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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 LISTING COMMITTEE
TO SUSPEND TRADING IN THE COMPANY'S SHARES**

This announcement is made by Zhong Ji Longevity Science Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

THE STOCK EXCHANGE'S NOTICE TO CANCEL THE LISTING OF THE COMPANY

References are made to the announcements of the Company dated 18 December 2021 and 29 December 2021 (the “**Announcements**”) in respect of, amongst other things, the decision of the Listing Division of the Stock Exchange (the “**Listing Division**”) that the Company had failed to comply with Rule 13.24 of the Listing Rules (the “**LD Decision**”) and the Company's written request for a review by the Listing Committee of the Stock Exchange (the “**Committee**”) of the LD Decision, respectively. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board wishes to inform the shareholders and potential investors of the Company that the review hearing (“**Review Hearing**”) was held before the Committee on 15 March 2022. On 30 March 2022, the Company received a letter from the Stock Exchange notifying the Company that the Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division, the Committee was of

the view that the Company failed to maintain a sufficient level of operations and assets as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares, and decided to uphold the LD Decision to suspend trading in the Company's shares under Rule 6.01(3) of the Listing Rules (the "**LC Decision**").

The Committee arrived at its decision for the following reasons:

1. Before 2021, the Company was principally engaged in the P2P Business and the Money Lending Business. 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. Thereafter, the Company commenced, and sought to rely on, the Longevity Science Business to meet Rule 13.24. However, this business has short operating history and currently operates on a small scale. It relies heavily on Mr. Yan and its business plan lacks details and is not credible. The Committee considered that the Company failed to demonstrate that it has a business of substance that is viable and sustainable.

Longevity Science Business

2. 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\$12.7 million for the year ended 31 December 2021, and HK\$2.8 million for the first two months in 2022. The development of this business relied heavily on Mr. Yan and ZJ1(HK). At the initial stage, the Company obtained product formulae developed by ZJ1(HK) for free, acquired two medical centres from ZJ1(HK) at nominal consideration and developed its customer base through referrals from Mr. Yan.
3. 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 Committee noted that the sales targets of new distribution/cooperation agreements were not supported by committed orders. At the Review Hearing, the Company also acknowledged that certain longevity biological products had not obtained the requisite approvals/licenses from the relevant authorities for sale or distribution within Mainland China. Although the customers in Mainland China may purchase these products through cross-border e-commerce platforms, the Committee noted that (i) the Company only launched such platform on T-Mall in December 2021 and it would fully operate only starting from the second quarter of 2022; and (ii) these products could not be sold if customers could not come to Hong Kong. It was also doubtful if such sales through the cross-border e-commerce platforms would generate substantial revenue and improve this business in light of the fierce competition among similar health-care products widely available in the market. The plans to expand its product portfolio are preliminary and depend on the research and development results, which are subject to uncertainty.

4. Further, the Committee was concerned about the credibility of the Company's forecast for the years ending 31 December 2021 and 31 December 2022, noting that the actual revenue of HK\$12.7 million for FY2021 fell significantly short of its forecasted revenue of HK\$35.4 million for the same period. Notwithstanding that the Company forecasted the revenue of the Longevity Science Business would reach HK\$139 million for the year ending 31 December 2022, with the intense market competition and without a track record of performance, a reliable customer base, committed orders, credible business plans and forecast, the Committee remained concerned that this business is not viable and sustainable.

Money Lending Business

5. The Company has been operating the Money Lending Business since 2010. Its performance has deteriorated since 2019, with its revenue decreasing from HK\$122 million in 2019 to HK\$61.2 million in 2020 and further to HK\$24.3 million in 2021. It also recognised significant impairment loss on its loan receivables in 2019 and its current loan portfolio is highly concentrated in three borrowers. The Committee noted that the Company was trying to expand the Money Lending Business through the proposed acquisition of Fame Star Properties Limited ("**Fame Star**"), the completion of which remained subject to outstanding conditions and which, if such conditions were satisfied, would only be completed in March 2022. Further, it was uncertain whether the proposed acquisition, if completed, would significantly improve the scale of operation and the financial performance of the Money Lending Business. The revenue generated by Fame Star for each of the three years ended 31 March 2019, 2020 and 2021 amounted to approximately HK\$1.4 million, HK\$2.8 million and HK\$4.7 million only. In light of the above, the Committee considered that the Money Lending Business lacks business substance and has a low level of operation.

Other Businesses

6. The advisory business and the property investment business have low levels of operation and/or lack substance. In particular, the Committee noted that, for the advisory business, the co-operations with the Group's co-operative partners only brought passive income for the Group. Further, the Company did not provide concrete plans for expanding these businesses. It was therefore uncertain whether there would be substantial improvement in the level of operation of these businesses. The Committee remained concerned about the sustainability and the viability of the Other Businesses.

Securities Investment

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

Level of assets

8. 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 Committee's concern on the substance and/or viability and sustainability of the Company's businesses as mentioned above, the Committee was 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.

Recent developments

9. The Committee noted the recent resignation of the Company's auditors and the withholding of books and records of the Company's major subsidiaries in Mainland China by the relevant authorities due to an ongoing investigation in which certain of the Company's employees were involved. The Committee was concerned about the potential impact of these incidents, which included, among others, the possible delay in publishing the Company's FY2021 financial results.
10. The Committee noted the Company's submissions that COVID-19 had caused adverse impacts on the implementation of the Company's business plans and its financial performance. However, taking into account the reasoning above, the Company failed to demonstrate that, but for COVID-19, the level of operation of the Company's businesses would have substantially improved.
11. The Committee therefore considered the Company failed to maintain a sufficient level of operations and assets to warrant its continued listing as required under Rule 13.24.

RIGHT OF REVIEW AND POTENTIAL REVIEW REQUEST OF THE LC DECISION

Under Rules 2B.06(2) and 2B.08(1) of the Listing Rules, the Company has the right to have the LC Decision referred to the Listing Review Committee (as defined in the Listing Rules) for review within seven business days from the date of the LC Decision (i.e., on or before 11 April 2022). The trading in the Shares will be suspended from 9:00 a.m. on 12 April 2022 (i.e., after the expiry of seven business days from the date of the LC Decision), unless the Company applies for a review of the LC Decision in accordance with its rights under Chapter 2B of the Listing Rules. Prior to that, trading in the Shares will continue. The Company is in the process of reviewing the LC Decision and is discussing the same internally and with the professional advisers, and will consider whether to lodge a request for the LC Decision to be referred to the Listing Review Committee for review. The Directors would like to remind the Shareholders and potential investors of the Company that (i) the Company may or may not proceed with the review by the Listing Review Committee; and (ii) the outcome of such review, if undertaken, is uncertain. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders who have any queries about the implications of the LC Decision are advised to obtain appropriate professional advice. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30 March 2022

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.