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中基長壽科學

ZHONG JI LONGEVITY SCIENCE

Zhong Ji Longevity Science Group Limited

中基長壽科學集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 767)

**DECISION OF THE STOCK EXCHANGE ON
LISTING RULE 13.24**

This announcement is made by Zhong Ji Longevity Science Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 17 December 2021, the Company received a letter from the Stock Exchange (the “**Letter**”) notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares and that trading in the Company’s shares shall be suspended under Rule 6.01(3) of the Listing Rules (the “**Decision**”). In arriving at the Decision, the Stock Exchange has considered the followings:

1. The Company is/was principally engaged in (a) provision of loan facilitation services (the “**P2P Business**”); (b) money lending (the “**Money Lending Business**”); (c) provision of diagnostic consultation, health and medical testing and checking, and distribution of healthcare supplements (the “**Longevity Science Business**”); and (d) provision of financial and investment consulting services and property investment (the “**Other Businesses**”).

2. Before 2021, the P2P Business and the Money Lending Business were the Company's principal businesses. The Company decided to cease the P2P Business in 2020 and the Money Lending Business started to deteriorate in 2019 and declined to a minimal level in the first half of 2021. The Company sought to rely on the Longevity Science Business to meet Rule 13.24 of the Listing Rules. However, this business has short operating history and currently small scale of operation. It relies heavily on Mr. Yan Li ("**Mr. Yan**"), an executive director (a "**Director**") of the Company and chairman of the board (the "**Board**") of Directors, and its expansion plan lacks of details and is not credible. The Stock Exchange considers that the Company has failed to demonstrate that it has a business of substance that is viable and sustainable.

Money Lending Business

3. The Company has been operating the Money Lending Business since 2010. Its performance started to deteriorate since 2019, with its revenue decreased from HK\$122 million in 2019 to HK\$61.2 million in 2020 and further to HK\$6.2 million for the first half of 2021. It also recognized significant impairment loss on its loan receivables in 2019 and its current loan portfolio is highly concentrated to three borrowers. The Company forecasted that the Money Lending Business would generate revenue of HK\$12.2 million and HK\$16.5 million for the year ending 31 December 2021 and 2022 respectively. The Company does not expect any significant improvement in the scale of operation for its Money Lending Business. In light of the above, the Stock Exchange considers that the Money Lending Business lacks of business substance and has a low level of operation.

Other Businesses

4. The advisory business and property investment business have small scale of operation. The Company did not provide concrete plans for these businesses. Based on the forecast provided, there would not be any substantial improvement in its level of operation.

Securities Investment

5. Under Rule 13.24(2) of the Listing Rules, income/revenue derived from funds and securities investments is excluded when considering the Company's compliance with Rule 13.24(1) of the Listing Rules.

Level of assets

6. As at 30 June 2021, the Company had total assets of HK\$494.5 million, comprising mainly of loan and interest receivables, financial instruments, investment properties and cash and cash equivalents. In view of the Stock Exchange's concern on the substance and/or viability and sustainability of the Company's businesses as mentioned above, the Stock Exchange is concerned that the operation of the Company's assets may not enable it to carry on businesses with a sufficient level of operations to warrant a continued listing.

Longevity Science Business

7. The Longevity Science Business has a short operating history and limited track record. Based on the latest financials provided, this business only generated revenue of approximately HK\$15.4 million for the eleven months ended 30 November 2021. The development of this business relied heavily on Mr. Yan and Zhong Ji 1 International Medical Group (HK) Limited ("ZJ1(HK)"), a company beneficially owned by Mr. Yan. At the initial stage, the Company obtained product formulae developed by ZJ1(HK) for free, acquired of two medical centres from ZJ1(HK) at nominal consideration and developed its customer base through referrals from Mr. Yan. The Company asserted that there would be substantial growth in the Longevity Science Business based on its business plans to expand customer base and product portfolio. However, such plans are not credible and supported. The sales targets of new distribution/cooperation agreements are not supported by committed orders. The plans to expand its product portfolio are preliminary and depend on the research and development results, which are subject to uncertainty. Notwithstanding that the Company forecasted the revenue of the Longevity Science Business would reach HK\$139 million for the year ending 31 December 2022, without a track record of performance, a reliable customer base, credible business plans and forecast, the Stock Exchange remains concerned that this business is not viable and sustainable.

Pursuant to the Letter, before trading in the Company's shares is allowed to resume, the Company must re-comply with Rule 13.24 of the Listing Rules, fulfill any resumption guidance that may be set by the Stock Exchange and be in full compliance with the Listing Rules to the Stock Exchange's satisfaction. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months.

Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Committee (as defined under the Listing Rules) for review. Any request for review must be served on the Secretary of the Listing Committee within seven business days from the date of the Decision (i.e. on or before 29 December 2021). Trading in the Company's shares will be suspended after the expiry of seven business days from the date of the Decision (i.e. 30 December 2021), unless the Company applies for a review of the Decision.

The Company has decided to make a request for the Decision to be referred to the Listing Committee for review on or before 29 December 2021 and the Company is in the process of preparing such letter of request. Accordingly, subject to the making of the request for review of the Decision, trading in the shares of the Company will continue. Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company are reminded that the outcome of the review of the Decision by the Listing Committee is uncertain. Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Zhong Ji Longevity Science Group Limited
Yan Li
Chairman

Hong Kong, 18 December 2021

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Yan Li (*Chairman*)
Mr. Li Jiuhua (*Chief Executive Officer*)
Mr. Li Xiaoshuang
Ms. Cao Xie Qiong

Independent non-executive Directors

Mr. Tam Ho Leung Simon
Ms. Wang Weixia
Mr. Chai Nan

Non-executive Directors

Dr. He Yiwu
Ms. Choi Ngai Wah

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.