 million for the Corresponding Period to approximately RMB11.4 million for the Reporting Period. The decrease was primarily due to the reduction in the number of purchases of our tour guides through travel agencies.

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 that the user may be interested in 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. Revenue from the sale of online tour guides through our Lvji APP decreased by approximately 39.8% from approximately RMB123,000 for the Corresponding Period to approximately RMB74,000 for the Reporting Period. The decrease was mainly due to the decrease in sale of online tour guides through our Lvji APP.

Sale of Customised Content

We also sell customised 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 customise online tour guides for tourist attractions administrators and such guides may include AI commentaries, automatic positioning, big-data analysis, and additional functions, among others. The customised 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.

Revenue from sale of customised content decreased by approximately 66.7% from approximately RMB 0.3 million for the Corresponding Period to approximately RMB0.1 million for the Reporting Period. The decrease was mainly attributable to a new round of business realignment, which involved the strategies of reducing the scale of the project-based business of providing customised solutions to government and enterprise customers and prioritising public cloud.

Cost of Sales

Our cost of sales consists of concession fees retained by OTAs, amortisation of intangible assets, tax and expenses and costs of content customisation.

Cost of sales increased by approximately 29.7% from approximately RMB168.8 million for the Corresponding Period to approximately RMB219.0 million for the Reporting Period. The increase was mainly due to (i) the increase in the OTAs concession fees, which was attributable to the increase in our online tour guides sold through OTAs; and (ii) the increase in amortisation of intangible assets.

Gross Profit

As a result of the foregoing, our gross profit decreased by approximately 13.8% from approximately RMB 99.7 million for the Corresponding Period to approximately RMB85.9 million for the Reporting Period. Our gross profit margin decreased from approximately 37.1% for the Corresponding Period to approximately 28.2% for the Reporting Period. The decrease was mainly due to the decline in the sales volume of online electronic guides sold through travel agencies and the increase in amortisation cost of intangible assets.

Other Income and Gains, Net

Net other income and gains increased by approximately 257.1% from approximately RMB0.7 million for the Corresponding Period to approximately RMB2.5 million for the Reporting Period. The increase was mainly due to the increase in fair value gain on embedded derivative component of convertible bonds.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 59.5% from approximately RMB7.9 million for the Corresponding Period to approximately RMB3.2 million for the Reporting Period. The decrease was mainly due to reduction in offline travel promotion and the reduced salary and benefits expense of relevant staff of the Company.

Administrative Expenses

Administrative expenses increased by approximately 9.9% from approximately RMB9.1 million for the Corresponding Period to approximately RMB10.0 million for the Reporting Period. The increase was mainly due to the expansion of consultancy staff team.

Income Tax Expenses

We recorded the income tax expenses of approximately RMB13.5 million for the Reporting Period as compared to the income tax expenses of approximately RMB30.3 million for the Corresponding Period. The decrease was due to the decrease in taxable income.

Results for the Period

We recorded a profit of approximately RMB56.1 million for the Reporting Period compared with a profit of approximately RMB52.3 million for the Corresponding Period. Net profit margin for the Reporting Period was approximately 18.4% as compared to net profit margin of approximately 19.5% for the Corresponding Period. The decrease in our net profit margin was mainly due to the increase in amortisation of intangible assets.

OTHER FINANCIAL INFORMATION

Trade Receivables

Trade receivables increased by approximately RMB52.0 million from approximately RMB42.3 million at the beginning of the Reporting Period to approximately RMB94.3 million at the end of the Reporting Period. The increase was mainly due to the increase in revenue of the Company and a slower pace of receivable collections.

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables increased by approximately RMB2.2 million from approximately RMB57.3 million at the beginning of the Reporting Period to approximately RMB59.5 million at the end of the Reporting Period. The increase was mainly due to the increase in prepayments to suppliers.

