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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Zhong Ji Longevity Science Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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# ZJ

## 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

*(formerly known as ASIA PACIFIC SILK ROAD INVESTMENT COMPANY LIMITED 亞太絲路投資有限公司)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

## **(1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

**AND**

## **(2) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**

## **FRONTPAGE 富比**

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Capitalised terms used in this cover page shall have the same meaning as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 7 to 17 of this circular. A letter from the Independent Board Committee is set out on pages 18 to 19 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 37 of this circular. A notice convening the SGM of the Company to be held at 1/F., China Building, 29 Queen’s Road Central, Hong Kong on Friday, 9 July 2021, at 11:00 a.m. is set out on pages 45 to 47 of this circular.

A form of proxy for use at the SGM is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.irasia.com/listco/hk/zhongjilongevity>). Whether or not you intend to attend and vote at the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

#### **PRECAUTIONARY MEASURES FOR THE SGM**

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the SGM, including:

- compulsory body temperature checks and health declarations
- compulsory wearing of surgical face masks
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company encourages attendees to wear surgical face masks and reminds shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the SGM as an alternative to attending the SGM in person.

22 June 2021

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## PRECAUTIONARY MEASURES FOR THE SGM

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The health of the Shareholders, staff and stakeholders is of paramount importance to the Company. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the SGM to protect attending shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) Each attendee must wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served or arranged to be taken away, and there will be no corporate gift.
- (iv) Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the SGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.

In the interest of all stakeholders' health and safety and in accordance with recent guidelines for prevention and control of the spread of COVID-19, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the SGM instead of attending the SGM in person, by completing and returning the form of proxy attached to this circular.

If any Shareholder chooses not to attend the SGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong or to our email at [ir@zhongji.com.hk](mailto:ir@zhongji.com.hk).

If any shareholder has any question relating to the SGM, please contact Computershare Hong Kong Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong as follows:

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)  
Tel: (852) 2862 8555

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company held on 19 June 2020 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Zhong Ji Longevity Science Group Limited (中基長壽科學集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 767)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Supplemental Placing Agreement”	the supplemental placing agreement dated 24 May 2021 in relation to the extension of completion date of the Placing entered into between the Company and the Placing Agent, which was terminated on 11 June 2021 pursuant to the terms of the Termination Agreement
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company to allot, issue and deal with up to 20 per cent of the total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, namely Mr. Tam Ho Leung Simon, Ms. Wang Weixia and Mr. Chai Nan, which has been established to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Independent Financial Adviser”	Frontpage Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription Agreement
“Independent Shareholders”	Shareholders other than Mr. Yan Li and his associates
“Independent Third Parties”	third party(ies) independent of, not connected nor acting in concert (as defined in the Code on Takeovers and Mergers) with the Company and any of its connected persons or any of their respective associates (as defined under the Listing Rules)
“Latest Practicable Date”	18 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, institutional or other professional investors procured by the Placing Agent to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, by the Placing Agent pursuant to the terms of the Placing Agreement, the First Supplemental Placing Agreement and the Second Supplemental Placing Agreement, which was terminated on 11 June 2021 pursuant to the terms of the Termination Agreement
“Placing Agent”	Cornerstone Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 10 May 2021 in respect of the Placing, which was terminated on 11 June 2021 pursuant to the terms of the Termination Agreement

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## DEFINITIONS

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“Placing Price”	HK\$0.65 per Placing Share
“Placing Share(s)”	250,000,000 new Shares to be placed under the Placing
“PRC” or “China”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Supplemental Placing Agreement”	the supplemental placing agreement dated 31 May 2021 in relation to the change in the number of Placee and lock-up restriction under the Placing Agreement entered into between the Company and the Placing Agent, which was terminated on 11 June 2021 pursuant to the terms of the Termination Agreement
“SGM”	the special general meeting of the Company to be held at 1/F., China Building, 29 Queen’s Road Central, Hong Kong on Friday, 9 July 2021, at 11:00 a.m. to consider, and if thought fit, to approve the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate), the notice of which is set out on pages 45 to 47 of this circular, or any adjournment thereof
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares, which is subject to the approval by the Independent Shareholders voting by way of poll at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Yan Li, the chairman of the Board and an executive Director
“Subscription”	the proposed subscription of Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 10 May 2021 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement

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## DEFINITIONS

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“Subscription Completion Date”	the fourth (4th) Business Day after the day on which the conditions set out in the Subscription Agreement have been fulfilled (or another date as the Company and the Subscriber shall agree in writing) on which completion of the Subscription shall take place
“Subscription Price”	HK\$0.65 per Subscription Share, which is equivalent to the Placing Price
“Subscription Share(s)”	77,000,000 new Shares to be allotted and issued by the Company to the Subscriber under the Subscription
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Termination Agreement”	the termination agreement dated 11 June 2021 in relation to the termination of the Placing Agreement, the First Supplemental Placing Agreement and the Second Supplemental Placing Agreement entered into between the Company and the Placing Agent
“%”	per cent.

*Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.*

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## RESPONSIBILITY STATEMENT

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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.



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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**

*(formerly known as ASIA PACIFIC SILK ROAD INVESTMENT COMPANY LIMITED 亞太絲路投資有限公司)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

*Executive Directors:*

Mr. Yan Li (*Chairman*)

Mr. Wang Hongxin (*Chief Executive Officer*)

Ms. Cao Xie Qiong

*Registered office:*

Victoria Place, 5th Floor

31 Victoria Street

Hamilton, HM 10

Bermuda

*Non-executive Director:*

Ms. Choi Ngai Wah

*Principal place of business in Hong Kong:*

Suite Nos. 01–03, 19/F., Sino Plaza

255–257 Gloucester Road

Causeway Bay

Hong Kong

*Independent non-executive Directors:*

Mr. Tam Ho Leung Simon

Ms. Wang Weixia

Mr. Chai Nan

22 June 2021

*To all Shareholders and, for information only,  
the holders of the convertible notes of the Company*

Dear Sir or Madam

**(1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF  
NEW SHARES UNDER SPECIFIC MANDATE  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

References are made to (i) the announcement of the Company dated 10 May 2021 in relation to the placing of new Shares under the General Mandate and the subscription for new Shares by the Subscriber under the Specific Mandate which constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules; (ii) the supplemental announcement of the Company dated 24 May 2021 in relation to the extension of the

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## LETTER FROM THE BOARD

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completion date of the Placing; (iii) the supplemental announcement of the Company dated 31 May 2021 in relation to the change in the number of Placee and lock-up restriction under the Placing Agreement; and (iv) the announcement of the Company dated 11 June 2021 in relation to the termination of the Placing.

On 10 May 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally agreed to place, through the Placing Agent on best efforts basis, up to 250,000,000 Placing Shares at the Placing Price of HK\$0.65 per Placing Share to not less than six independent Placees who and whose ultimate beneficial owners shall be Independent Third Parties. On 24 May 2021 (after trading hours), the Company and the Placing Agent entered into the First Supplemental Placing Agreement to extend the completion date of the Placing. On 31 May 2021 (after trading hours), the Company and the Placing Agent entered into the Second Supplemental Placing Agreement to change the number of Placee and the lock-up restriction under the Placing Agreement. As the procured Placee was unable to complete the settlement procedures under the Placing, on 11 June 2021 (after trading hours), the Company and the Placing Agent entered into the Termination Agreement to terminate the Placing Agreement, the First Supplemental Placing Agreement and the Second Supplemental Placing Agreement with immediate effect.