Liquidity and Capital Resources

The funding of our liquidity is 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 the Reporting Period. 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 June 30, 2025, we had cash and cash equivalents of approximately RMB169.7 million, mainly denominated in RMB (as of December 31, 2024: approximately RMB219.5 million), net current liabilities of approximately RMB64.3 million (as of December 31, 2024: approximately RMB2.1 million) and total equity of approximately RMB1,065.2 million (as of December 31, 2024: approximately RMB1,009.2 million). Our current ratio was approximately 0.8 times as of June 30, 2025 (as of December 31, 2024: approximately 1.0 times). The increase in our net current liabilities and decrease in current ratio were mainly due to the increase of trade payables. The decrease in our cash and cash equivalents was mainly due to the increased acquisition of intangible assets. As of June 30, 2025, we had bank borrowings of RMB88.3 million (as of December 31, 2024: approximately RMB 92.2 million), all of which were with a fixed interest rate ranging from 3.45%-4.00%, and thus gearing ratio determined by bank borrowings divided by total equity was approximately 8.3% (as of December 31, 2024: approximately 9.1%). Our cash and cash equivalents are denominated in RMB, HKD and USD.

Capital Expenditure

Capital expenditure consists of acquisition of property, plant and equipment and acquisition of intangible assets.

Property, plant and equipment were mainly our furniture and fixtures, and leasehold improvements. The increase of approximately RMB101,000, or 594.1% from December 31, 2024 to June 30, 2025 was mainly due to the additions of property, plant and equipment of approximately RMB121,000.

Intangible assets comprise copyrights and computer software and are amortised over their expected useful life. The increase of approximately RMB111.0 million from December 31, 2024 to June 30, 2025 was mainly due to the increase in number of online tour guides developed by the Company, partially offset by the amortisation of intangible assets of approximately RMB71.2 million.

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

During the Reporting Period, we did not have any significant investment, material acquisition nor disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

There were no plans for material investments and capital assets during the Reporting Period and up to the date of this announcement.

Employee and Remuneration Policies

As of June 30, 2025, we had a total of 52 full-time employees (as of December 31, 2024: 52). The remuneration of the employees is determined based on their performance, experience, competence and market comparable. The remuneration and compensation package of the Directors and senior management is determined, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities and performance of the Directors and senior management. The Directors and senior management receive remuneration, including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonus. 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 June 30, 2025, 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 recognise contributions by employees and provide them with incentives and 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 of June 30, 2025, 72,450,675 shares had been awarded to six Selected Employees pursuant to the Share Award Scheme. For further details of the grant of awarded shares, please refer to the Company’s announcement dated December 19, 2022. The Board has resolved on June 26, 2024 that only the existing Shares of the Company will be involved for the Company to grant Awarded Shares under the Share Award Scheme commencing on that date while the issuing of any new Shares will not be involved.

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 for the Reporting Period.

Contingent Liabilities

Except for the borrowings as described in note 18 to the interim condensed consolidated financial statements on page 32 of this announcement, the Group did not have any material contingent liabilities as of June 30, 2025 (as of December 31, 2024: Nil).

Charge on Assets

As of June 30, 2025, the Group had pledged bank deposits of RMB0.2 million (as of December 31, 2024: RMB0.2 million), which were mainly pledged to the government authorities for conducting tourist related business in the PRC.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2025