On 10 May 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue a total of 77,000,000 Subscription Shares at the Subscription Price of HK\$0.65 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

The purpose of this circular is to provide Shareholders with (i) further details of the Subscription and the Specific Mandate; (ii) a letter from the Independent Board Committee in relation to the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (iv) a notice convening the SGM, at which the resolutions will be proposed to be considered and, if thought fit, approved.

### THE SUBSCRIPTION

#### The Subscription Agreement

Below is a summary of the terms of the Subscription Agreement.

Date: 10 May 2021 (after trading hours)

Parties: (1) The Company, as issuer  
(2) Mr. Yan Li, a Director, as the Subscriber

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## LETTER FROM THE BOARD

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The Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 77,000,000 Subscription Shares at the Subscription Price of HK\$0.65 per Subscription Share under the Subscription Agreement.

### Number of Subscription Shares

The 77,000,000 Subscription Shares represent (i) approximately 1.99% of the issued share capital of the Company as at the date of the Subscription Agreement and as at the Latest Practicable Date; and (ii) approximately 1.95% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of the Subscription Shares in aggregate (assuming there will be no other changes in the issued share capital of the Company).

### Subscription Price

The Subscription Price is HK\$0.65 per Subscription Share. The Subscription Price represents:

- (a) a discount of approximately 12.16% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (b) a discount of approximately 16.45% to the average closing price of HK\$0.778 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement;
- (c) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.30%, represented by the discount of the theoretical diluted price of approximately HK\$0.7757 per Share to the benchmarked price of HK\$0.778 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Subscription Agreement of HK\$0.74 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement of approximately HK\$0.778 per Share); and
- (d) a discount of approximately 7.14% to the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on 18 June 2021, being the Latest Practicable Date.

The Subscription Price of HK\$0.65 is exclusive of transaction fees and levies.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber, with reference to the prevailing market price of the Shares, including the market conditions and the recent daily closing prices per Share (the "**Closing Price**"). The Directors have reviewed the Closing Price as quoted on the Stock Exchange from 11 November 2020 up to and including 10 May 2021 (the "**Review Period**"), approximately six months prior to the date of the Subscription Agreement. During the Review Period, the Closing Price ranged from the lowest of HK\$0.227 per Share on 11 November 2020 to the highest of HK\$0.95 per Share on 29 January 2021, with an average of HK\$0.64 per Share (the "**Average Closing Price**").

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## LETTER FROM THE BOARD

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Having taken into account that the Subscription Price is within the range of the Closing Price during the Review Period and represents a slight premium of approximately 1.5% over the Average Closing Price, the Directors (including the independent non-executive Directors whose opinions have been set out in the letter from the Independent Board Committee included in this circular) consider that the terms of the Subscription Agreement (including the Subscription Price), are fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole.

### **Rights of the Subscription Shares**

The Subscription Shares will, upon allotment and issue, be free of all liens, charge and encumbrances, and together with all rights attaching thereto as at the Subscription Completion Date, including the right to receive all dividends or other distributions declared, made or paid on or after the Subscription Completion Date. The Subscription Shares will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

### **Conditions precedent of the Subscription**

The Subscription Completion is conditional upon the following conditions having been satisfied or waived by the Subscriber on or before 31 July 2021:

- (i) all representations, warranties or undertakings under the Subscription Agreement remain to be true, accurate, complete and not misleading from the date of the Subscription Agreement till the Subscription Completion Date;
- (ii) listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange;
- (iii) the passing of resolution(s) by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM (including the granting of the Specific Mandate);
- (iv) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Subscription void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Subscription (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Subscription); and
- (v) no material adverse change on the Group occurs or exists from the date of the Subscription Agreement till the Subscription Completion Date.

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## LETTER FROM THE BOARD

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In the event that the conditions are not fulfilled or waived by the Subscriber on or before 31 July 2021 (or such later date as may be agreed between the Company and the Subscriber), the obligations and liabilities of the Company and the Subscriber under the Subscription Agreement shall be null and void, and neither the Company nor the Subscriber shall have any claims against the other for any liability (save for damages arising from any antecedent breach). By nature, conditions (ii) and (iii) above are not capable of being waived. Furthermore, the Company does not have the right to waive any of the above conditions. As at the Latest Practicable Date, none of the conditions has been fulfilled or waived.

### **Lock-up restriction**

The Subscriber has undertaken to the Company (and its successors and assigns) that, within 12 months after the Subscription Completion, he shall not, directly or indirectly:

- (i) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Subscription Shares or any interest in such Subscription Shares (which includes any interest in a company which holds the Subscription Shares) or securities that constitute or confer the right to receive the Subscription Shares or securities convertible into or exercisable or exchangeable for or repayable with the Subscription Shares;
- (ii) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the ownership of the Subscription Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of the Subscription Shares or the securities, in cash or otherwise; or
- (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) and/or (ii) above.

### **Subscription Completion**

The Subscription Completion shall take place on the fourth (4th) Business Day after the day on which the conditions as set out in the paragraph headed “Conditions precedent of the Subscription” above are fulfilled (or another time or date as the Company and the Subscriber shall agree in writing).

### **Specific Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the SGM.

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## LETTER FROM THE BOARD

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### Application for Listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### EFFECTS OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Subscription Completion (assuming that there is no change in the share capital of the Company from the Latest Practicable Date to the Subscription Completion Date, save for the issue of the Subscription Shares) will be as follows:

Shareholder	As at the Latest Practicable Date		Immediately after the Subscription Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ms. Jia Rutong	888,103,068	22.95	888,103,068	22.50
Allied Summit Inc. <i>(Note)</i>	580,659,755	15.00	580,659,755	14.71
The Subscriber	<u>184,030,000</u>	<u>4.76</u>	<u>261,030,000</u>	<u>6.61</u>
Public Shareholders	<u>2,217,309,827</u>	<u>57.29</u>	<u>2,217,309,827</u>	<u>56.18</u>
Total	<u>3,870,102,650</u>	<u>100.00</u>	<u>3,947,102,650</u>	<u>100.00</u>

*Note:* Allied Summit Inc. is wholly owned by Mr. Su Weibiao. Mr. Su Weibiao is therefore deemed to be interested in these Shares by virtue of the SFO.

### FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for the Placing, which was terminated on 11 June 2021, the Company did not conduct any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date.

### OTHER FUNDRAISING METHODS

Other than the Subscription, the Company has considered the feasibility of other fundraising methods as follows:

#### Debt financing

The Directors previously approached a bank for a loan but considered that debt financing may not be the most appropriate fundraising method to the Group, given that (a) the Group may not be able to obtain sufficient debt financing in a timely manner as it is subject to lengthy due diligence and negotiations with banks; (b) without providing sufficient assets as security, the Group may not be able to obtain debt financing with terms and conditions which are favourable to the Group, due to its continuing loss-making

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## LETTER FROM THE BOARD

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performance for the last 3 years; and (c) debt financing would incur further interest burden on the Group, which may hinder the ability of the Group to achieve turnaround results in the coming years.

### **Other forms of equity financing**

The Company has also considered the possibility of equity financing, including (i) by way of rights issue or open offer as it is offered to all Shareholders on a pro-rata basis (ii) the issue of convertible bonds; and (iii) conducting the Subscription under the General Mandate. However, the Directors considered that they may not be the most appropriate fundraising methods to the Group after taking into account that (a) a rights issue or an open offer exercise will require a relatively lengthy process including the preparation of the requisite compliance and legal documentation such as prospectus, underwriting agreement, etc.; (b) the administrative costs of a rights issue or an open offer exercise would be higher than that of the Subscription, due to (i) the need to issue prospectus and application forms and (ii) the underwriting fee/placing commission to be incurred; (c) the issue of convertible bonds would not allow the Company to strengthen its balance sheet by raising long term equity fund without the need for (i) payment of interest and/or (ii) repayment of principal at maturity (in the event the bondholder does not convert the bond at maturity); and (d) the Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which requires Independent Shareholders' approval at the SGM. Since the SGM has to be held in any event, the Directors considered that it would be more favourable to allot and issue the Subscription Shares under the Specific Mandate, so as to allow the Company flexibility to allot and issue further Shares under the General Mandate.

Having taken into account the above, the Directors are of the view that the Subscription is more cost-effective and efficient as compared to other fundraising methods.

### **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION**

The Group has been developing its longevity science business since late 2020. In 2021, the Company entered into several memoranda of understanding and agreements in relation to possible acquisitions of target companies and establishment of joint venture companies. The principal businesses include (i) research, development and transformation of cell therapies and cell drugs; (ii) investment in and operation and management of regenerative medicine; and (iii) other pharmaceutical and healthcare business. Such potential acquisitions and cooperations would further assist the development of the Group's longevity science business, thereby bringing stable and sustainable revenue to the Group in the long run. The Directors consider that the entering into of the Subscription Agreement for the purpose of raising new capital (as stated in the paragraph headed "Use of Proceeds" below), is in line with the aforesaid development plan and growth strategy. The Directors also consider that the Subscription reflects the confidence and commitment of the Subscriber, who is an executive Director, towards the long-term and sustainable development of the Company, and that the continuing support of the Subscriber is crucial to ensure the business stability and long-term development of the Group.

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## LETTER FROM THE BOARD

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The Directors (including the independent non-executive Directors whose opinions have been set out in the letter from the Independent Board Committee included in the circular) after taking into account the factors, reasons and circumstances disclosed above, consider that the terms of the Subscription Agreement (including the Subscription Price), which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### USE OF PROCEEDS

The gross proceeds from the Subscription are expected to be approximately HK\$50.05 million (based on the Subscription Price of HK\$0.65 per Share). The net proceeds of the Subscription (after deducting related professional fees and related expenses which will be borne by the Company) are expected to be not less than HK\$49.05 million. The net price raised per Subscription Share upon the completion of the Subscription will be not less than HK\$0.64. Approximately HK\$30.00 million shall be used for acquiring companies for developing the longevity science business (including the proposed acquisitions by the Company as disclosed in the announcements of the Company dated 8 April 2021 and 10 April 2021) and approximately HK\$19.05 million shall be used as general working capital of the Group.

As disclosed in the announcements of the Company dated 8 April 2021 and 10 April 2021, the Company is negotiating with the vendors on the potential acquisition of businesses. The Directors expect that the two potential acquisitions would be completed between the end of June and the end of July 2021. Having considered the unaudited cash balance of the Group as at 30 April 2021 of approximately HK\$13.01 million and the expected completion time of the two potential acquisitions, the Directors consider that the Group has imminent funding need to support the acquisition plan. The Directors consider that raising additional funds through the Subscription for the above purposes will bring stable and sustainable revenue to the Group in the long run and therefore is in the interests of the Company and the Shareholders as a whole.

Having considered the monthly expenses of the Group, the Directors estimate that the proceeds for general working capital will be fully utilised by November 2021.

### INFORMATION OF THE COMPANY

The Company is an investment holding company. The Group is principally engaged in longevity science, money lending, securities investments and investment advisory.



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## LETTER FROM THE BOARD

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### INFORMATION OF THE SUBSCRIBER

The Subscriber is the chairman of the Board and an executive Director, who holds 184,030,000 Shares, representing approximately 4.76% of the total issued share capital of the Company as at the Latest Practicable Date. He also holds, through Zhong Ji 1 International Medical Group (Hong Kong) Limited, convertible notes issued by the Company with a principal amount of HK\$1,840,000,000, the conversion rights of which, if exercised in full at a conversion price of HK\$0.20, are convertible into 9,200,000,000 Shares.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Subscriber is the chairman of the Board and an executive Director. Accordingly, the Subscriber is a connected person of the Company under Rule 14A.07(1) of the Listing Rules and therefore the Subscription constitutes a connected transaction for the Company and is subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the Subscription Shares will be allotted and issued under the Specific Mandate to be obtained at the SGM, the grant of the Specific Mandate for the allotment and issue of the Subscription Shares is subject to the Independent Shareholders' approval at the SGM.

Save for the Subscriber, who is an executive Director, none of the Directors have a material interest in the transaction and therefore they are not required under the Listing Rules to abstain from voting on the relevant board resolution.

### SPECIAL GENERAL MEETING

The notice convening the SGM is set out on pages 45 to 47 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for the SGM enclosed herewith and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.irasia.com/listco/hk/zhongjilongevity>). Whether or not you are able to attend the meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) should you so wish.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Subscription shall abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the SGM. As at the Latest Practicable Date, the Subscriber, being the chairman of the Board and an executive Director, held 184,030,000 Shares, representing approximately 4.76% of the total issued share capital of the Company. The Subscriber will abstain from

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## LETTER FROM THE BOARD

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voting on the relevant resolution(s) at the SGM accordingly. Save for the Subscriber, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Subscription Agreement (including the grant of the Specific Mandate) and will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the SGM.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

Frontpage Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 20 to 37 of this circular.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 6 July 2021 to Friday, 9 July 2021, both days inclusive, during which period no transfer of Shares will be registered. All transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 5 July 2021.

### **VOTING BY POLL AT THE SGM**

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **RECOMMENDATION**

The Independent Board Committee comprising all the independent non-executive Directors was established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). Having taken into account the terms of the Subscription Agreement, the information stated in the letter from the Board and the letter from the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the

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## LETTER FROM THE BOARD

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Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

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

ZJ

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**

*(formerly known as ASIA PACIFIC SILK ROAD INVESTMENT COMPANY LIMITED 亞太絲路投資有限公司)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

22 June 2021

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF  
NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 22 June 2021 (the “**Circular**”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). We wish to draw your attention to the letter from the Board set out on pages 7 to 17 of the Circular, and the letter of advice from the Independent Financial Adviser set out on pages 20 to 37 of the Circular, and the additional information set out in the appendix to the Circular.

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Having considered the terms of the Subscription Agreement and the advice of the Independent Financial Adviser, we concur with the Independent Financial Adviser and consider that the terms of the Subscription Agreement, while not in the ordinary and usual course of business, are nonetheless on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

Yours faithfully,  
For and on behalf of the  
Independent Board Committee

**Mr. Tam Ho Leung Simon**

**Ms. Wang Weixia**

**Mr. Chai Nan**

*Independent non-executive Directors*



22 June 2021

*To the Independent Board Committee and the Independent Shareholders of  
Zhong Ji Longevity Science Group Limited*

Dear Sirs or Madams,

## **CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company dated 22 June 2021 and issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular, unless the context requires otherwise.