		For the six months ended June 30,	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	304,876	268,501
Cost of sales		<u>(218,961)</u>	<u>(168,835)</u>
Gross profit		85,915	99,666
Other income and gains, net	5	2,465	668
Selling and distribution expenses		(3,194)	(7,875)
Administrative expenses		(10,043)	(9,092)
Provision for expected credit loss (“ECL”)			
allowance of trade receivables		(1,861)	(210)
Other expenses		(546)	(320)
Finance costs	6	<u>(3,143)</u>	<u>(221)</u>
Profit before tax	7	69,593	82,616
Income tax expenses	8	<u>(13,520)</u>	<u>(30,270)</u>
Profit for the period		<u>56,073</u>	<u>52,346</u>
Profit for the period attributable to:			
Owners of the Company		<u>56,073</u>	<u>52,346</u>
Earnings per share attributable to owners of the Company			
Basic and diluted (RMB)	10	<u>3.40 cents</u>	<u>3.20 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	<u>56,073</u>	<u>52,346</u>
Other comprehensive expense		
<i>Item that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements	<u>(141)</u>	<u>(133)</u>
Other comprehensive expense for the period	<u>(141)</u>	<u>(133)</u>
Total comprehensive income for the period	<u>55,932</u>	<u>52,213</u>
Total comprehensive income attributable to:		
Owners of the Company	<u>55,932</u>	<u>52,213</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Notes	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	118	17
Intangible assets	12	1,084,314	973,345
Right-of-use assets		912	3,797
Prepayments, deposits and other receivables	14	44,796	44,150
		<u>1,130,140</u>	<u>1,021,309</u>
Current assets			
Trade receivables	13	94,321	42,341
Prepayments, deposits and other receivables	14	14,661	13,153
Amounts due from related parties		7,056	3,333
Pledged bank deposits		200	200
Cash and cash equivalents		169,678	219,537
		<u>285,916</u>	<u>278,564</u>
Current liabilities			
Trade payables	15	50,864	14,339
Other payables and accruals	16	61,147	47,760
Borrowings	18	88,284	92,172
Contract liabilities	17	1,737	796
Amounts due to related parties		3,106	306
Lease liabilities		290	1,784
Convertible bonds	19(a)	7,345	–
Derivative financial instruments	19(b)	424	–
Tax payable		137,051	123,531
		<u>350,248</u>	<u>280,688</u>
Net current liabilities		<u>(64,332)</u>	<u>(2,124)</u>
Total assets less current liabilities		<u>1,065,808</u>	<u>1,019,185</u>
Non-current liabilities			
Lease liabilities		634	2,013
Convertible bonds	19(a)	–	5,264
Derivative financial instruments	19(b)	–	2,666
		<u>634</u>	<u>9,943</u>
Net assets		<u>1,065,174</u>	<u>1,009,242</u>
Equity			
Share capital	20	113,675	113,675
Reserves		951,499	895,567
Total equity		<u>1,065,174</u>	<u>1,009,242</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended June 30, 2025

1. CORPORATE INFORMATION

Lvji Technology Holdings Inc. (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 7 November 2018. The address of registered office 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 on January 17, 2020.

The Company is an investment holding company and its subsidiaries are principally engaged in the business of providing online tour guides in the PRC.

In the opinion of the Directors of the Company, the ultimate controlling shareholder and the Chairman of the Group is Mr. Zang Weizhong (“**Mr. Zang**”).

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the Reporting Period have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting”. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024.

In preparing the interim condensed consolidated financial statements of the Group, the directors of the Company have given consideration to the future liquidity of the Group, as at June 30, 2025 the Group had net current liabilities of approximately RMB64,332,000.

The interim condensed consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. The Directors of the Company prepared a cash flow forecast, covering a period of twelve months from the end of the reporting period. Taking into account the positive cash flows from operation and the ability of management in adjusting the pace of its operation expansion, the Directors consider that the Group will have sufficient working capital to finance its operations. Therefore, there are no material uncertainties that may cast significant doubt over the going concern assumption and the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.2 ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

The interim condensed consolidated financial statements for the Reporting Period have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended December 31, 2024, except for the adoption of the Amendments to HKAS 21 "Lack of Exchangeability" which are effective as of January 1, 2025. The amendments did not have a material impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group is principally an online tour guides 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 Reporting Period and Corresponding Period, since the majority of the Group's revenue and operating profit were generated from the sale of online tour guides and customised 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 Reporting Period and Corresponding Period.

4. REVENUE

Performance obligations

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

Revenue from the sale of online tour guides 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 or quarterly basis and the credit term is usually 45 days.

Revenue from the sale of online tour guides to travel agencies

The performance obligation is satisfied when the online tour guides are transferred to travel agencies. The travel agencies make the payment in advance.

Revenue from the sale of customised 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.