On 10 May 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue a total of 77,000,000 Subscription Shares at the Subscription Price of HK\$0.65 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

As at the Latest Practicable Date, the Subscriber is the chairman of the Board and an executive Director. Accordingly, the Subscriber is a connected person of the Company under Rule 14A.07(1) of the Listing Rules and therefore the Subscription constitutes a connected transaction for the Company and is subject to the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. As the Subscription Shares will be allotted and issued under the Specific Mandate to be obtained at the SGM, the grant of the Specific Mandate for the allotment and issue of the Subscription Shares is subject to the Independent Shareholders’ approval at the SGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the Latest Practicable Date, Mr. Yan Li, the Subscriber, held approximately 184,030,000 Shares, representing approximately 4.76% of the issued share capital of the Company. Accordingly, Mr. Yan Li, who has a material interest in the Subscription, shall abstain from voting at the SGM in respect of the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder. Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder has any material interest in the Subscription and is required to abstain from voting on the resolution(s) of the Company to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Tam Ho Leung Simon, Ms. Wang Weixia and Mr. Chai Nan, being all the Company's independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder. Our role as independent financial adviser is to give our opinion and recommendation as to whether the Subscription Agreement is on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

### BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered, among other things, (i) the terms of the Subscription Agreement; (ii) the 2020 annual report of the Company; and (iii) other information as set out in the Circular.

We have also relied on all relevant information, opinions and facts supplied and representations made to us by the Company, the Directors and the management of the Company. We have assumed that all such information, opinions, facts and representations provided to us or contained or referred to in the Circular, for which the Company and the Directors are fully responsible, are true and accurate in all respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and the Company has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information provided by the Company and the Directors, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Company, the Group, or any of their respective subsidiaries or associates. Our advice was necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the Subscription Agreement.

### **OUR INDEPENDENCE**

We are not connected with the Directors, chief executive and substantial shareholders of the Company, the Group, or any of their respective subsidiaries or associates and do not have any shareholding, direct or indirect, in any member of the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company as at the date hereof. No arrangement exists whereby we will receive any benefits from the Company or the Directors, chief executive and substantial shareholders of the Company, the Group, or any of their respective subsidiaries or associates for our services to the Company in connection with this appointment aside from our professional fees. Within the two years prior to the Latest Practicable Date, we have acted as the independent financial adviser to the then independent board committee of the Company in relation to the possible adoption of a share award scheme, details of which were set out in the announcement of the Company dated 20 May 2021. We consider that we are independent from the Company pursuant to Rule 13.84 of the Listing Rules and are accordingly eligible to provide an opinion to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder in view that under the previous engagement, (i) our role was independent in nature; and (ii) we were only entitled to receive professional fees that were comparable to market rates and in line with general market practice.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating and giving our opinion to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder, we have taken into account the following principal factors:

#### **1. Background and financial information of the Group**

The Company acts as an investment holding company of the Group. The Group is principally engaged in the business of longevity science, money lending, securities investment and investment advisory.



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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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The following table summarises the audited consolidated statements of profit or loss and other comprehensive income of the Group for the years ended 31 December 2019 and 2020 (“**Year 2019**” and “**Year 2020**”, respectively) as extracted from the 2020 annual report of the Company:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	80,022	145,846
Cost of services	<u>(7,564)</u>	<u>(6,241)</u>
<b>Gross profit</b>	72,458	139,605
Other income and gains, net	1,979	15,634
Administrative expenses	(28,819)	(46,403)
Impairment of financial assets, net	(58,927)	(921,728)
Fair value gains on investment properties	5,716	—
Finance costs	(426)	(580)
Share of (loss)/profit of joint ventures	<u>(1,153)</u>	<u>1,043</u>
<b>Loss before tax</b>	(9,172)	(812,429)
Income tax expense	<u>(1,528)</u>	<u>(13,540)</u>
<b>Net Loss</b>	(10,700)	(825,969)
Attributable to equity holders of the Company	(11,487)	(825,678)
Attributable to non-controlling interests	<u>787</u>	<u>(291)</u>

*Source: 2020 annual report of the Company*

The revenue of the Group decreased by approximately HK\$65,824,000, or 45.1%, from approximately HK\$145,846,000 for the Year 2019 to approximately HK\$80,022,000 for the Year 2020. According to the management of the Group, such decrease was mainly due to (i) non-performance of business for loan facilitation services due to the tightening regulatory measures and sharp decrease in demand of the services; (ii) a continuous increase in corporate debt defaults for money lending business; and (iii) the decrease in revenue contributed by securities and other investments due to poor investment sentiment during the Year 2020 and the weakening Hong Kong economy as impacted by the macro environment and COVID-19. As a result of the foregoing, the Group recorded a net loss attributable to equity holders of the Company of approximately HK\$11,487,000 for the Year 2020 (Year 2019: HK\$825,678,000). The decrease in net loss was primarily due to lower impairment provisions for the loan and interest receivables of the money lending business of the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The following table summarises the audited consolidated statements of financial position of the Group as at 31 December 2019 and 2020 as extracted from the 2020 annual report of the Company:

	As at 31 December	
	2020	2019
	HK\$'000	HK\$'000
Non-current assets	300,368	668,061
Current assets	<u>177,872</u>	<u>561,105</u>
<b>Total assets</b>	<b><u>478,240</u></b>	<b><u>1,229,166</u></b>
Non-current liabilities	1,602	—
Current liabilities	<u>21,752</u>	<u>261,797</u>
<b>Total liabilities</b>	<b><u>23,354</u></b>	<b><u>261,797</u></b>
Equity attributable to the parent company	428,832	942,557
Equity attributable to Non-controlling interests	<u>26,054</u>	<u>24,812</u>
<b>Total equity</b>	<b><u>454,886</u></b>	<b><u>967,369</u></b>

*Source: 2020 annual report of the Company*

As at 31 December 2020, the Group recorded total assets of approximately HK\$478,240,000, representing a decrease of 61.1% as compared with that of 31 December 2019. The total equity of the Group amounted to approximately HK\$454,886,000, representing a decrease of approximately 53.0% as compared with that of 31 December 2019. Such decrease was primarily due to the changes in fair value of the Group's equity investments designated at fair value through other comprehensive income.

## 2. Information of the Subscriber

Mr. Yan Li, the Subscriber, is the chairman of the Board and an executive Director. As at the Latest Practicable Date, Mr. Yan Li, the Subscriber, held approximately 184,030,000 Shares, representing approximately 4.76% of the issued share capital of the Company. Mr. Yan Li also holds, through his wholly and beneficially owned company, 90.76% shareholding interest in Zhong Ji 1 International Medical Group (Hong Kong) Limited, which in turn holds convertible notes issued by the Company in a principal amount of HK\$1,840,000,000, the conversion rights of which, if exercised in full, are convertible into 9,200,000,000 shares of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to the Company, Mr. Yan Li joined the Company as an executive Director in November 2020 and was appointed as the Chairman of the Board and the chairman of the nomination committee of the Board in December 2020. Mr. Yan Li is experienced in the management and administration in the fields of advanced medical and biological technology.