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of online tour guides through OTAs	293,304	235,038
Sale of online tour guides to travel agencies	11,371	33,019
Sale of online tour guides through Lvji APP	74	123
Sale of customised content	127	321
	<u>304,876</u>	<u>268,501</u>

Disaggregation of revenue from contracts with customers with the scope of HKFRS 15

The Group derives revenue from sales of online tour guides and customised content at a point in time in the following major products:

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Sale of online tour guides	304,749	268,180
Sale of customised content	127	321
	<u>304,876</u>	<u>268,501</u>
Timing of revenue recognition		
Goods or services transferred at a point in time	<u>304,876</u>	<u>268,501</u>

5. OTHER INCOME AND GAINS, NET

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest income	246	229
Consultancy fee	–	643
Government grants	–	44
Fair value gain on embedded derivative component of convertible bonds (Note 19(b))	2,242	–
Foreign exchange loss, net	(80)	(311)
Others	57	63
	<u>2,465</u>	<u>668</u>

6. FINANCE COSTS

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance charges on lease liabilities	36	114
Finance charges on convertible bonds (<i>Note 19(a)</i>)	1,384	–
Finance charges on bank borrowings	1,723	107
	<u>3,143</u>	<u>221</u>

7. PROFIT BEFORE TAX

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Concession fee	146,652	117,519
Depreciation of property, plant and equipment	20	83
Amortisation of intangible assets	71,185	50,734
Depreciation of right-of-use assets	399	1,171
Research and development costs	509	2,119
Foreign exchange loss, net	115	311
Amortisation of Day-One Losses (<i>Note 19(a)</i>)	1,120	–
Provision for ECL allowance of trade receivables	1,861	210
Government grants	–	(44)
Interest income	(246)	(229)
Wages, salaries and bonuses (including Directors' remuneration wages and salaries)	3,450	4,029
Pension costs – defined contribution plans	331	510
	<u>3,781</u>	<u>4,539</u>

8. INCOME TAX EXPENSES

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax		
Current income tax	13,880	31,871
Overprovision in prior years	<u>(360)</u>	<u>(1,601)</u>
Total income tax expenses	<u>13,520</u>	<u>30,270</u>

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 Reporting Period and Corresponding Period.

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

Lvji Technology Group was qualified as a “High-and-New Technology Enterprise” (“**HNTE**”) under the PRC Corporate Income Tax Law in December 2016. Lvji Technology Group was entitled to a preferential income tax rate of 15% for three years starting from December 2016, if the criteria for HNTE were met each year. After reapplication of HNTE in December 2019, Lvji Technology Group is entitled to a preferential income tax rate of 15% from December 2019 to December 2023, if the criteria for HNTE are met each year. After reapplication of HNTE in December 2024, Lvji Technology Group is entitled to a preferential income tax rate of 15% from December 2024 to December 2026, if the criteria for HNTE are met each year.

9. DIVIDENDS

No dividend has been declared and paid by the Company and its subsidiaries during the Reporting Period and Corresponding Period.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings per share is based on the profit for the period attributable to owners of the Company, and on the weighted average number of ordinary shares in issue during the Reporting Period and Corresponding Period.

The calculation of basic earnings per share is based on:

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to the owners of the Company, used in the basic earnings per share calculation (<i>RMB'000</i>)	<u>56,073</u>	<u>52,346</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculations	<u>1,647,201,000</u>	<u>1,635,953,000</u>

The diluted earnings per share for the Reporting Period and Corresponding Period were the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence for both periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group acquired assets with a cost of RMB121,000 (Corresponding Period: nil) and no asset was disposed of (Corresponding Period: nil).

12. INTANGIBLE ASSETS

During the Reporting Period, the Group acquired intangible assets with a cost of RMB182,154,000 (Corresponding Period: RMB164,206,000).

13. TRADE RECEIVABLES

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 minimise 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 aging analysis of the trade receivables as at June 30, 2025 and December 31, 2024, based on the invoice date and net of ECL allowance, was as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
0 to 3 months	94,205	31,582
3 to 6 months	116	9,719
6 months to 1 year	—	1,040
	<u>94,321</u>	<u>42,341</u>

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Prepayments to suppliers	5,449	5,994
Contract cost	3	95
Deposit	390	703
Prepaid taxes and other tax recoverable	11,818	10,858
Prepayment (<i>note i</i>)	44,796	44,150
Other receivables	<u>1,253</u>	<u>793</u>
	63,709	62,593
Less: ECL allowance	<u>(4,252)</u>	<u>(5,290)</u>
	<u>59,457</u>	<u>57,303</u>
Analysed into:		
Non-current	44,796	44,150
Current	<u>14,661</u>	<u>13,153</u>
	<u>59,457</u>	<u>57,303</u>

Notes:

- (i) The balance represents a prepayment of investment paid to Anhui Zhong'an Financial Assets Management Co., Ltd. for the acquisition of the non-performing debts of three enterprises in Ningxia Shuidonggou and others through the public listing and bidding services of the Anhui Assets and Equity Exchange. For further details, please refer to the announcements dated December 20, 2024 of the Company.

15. TRADE PAYABLES

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

An aging analysis of the trade payables as at June 30, 2025 and December 31, 2024, based on the invoice date, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
0 to 3 months	20,333	13,938
3 to 12 months	30,196	6
1 to 2 years	62	35
Over 2 years	273	360
	<u>50,864</u>	<u>14,339</u>

16. OTHER PAYABLES AND ACCRUALS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Other payables	8,946	5,194
Payroll and welfare payables	1,407	1,500
Other tax payable	50,794	41,066
	<u>61,147</u>	<u>47,760</u>

The amounts due are unsecured, interest free and repayable on demand. The carrying amounts of the amounts due are considered reasonable approximation of their fair values.

17. CONTRACT LIABILITIES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Contract liabilities arising from receiving deposits from contracts of customised content	<u>1,737</u>	<u>796</u>

Contract liabilities include unsatisfied performance obligations resulting from contracts of customised content for which the Group has received consideration as at June 30, 2025 and December 31, 2024. The Group typically receives a 50% deposit on execution of contracts. Contract liabilities are recognised as revenue upon the Group satisfying its performance obligations under the relevant contracts.

All deposits received are expected to be settled within one year.

Contract liabilities outstanding at the beginning of the period amounted to RMB796,000 (2024: RMB1,368,000) have been recognised as revenue during the Reporting Period and Corresponding Period.

18. BORROWINGS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Carrying amount repayable (Note)		
Within one year	52,076	53,076
In the second year	5,776	5,776
In the third to fifth year	<u>30,432</u>	<u>33,320</u>
Total carrying amount	88,284	92,172
Less:		
Amount due within one year	(52,076)	(53,076)
Amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayable on demand clause (shown under current liabilities)	<u>(36,208)</u>	<u>(39,096)</u>
Carrying amount shown under non-current liabilities	<u>–</u>	<u>–</u>

Note:

The amounts are based on the scheduled repayment dates set out in the loan agreement.

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Bank loans		
Unsecured	44,300	92,172
Secured	<u>43,984</u>	<u>–</u>
	<u>88,284</u>	<u>92,172</u>

Bank loans are guaranteed by Mr. Zang, a related company and the subsidiaries of the Company.

19. CONVERTIBLE BONDS

The convertible bonds were issued in September and November 2024. The bonds are unsecured and convertible into ordinary shares of the Group at the discretion of the bondholders at their maturity dates. The bonds can be converted into shares at conversion values determined by the average closing prices from 8 to 10 April, 2026.

The convertible bonds comprised convertible bonds (debt component) and derivative financial instruments (derivative component including conversion options).

At initial recognition, the fair value of the debt component was calculated using an interest rate of 4% per annum for instruments without a conversion option of comparable credit status which is referenced to a professional valuation assessed by an independent valuer, International Valuation Limited. The day-one loss, which represented the difference between the nominal value and the fair value of the convertible bonds at the issue date, is not recognised in the interim condensed consolidated statement of profit or loss immediately but is deferred.

The fair value of the convertible bonds is determined using valuation model for which involved unobservable inputs. The derivative component was initially measured at fair value and subsequently measured at fair value with changes in fair value recognised in profit or loss.

The convertible bonds comprise two components:

(a) Debt component

Debt component was initially measured at fair value less transaction cost, amounting to HK\$8,683,000 (equivalent to RMB8,060,000). It is subsequently measured at amortised cost using the effective interest method after considering the effect of the transaction costs.