### **3. Reasons for and benefits of the Subscription**

The Group is principally engaged in the business of longevity science, money lending, securities investments and investment advisory. As mentioned in the Board Letter, the Directors consider that it is in the interests of the Company to raise capital from the equity market by the Subscription in order to enhance the capital base of the Company for its expansion and growth plan in its longevity science business. In addition, the Directors consider that the Subscription reflects the confidence and commitment of the Subscriber, who is an executive Director, towards the long-term and sustainable development of the Company, and that the continuing support of the Subscriber is crucial to ensure the business stability and long-term development of the Group.

According to the Board Letter, assuming 77,000,000 Subscription Shares, are subscribed for, the gross proceeds from the Subscription are expected to be approximately HK\$50.05 million (based on the Subscription Price of HK\$0.65 per Share). The net proceeds of the Subscription (after deducting related professional fees and expenses which will be borne by the Company) are expected to be not less than HK\$49.05 million. As advised by the Company, approximately HK\$30.00 million shall be used for acquiring companies for developing the longevity science business (including the proposed acquisitions by the Company as disclosed in the announcements of the Company dated 8 April 2021 and 10 April 2021) and approximately HK\$19.05 million shall be used as general working capital of the Group.

According to the 2020 annual report of the Company, the Group has developed a strategic plan to further develop its longevity science business and the Group is determined to expand its share and build a reputable brand in the market of longevity biological products through launching more products via different channels across the world. In 2021, following its strategic plan, the Group has entered into an agreement in January 2021 to acquire two medical testing centres which provide a total of 19 kinds of cell, health index and disease detection tests; entered into a memorandum of understanding with a potential seller in February 2021 in relation to the acquisition of an international autoimmune cell bank; and formed a strategic partnership with Thermo Fisher Scientific (Hong Kong) Limited in the field of life sciences, in March 2021; and entered into an investment cooperation framework agreement with Hubei Mailyard Share Co., Ltd. (stock code: 600107.SH) in March 2021 to establish a joint venture company focusing on advanced medical services such as cancer prevention and early screening, longevity medical examination and cell management, which served as

an indication to the Group's development in its longevity business. Having considered the above, we concur with the Directors that the Subscription and the use of proceeds are in line with the strategic development plan of the Group.

We further noted from the Company's 2020 annual report that there was a significant decrease in financial resources of the Group. The Group's cash and cash equivalents decreased from approximately HK\$155.0 million as at 31 December 2019 to approximately HK\$40.8 million as at 31 December 2020. The net current assets of the Group also decreased from approximately HK\$299.3 million as at 31 December 2019 to approximately HK\$156.1 million as at 31 December 2020. In view that the current available internal resources of the Group was insufficient to meet the expected funding requirement for potential acquisition, we concur with the Directors that the Group needs to raise additional funding to facilitate the successful implementation of its business strategies.

Having considered the aforesaid reasons, including (i) the proposed use of proceeds by the Group is in line with the strategic plan of the Group to develop its longevity business; (ii) the financial position of the Group as at 31 December 2020; (iii) the Subscription can enhance the Group's capital base and working capital for its expansion and growth plan, we concur with the Directors that the Subscription is fair and reasonable insofar as the Independent Shareholders are concerned.

#### **4. Principal terms of the Subscription Agreement**

##### ***4.1 Principal terms of the Subscription Agreement***

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 77,000,000 Subscription Shares at the Subscription Price of HK\$0.65 per Subscription Share.

##### ***4.2 The Subscription Price***

The Subscription Price is HK\$0.65 per Subscription Share. As stated in the Board Letter, the Subscription Price was determined after arm's length negotiations between the Company and the Subscriber, with reference to the prevailing market price of the Shares, including the market conditions and the Closing Price. The Directors have reviewed the Closing Price as quoted on the Stock Exchange from 11 November 2020 up to and including 10 May 2021, representing approximately six months prior to the date of Subscription Agreement. During the period under review, the Closing Price ranged from the lowest of HK\$0.227 per Share on 11 November 2020 to the highest of HK\$0.95 per Share on 29 January 2021, with an average of HK\$0.64 per Share. According to the Board Letter, the Directors are of the view that the terms of the Subscription Price are fair and reasonable, having considered that the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Subscription Price is within the range of the Closing Price during the Review Period and represents a slight premium of approximately 1.5% over the Average Closing Price. The Subscription Price represents:

- (a) a discount of approximately 12.16% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (b) a discount of approximately 16.45% to the average closing price of HK\$0.778 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement;
- (c) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.30%, represented by the discount of the theoretical diluted price of approximately HK\$0.7757 per Share to the benchmarked price of HK\$0.778 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Subscription Agreement of HK\$0.74 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement of approximately HK\$0.778 per Share); and
- (d) a discount of approximately 7.14% to the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on 18 June 2021, being the Latest Practicable Date.

In order to determine the fairness and reasonableness of the Subscription Price, we have conducted the following analysis:

*(i) Review on the historical price of the Shares*

To assess the fairness and reasonableness of the Subscription Price, we have reviewed the Subscription Price with the historical highest and lowest closing prices and the average daily closing price of the Shares as quoted on the Stock Exchange in each month during the period commencing from 11 May 2020 to 10 May 2021, being the 12-month period prior to the date of the Subscription Agreement (the “**Review Period**”). We consider that the Review Period which covers a full year prior to the date of the Subscription Agreement represents a reasonable and sufficient period to provide a general

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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overview of the recent trend of the Share price free from the influence of, if any, short term market volatility, when assessing the Subscription Price. The review on the historical price of the Shares is summarised as follows:

<b>Month</b>	<b>Highest closing price (HK\$)</b>	<b>Lowest closing price (HK\$)</b>	<b>Average daily closing price (HK\$)</b>
<b>2020</b>			
May (since 11 May)	0.141	0.077	0.108
June	0.095	0.068	0.078
July	0.075	0.067	0.071
August	0.070	0.055	0.061
September	0.148	0.060	0.098
October	0.203	0.103	0.142
November	0.440	0.190	0.324
December	0.415	0.270	0.369
<b>2021</b>			
January	0.950	0.410	0.743
February	0.930	0.760	0.868
March	0.880	0.720	0.780
April	0.760	0.530	0.608
May (up to the date of the Subscription Agreement)	0.790	0.740	0.772
		Maximum (the Review Period)	0.868
		Minimum (the Review Period)	0.061
		Monthly average (the Review Period)	0.386
		Maximum (1 November 2020 up to the date of the Subscription Agreement)	0.868
		Minimum (1 November 2020 up to the date of the Subscription Agreement)	0.324
		Monthly average (1 November 2020 up to the date of the Subscription Agreement)	0.638

*Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))*

During the Review Period, the closing prices of the Shares ranged from the lowest of HK\$0.055 per Share in August 2020 to the highest of HK\$0.950 per Share in January 2021. The Subscription Price is thus within the said historical price range of the Shares. Besides, during the Review Period, the average closing prices of the Shares ranged from the lowest of HK\$0.061 per Share in August 2020 to the highest of HK\$0.868 per Share in February 2021 with the average closing price of HK\$0.386 per Share. The Subscription Price

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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is within the range of the average closing prices of the Shares during the Review Period and represents a premium of approximately 68.4% over the average closing price of HK\$0.386 per Share during the Review Period.