The carrying amount of the debt component recognised in the interim condensed consolidated statement of financial position is calculated as follows:

	Debt components RMB'000	Deferred day-one loss RMB'000	Total RMB'000
Fair value of debt component at the inception date, net of transaction cost	8,060	–	8,060
Day-one loss of newly issued convertible bonds at inception not recognised in profit or loss	–	(3,421)	(3,421)
Interest charged for the period	406	–	406
Interest payables on convertible bonds included in other payables	(112)	–	(112)
Amortisation of deferred day-one loss	–	331	331
Carrying amount as at December 31, 2024 and January 1, 2025	8,354	(3,090)	5,264
Interest charged for the period (<i>Note 6</i>)	1,384	–	1,384
Interest payables on convertible bonds included in other payables	(330)	–	(330)
Amortisation of deferred day-one loss (<i>Note 7</i>)	–	1,120	1,120
Foreign exchange (gain)/loss	(147)	54	(93)
Carrying amount as at June 30, 2025	9,261	(1,916)	7,345

The convertible bonds are subsequently measured at amortised cost with effective interest rates ranging from 11.8% to 18.4% per annum.

(b) **Embedded derivative component**

Derivative component represents conversion options, which were initially measured at fair value amounting to HK\$3,137,000 (equivalent to RMB2,912,000) and subsequently measured at fair value with changes in fair value recognised in profit or loss.

The carrying amount of the embedded derivative component recognised in the interim condensed consolidated statement of financial position is calculated as follows:

	Embedded derivative component RMB'000
Fair value of embedded derivative component at the inception date	2,912
Fair value change on embedded derivative component	<u>(246)</u>
Carrying amount as at December 31, 2024	2,666
Fair value change on embedded derivative component (<i>Note 5</i>)	<u>(2,242)</u>
Carrying amount as at June 30, 2025	<u><u>424</u></u>

20. SHARE CAPITAL

	June 30, 2025		December 31, 2024	
	Number of shares	RMB'000 (Unaudited)	Number of shares	RMB'000 (Audited)
Authorised:				
Ordinary shares of US\$0.01 each	<u>10,000,000,000</u>	<u>1,451,842</u>	<u>10,000,000,000</u>	<u>1,451,842</u>
Issued and fully paid:				
As at January 1	1,647,200,675	113,675	1,612,100,675	111,145
Issue of shares under general mandate (<i>Note</i>)	<u>–</u>	<u>–</u>	<u>35,100,000</u>	<u>2,530</u>
As at June 30	<u>1,647,200,675</u>	<u>113,675</u>	<u>1,647,200,675</u>	<u>113,675</u>

Note:

On February 29, 2024, 11 subscribers subscribed 75,100,000 shares at a subscription price of HK\$0.45 per share. As of June 30, 2025, 35,100,000 shares had been fully paid. The net proceeds amounted to approximately HK\$15,795,000 (equivalent to RMB14,546,000) of which HK\$2,748,000 (equivalent to RMB2,530,000) was credited to the share capital account and approximately HK\$13,047,000 (equivalent to RMB12,016,000) was credited to share premium account.

21. COMMITMENTS

At the end of the Reporting Period, the Group did not have any significant commitments.

22. CONTINGENT LIABILITIES

At the end of the Reporting Period, the Group did not have any significant contingent liabilities.

23. EVENTS AFTER THE REPORTING PERIOD

On August 20, 2025, the Company has completed the issue of 843,600,337 new Shares (the “**Rights Shares**”) by way of rights issue at the subscription price of HK\$0.18 per Rights Shares, on the basis of one Right Share for every two Shares held by the qualifying Shareholders (the “**Rights Issue**”). Gross proceeds from the Rights Issue was approximately HK\$151.8 million and the net proceeds after deducting the underwriting commission and all other relevant expenses from the Rights Issue were approximately HK\$141.6 million. Dealings in the Rights Shares in their fully-paid form on the Stock Exchange commenced on August 21, 2025. For details, please refer to the Company’s announcements dated June 2, 2025, June 24, 2025 and August 19, 2025 and the prospectus dated July 29, 2025.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on August 27, 2025.

USE OF PROCEEDS FROM THE GLOBAL OFFERING AND PLACING

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 respect of the Global Offering) (the “**Global Offering Proceeds**”). In addition, the Company completed one allotment and issuance of Shares under the general mandate on February 29, 2024 (the “**Placing**”), and the total net proceeds raised from such Placing (after deducting all relevant expenses) amounted to approximately HK\$27.04 million (the “**Placing Proceeds**”). As at the date of this announcement, the Group (i) had used the Global Offering Proceeds of approximately HK\$579.2 million (equivalent to approximately RMB528.2 million), in accordance with the use as stated in the paragraph headed “Future Plans and Use of Proceeds” in the Prospectus or the use after the change on December 16, 2022; and (ii) had used the Placing Proceeds of approximately HK\$27.04 million (equivalent to approximately RMB24.7 million), in accordance with the use as stated in the Company’s announcement dated February 6, 2024. Further details in relation to the use of the Global Offering Proceeds and Placing Proceeds will be set out in the interim report of the Company for the six months ended 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted and applied the principles and code provisions as set out in the Corporate Governance Code. During the Reporting Period, the Company had complied with all applicable code provisions of the Corporate Governance Code.

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 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 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 has purchased, sold (including sale of treasury shares, if any) or redeemed any of the Company's listed securities during the Reporting Period.

As at June 30, 2025, the Company did not hold any treasury shares.

Audit Committee

The Audit Committee consists of three INEDs, namely Ms. Gu Jianlu, Ms. Gao Yuanyuan and Ms. Gu Ruizhen, with terms of reference in compliance with the Listing Rules. The chairlady of the Audit Committee is Ms. Gu Jianlu.

The unaudited interim condensed consolidated financial results of the Group for the Reporting Period have not been audited by the independent auditor of the Company. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited interim condensed consolidated financial results of the Group for the Reporting Period. The Audit Committee considers that the interim condensed consolidated financial results of the Group for the Reporting Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Events after June 30, 2025

On August 20, 2025, the Company has completed the issue of 843,600,337 new Shares by way of Rights Issue at the subscription price of HK\$0.18 per Rights Shares, on the basis of one Right Share for every two Shares held by the qualifying Shareholders. Gross proceeds from the Rights Issue was approximately HK\$151.8 million and the net proceeds after deducting the underwriting commission and all other relevant expenses from the Rights Issue were approximately HK\$141.6 million. Dealings in the Rights Shares in their fully-paid form on the Stock Exchange commenced on August 21, 2025. For details, please refer to the Company's announcements dated June 2, 2025, June 24, 2025 and August 19, 2025 and the prospectus dated July 29, 2025.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to June 30, 2025 and up to the date of this announcement.

Interim Dividend

The Board has resolved not to declare an interim dividend for the Reporting Period to the Shareholders (Corresponding Period: Nil).

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lvji.cn).

The interim report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be disseminated and despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contributions to the Group.

DEFINITION

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

“3D”	three dimensional
“AI”	artificial intelligence
“AIGC”	artificial intelligence generated content
“API”	application programming 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 of the Company
“CG”	computer generated

“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, 2018 in the Cayman Islands
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Corporate Governance Code”	the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Corresponding Period”	the six months ended June 30, 2024
“Director(s)”	the director(s) of the Company
“ECL”	expected credit loss
“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 PRC
“INEDs”	the independent non-executive Directors
“IP”	intellectual property
“LBS”	location-based service
“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 were 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 the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MR”	mixed reality
“Mr. Fan”	Mr. Fan Baoguo, a PRC resident, our Controlling Shareholder
“Mr. Zang”	Mr. Zang Weizhong, a PRC resident and an executive Director, chairman of the Board and our Controlling Shareholder
“OTAs”	online travel agencies
“Prospectus”	the prospectus dated December 31, 2019 issued by the Company
“R&D”	research and development
“Reporting Period”	the six months ended June 30, 2025
“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
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“treasury shares”	has the meaning ascribed thereto in the Listing Rules
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“XR”	extended reality, a combined term for augmented reality, virtual reality and mixed reality

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

Guangzhou, the PRC, August 27, 2025

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