We also noted since 13 November 2020, when the Company announced that Mr. Yan Li, who was experienced in the fields of advanced medical and biological technology was appointed as an executive Director, the Share price has started to rise gradually. We further noted that on 8 January 2021, the Company announced the acquisition of the Irving Weissman Advanced Medical Testing Center and the Asian Advanced Medical Testing Center as well as their devices and equipment, and the Share price reached HK\$0.950 in January 2021 following such announcement. To take into account the possible impact on the Share price by the development of the longevity science business of the Group, we have performed a further analysis to compare the Subscription Price with the closing prices of the Shares since November 2020 up to the Last Trading Day (the “**Adjusted Review Period**”). We consider the Adjusted Review Period to be fair and representative as it covers a period of more than six months prior to the date of the Subscription Agreement and takes into consideration the possible impact of the development of the longevity science business on the Share price. During the Adjusted Review Period, the closing prices of Shares ranged from the lowest of HK\$0.190 per Share in November 2020 to the highest of HK\$0.950 per Share in January 2021, and the average closing prices of the Shares ranged from the lowest of HK\$0.324 per Share in November 2020 to the highest of HK\$0.868 per Share in February 2021 with the average closing price of HK\$0.638 per Share. The Subscription Price is thus (i) within the historical price range of the Shares during the Adjusted Review Period; (ii) within the range of the average closing prices of the Shares during the Adjusted Review Period; and (iii) higher than the average closing price during the Adjusted Review Period.

In addition, according to Rule 13.36(5) of the Listing Rules, in the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36(2)(b) if the relevant price represents a discount of 20% or more to benchmarked price of the securities, such benchmarked price being the higher of: (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and (b) the average closing price in the 5 trading days immediately prior to the earlier

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of: (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate; (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and (iii) the date on which the placing or subscription price is fixed. We noted that the Subscription Price was determined at a discounts of less than 20% to the closing price per Share on the date of the Subscription Agreement and the average closing price per Share for the last five consecutive trading days prior to the date of the Subscription Agreement, and therefore could have met the requirement of Rule 13.36(5) of the Listing Rules even if the Subscription Shares were to be issued and allotted under the General Mandate.

Based on the above analyses, we concur with the Board that the Subscription Price is on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

*(ii) Comparable analysis*

We have conducted research on companies whose shares are listed on the Main Board of the Stock Exchange and entered into placing and/or share subscription transaction for fund raising, irrespective of whether or not such share exercises were proceeded to completion, in the one month immediately preceding the date of the Subscription Agreement, which we believe represents a reasonable and meaningful period to reflect the recent market condition for conducting fund raising activity and is therefore considered fair and representative. We have identified a total of 22 comparable transactions (the “**Comparable Transactions**”), which to the best of our knowledge represent the exhaustive samples that meet the aforesaid selection criteria. Taking into account (i) the number of Comparable Transactions covered in the review period which was close to the date of the Subscription Agreement such that the Comparable Transactions were conducted under similar and recent market conditions and sentiments; and (ii) the average figures calculated are not likely to be significantly affected by any individual comparable transaction, we consider the Comparable Transactions to be sufficient, fair and representative.



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Although the companies involved in the Comparable Transactions are not identical to the Company in terms of principal business, operating scale and financial position, we consider that the Comparable Transactions could provide a general understanding on share subscription and placing in the Hong Kong stock market under the latest market environment and are therefore considered to be reasonable reference on the recent market practice and conditions regarding the Subscription. The following table sets out the details of the Comparable Transactions:

Company name	Stock code	Date of announcement	Discount of placing price and/or subscription price to the closing price on the last trading day prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares <sup>(Note 1)</sup>	Discount of placing price and/or subscription price to the average closing price of the last five trading days immediately prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares <sup>(Note 1)</sup>	Net asset value per share <sup>(Note 2)</sup>	Premium/ (Discount) of the placing price and/or subscription price as compared with the net asset value per share	Net profit/ (loss) <sup>(Note 3)</sup>	Lock-up period <sup>(Note 4)</sup>
China Nonferrous Mining Corporation Limited	1258	7 May 2021	12.39%	12.43%	USD0.32 (equivalent to HK\$2.47)	60.3%	USD196.9 million	90 days after the date of placing completion
IBO Technology Company Limited	2708	6 May 2021	14.19%	16.78%	RMB0.60 (equivalent to HK\$0.66)	458.9%	RMB(50.1 million)	N/A
Tiangong International Company Limited	826	5 May 2021	13.52%	12.63%	RMB2.11 (equivalent to HK\$2.51)	68.4%	RMB540.3 million	90 days after the closing date of the placing and subscription
Kerry Properties Limited	683	4 May 2021	11.22%	39.69%	HK\$75.44	(72.6)% to (77.6)%	HK\$5,928.4 million	N/A
Fuyao Glass Industry Group Co., Ltd.	3606	2 May 2021	4.98%	8.53%	RMB8.61 (equivalent to HK\$10.23)	319.2%	RMB2,597.9 million	90 days after the closing date of the placing
EEKA Fashion Holdings Limited	3709	30 April 2021	4.72%	0.04%	RMB5.04 (equivalent to HK\$6.00)	75.1%	RMB439.4 million	N/A
Kingkey Financial International (Holdings) Limited	1468	29 April 2021	48.39%	25.93%	HK\$0.09	172.5%	HK\$(70.9 million)	N/A
China Chuanglian Education Financial Group Limited	2371	28 April 2021	14.29%	16.39%	RMB0.04 (equivalent to HK\$0.05)	99.3%	RMB(3.0 million)	N/A
China New Economy Fund Limited	80	28 April 2021	11.80%	12.00%	HK\$0.12	51.9%	HK\$(31.1 million)	N/A
Huanxi Media Group Limited	1003	28 April 2021	0.00%	2.01%	HK\$0.42	416.2%	HK\$(236.4 million)	N/A
Lap Kei Engineering (Holdings) Limited	1690	27 April 2021	20.00%	12.00%	HK\$0.08	(28.8)%	HK\$(1.8 million)	N/A
L.K. Technology Holdings Limited	558	27 April 2021	9.00%	10.31%	HK\$1.67	469.7%	HK\$3.3 million	90 days after the date of the placing completion
SunCorp Technologies Limited	1063	25 April 2021	13.00%	1.80%	HK\$0.28	(64.2)%	HK\$(70.1 million)	N/A
China Financial Leasing Group Limited	2312	23 April 2021	18.97%	17.54%	HK\$0.04	12.6%	HK\$(19.8 million)	N/A
Life Healthcare Group Limited	928	23 April 2021	4.31%	2.44%	HK\$0.05	332.8%	HK\$(23.7 million)	N/A
China Gas Holdings Limited	384	22 April 2021	9.00%	9.70%	HK\$7.59	292.0%	HK\$10,260.7 million	90 days after the date of the placing agreement
SEEC Media Group Limited	205	20 April 2021	3.17%	3.34%	HK\$0.71	(81.8)%	HK\$(143.4 million)	N/A

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Company name	Stock code	Date of announcement	Discount of placing price and/or subscription price to the average closing price of the last five trading days immediately prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares <sup>(Note 1)</sup>		Net asset value per share <sup>(Note 2)</sup>	Premium/(Discount) of the placing price and/or subscription price as compared with the net asset value per share	Net profit/(loss) <sup>(Note 3)</sup>	Lock-up period <sup>(Note 4)</sup>
			Discount of placing price and/or subscription price to the closing price on the last trading day prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares <sup>(Note 1)</sup>	Discount of subscription price to the average closing price of the last five trading days immediately prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares <sup>(Note 1)</sup>				
MEITUAN-W	3690	20 April 2021	5.30%	4.00%	RMB16.58 (equivalent to HK\$19.71)	1,289.5%	RMB4,707.6 million	90 days after the closing date of the placing
Union Medical Healthcare Limited	2138	19 April 2021	1.56%	2.34%	HK\$1.02	666.4%	HK\$310.3 million	N/A
China Ecotourism Group Limited	1371	13 April 2021	30.07%	32.89%	HK\$0.09	N/A	HK\$(623.9 million)	N/A
Mobvista Inc.	1860	13 April 2021	8.81%	8.21%	USD0.17 (equivalent to HK\$1.35)	336.0%	USD(5.2 million)	90 days after the closing date of the placing and subscription
Imperium Group Global Holdings Limited	776	11 April 2021	13.64%	13.70%	HK\$(0.17)	N/A	HK\$(81.9 million)	N/A
<b>Average</b>			12.38%	12.03%	N/A <sup>(Note 5)</sup>	243.4%	N/A <sup>(Note 5)</sup>	N/A <sup>(Note 4)</sup>
<b>Maximum</b>			48.39%	39.69%	HK\$75.44	1,289.5%	HK\$4,707.6 million	N/A <sup>(Note 4)</sup>
<b>Minimum</b>			0.00%	0.04%	HK\$(0.17)	(81.8)%	HK\$(623.9 million)	N/A <sup>(Note 4)</sup>
<b>Company</b>	767	11 May 2021	12.16%	16.45%	HK\$0.111	485.6%	HK\$(10.7 million)	12 months after the Subscription Completion

*Notes:*

- The relevant figures of the Comparable Transactions are referenced to the figures as disclosed in the respective announcements regarding their placing and/or subscription of shares.
- The net asset value per share is calculated based on the net assets or capital deficiency attributable to the owners of the companies as at the end of their respective latest financial year divided by the total shares in issue as at the end of their respective financial year. The net asset value per share is translated into Hong Kong Dollars based on the relevant exchange rates published by The Hong Kong Association of Banks as at the end of the respective financial year of the companies.
- The net profit/loss of the companies to the Comparable Transactions are extracted from the annual reports of the companies for their respective latest full financial year published as at the Latest Practicable Date.
- The lock-up periods of the Comparable Transactions are referenced to the disclosure in the respective announcements regarding their placing and/or subscription of shares. N/A denotes that the information regarding the lock-up periods for the Comparable Transactions are not available in the respective announcements. The average, maximum and minimum of the lock-up period of the Comparable Transactions are considered not meaningful to the analysis.

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5. As some of the companies to the Comparable Transactions recorded capital deficiency as at the end of their latest financial year or net loss for their latest financial year, the average net asset value per share and the average net profit for the Comparable Transactions are considered not meaningful to the analysis.

As shown in the above table, the placing and/or subscription prices of all of the Comparable Transactions were set as discount to the relevant benchmarked price of the securities. The placing and/or subscription prices of the Comparable Transactions (i) as compared with their respective closing price on the last trading day prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares ranged from nil discount to a discount of approximately 48.39%, with an average discount of approximately 12.38%; and (ii) as compared with their respective average closing price of the last five trading days immediately prior to the release of the announcement or the date of agreement in relation to the respective placing and/or subscription of shares ranged from a discount of approximately 0.04% to 39.69%, with an average discount of approximately 12.03%. The discount represented by the Subscription Price (a) as compared with the closing price per Share on the date of the Subscription Agreement of approximately 12.16% was within the range of the discounts in the Comparable Transactions of approximately 0.00% to 48.39%, and generally in line with the average discount of the Comparable Transactions of approximately 12.38%; and (b) as compared with the average closing price per Share for the last five trading days immediately prior to the date of the Subscription Agreement of approximately 16.45% was within the range of the discounts in the Comparable Transactions of approximately 0.04% to 39.69%, but higher than the average discount of the Comparable Transactions of approximately 12.03%.

Having considered the above, and further taking into account that (i) the Subscription Price of HK\$0.65 per Share represents a premium of over 4.8 times over the audited consolidated net asset value per Share of the Company of approximately HK\$0.111 as at 31 December 2020, which was within the range of the discount of approximately 0.8 times and the premium of approximately 12.9 times, and higher than the average premium of approximately 2.4 times, of the placing and/or subscription price over the net asset value per share represented by the Comparable Transactions; (ii) the Group has recorded a net loss for the years ended 31 December 2018, 2019 and 2020, if the Subscription is compared with the Comparable Transactions which the issuers recorded net loss in their respective latest full financial year (the “**Loss Comparables**”), the discount represented by the Subscription Price as compared with the closing price per Share on the date of the Subscription Agreement of approximately 12.16% was lower than the corresponding discount of approximately 15.43% of the Loss Comparables, we consider that the Subscription Price is fair and reasonable insofar as the Independent Shareholders are concerned.

### ***4.3 Conditions precedent of the Subscription***

The Subscription Completion is subject to, among others, the passing by the Independent Shareholders in accordance with the Listing Rules and all applicable laws at the SGM and granting of the listing of and permission to deal in all the Subscription Shares by the Stock Exchange.

Further details of the conditions precedent to the Subscription Completion are set out in the section headed “The Subscription — Conditions precedent of the Subscription” in the Board Letter.

According to the Board Letter, as at the Latest Practicable Date, none of the conditions has been fulfilled or waived.

### ***4.4 Lock-up restriction***

Pursuant to the Subscription Agreement and according to the Board Letter, the Subscriber undertakes to the Company (and its successors and assigns) that, within 12 months after the Subscription Completion, it shall not, directly or indirectly:

- (i) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Subscription Shares or any interest in such Subscription Shares (which includes any interest in a company which holds the Subscription Shares) or securities that constitute or confer the right to receive the Subscription Shares or securities convertible into or exercisable or exchangeable for or repayable with the Subscription Shares;
- (ii) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the ownership of the Subscription Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of the Subscription Shares or the securities, in cash or otherwise; or
- (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) and/or (ii) above.

We have reviewed the announcements in relation to the Comparable Transactions published by the respective listed companies and we noted that, for those who disclosed their lock-up restriction in the placing and/or subscription of shares, the lock-up period ranged from 90 days after the date of the placing agreement to 90 days after the completion of the placing. Having considered that (i) the lock-up period in the Subscription of 12 months is longer than the lock-up restriction of the Comparable Transactions; and (ii) the lock-up restriction signifies the Subscriber’s confidence in the Company’s future and helps stabilise

the price of the Shares, we are of the view that the lock-up restriction in the Subscription is fair and reasonable insofar as the Independent Shareholders are concerned.

**5. Other alternative methods of financing**

We have enquired the Company and we understand that the Company has considered other alternative means of fund raising such as debt financing, rights issue or open offer. However, the Board considered that debt financing is not the most appropriate way of fund raising to the Group as debt financing may be subject to lengthy due diligence and negotiations with banks and would also incur further interest burden to the Group. The Directors also considered that the issue of convertible bonds would not allow the Company to strengthen its balance sheet by raising long term equity fund without the need for payment of interest and/or repayment of principal at maturity in the event the bondholder does not convert the bond at maturity. The Directors considered that equity financing by way of Subscription is more appropriate means of raising additional capital for the Company than open offer and rights issue, taking into account (i) it is less cumbersome (as less documentation is required) and takes shorter time to arrange the Subscription than rights issue or open offer as the latter may involve the issue of a prospectus and other documentation (including but not limited to the underwriting agreement) and the offer would be required to remain open for a minimum period of time before it is closed; and (ii) it is less costly to arrange for the Subscription than rights issue or an open offer. In particular for the Subscription, the Company can raise fund without having to incur placing commission. Further, the Subscription reflects the confidence and commitment of the Subscriber, who is an executive Director, towards the long-term and sustainable development of the Company, and that the continuing support of the Subscriber is crucial to ensure the business stability and long-term development of the Group. In view of (i) the reasons for and the benefits of the Subscription as mentioned above; (ii) the possible additional financial burden that could be incurred by the Group in debt financing and the issue of convertible bonds; (iii) the possible lengthy preparation time and additional transaction costs that could be incurred by the Group in conducting rights issue or open offer; (iv) that the Company would not incur any placing commission in the Subscription; and (v) that the Subscription demonstrates the Subscriber's confidence and commitment to the Company, we concur with the Directors that the Subscription is an appropriate way to raise capital for the Company at the moment and is in the interests of the Company and the Shareholders as a whole.

**6. Potential dilution effects**

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Subscription Completion are set out in the section headed "Effects of the Subscription on the Shareholding Structure of the Company" in the Board Letter.

As set out in the Board Letter, the shareholding of the existing public Shareholders as at the Latest Practicable Date was approximately 57.29%. The Subscription Shares to be subscribed by the Subscriber represent 1.99% of the total number of issued Shares as at the Latest Practicable Date, and approximately 1.95% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares. On such basis, the shareholding of the existing public Shareholders will be diluted from approximately 57.29% to 56.18% upon the completion of the Subscription Agreement. Further, based on the Subscription Price, the Subscription will have a theoretical dilution effect (as defined in Rule 7.27B of the Listing Rules) of approximately 0.30%. Having taken into account that (i) the terms of the Subscription Agreement being fair and reasonable so far as the Independent Shareholders are concerned; (ii) our analysis as mentioned in the paragraph headed “Other alternative methods of financing” above; and (iii) the possible financial effects of the Subscription as mentioned in the paragraph headed “Financial effects of the Subscription” below, we are of the view that the aforesaid level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

## **7. Financial effects of the Subscription**

### ***7.1 Net asset value***

According to the 2020 annual report of the Company, as at 31 December 2020, the total net assets of the Group was approximately HK\$454.9 million. Upon the completion of Subscription, it is expected that the net assets of the Group will be increased by the estimated net proceeds of approximately HK\$49.05 million. We consider that the Subscription will have an overall improvement on the Group’s net assets position.

### ***7.2 Cashflow***

According to the 2020 annual report of the Company, as at 31 December 2020, the total cash and cash equivalents of the Group was approximately HK\$40.8 million. Upon the completion of Subscription, the Group’s cash and bank balance would increase by the amount of estimated net proceeds received of approximately HK\$49.05 million. As set out in the Board Letter, the Company intends to use such proceeds to enhance the capital base for its expansion and growth plan in its longevity science, as well as general working capital.

### ***7.3 Gearing ratio***

According to the 2020 annual report of the Company, as at 31 December 2020, the gearing ratio of the Group, which was derived by the total interest-bearing borrowings divided by the total equity of the Group, was approximately 1.6%. Upon completion of the Subscription, it is expected that the total equity of the Group will be increased by the estimated net proceeds from the Subscription. As such, assuming the total liabilities of the Group will remain at same level, it is expected that the gearing ratio will decrease to approximately 0.7%.

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It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position or results of the Group will be upon completion of the Subscription. Based on the above analysis, the Subscription would have positive impact on the Group's net asset value, cashflow, and the gearing ratio. On such basis, we are of the view that the Subscription is in the interests of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having considered the principal factors and reasons as stated above, we consider that although the Subscription is not in the ordinary and usual course of business of the Group, the terms of the Subscription Agreement together with the lock-up restriction and the Subscription Price are fair and reasonable insofar as the Independent Shareholders are concerned, and the Subscription is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend that the Independent Board Committee advise the Independent Shareholders, and we recommend that, the Independent Shareholders vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Frontpage Capital Limited**  
**David Lo**  
*Director*

*Note:* Mr. David Lo is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Frontpage Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance. He has more than 11 years of experience in corporate finance.

## 1. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

Authorised:		HK\$
<u>400,000,000,000</u>	Shares of HK\$0.001 each	<u>400,000,000</u>
Issued and fully paid:		
<u>3,870,102,650</u>	Shares of HK\$0.001 each	<u>3,870,102.65</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights in respect of capital, dividends and voting.

## 2. DISCLOSURE OF INTERESTS

### (i) Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

Name of Director	Capacity	Number of Shares and Underlying Shares held (Position)	Percentage of total issued share capital as at Latest Practicable Date
Mr. Yan Li	Beneficial owner	184,030,000 (Long)	4.76%
	Interest in controlled corporation ( <i>Note 1</i> )	9,200,000,000 (Long)	237.72%
	Interest in controlled corporation ( <i>Note 1</i> )	9,200,000,000 (Short)	237.72%



*Notes:*

- (1) Mr. Yan Li holds, through his wholly and beneficially owned company, 90.76% shareholding interest in Zhong Ji 1 International Medical Group (Hong Kong) Limited, which in turn holds convertible notes issued by the Company in a principal amount of HK\$1,840,000,000, the conversion rights of which, if exercised in full, are convertible into 9,200,000,000 shares of the Company.
- (2) For the purpose of the above table, the shareholding percentage in the Company is calculated on the basis of 3,870,102,650 Shares in issue as at the Latest Practicable Date.

**(ii) Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as it was known to the Directors and chief executive of the Company, no other persons had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO, or who (other than a member of the Group was) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares and Underlying Shares held (Position)</b>	<b>Percentage of total issued share capital as at Latest Practicable Date</b>
Harmony Delight Holdings Limited (Notes 1 and 2)	Beneficial owner	10,912,000,000 (Long)	281.96%
Ma Hongyi (Note 3)	Interest in controlled corporation	11,012,000,000 (Long)	284.54%
Zhong Ji 1 International Medical Group (Hong Kong) Limited (Notes 2 and 4)	Beneficial owner	9,200,000,000 (Long) 9,200,000,000 (Short)	237.72% 237.72%
China International Osteoarticular Medical Group Limited (Note 5)	Interest in controlled corporation	9,200,000,000 (Long) 9,200,000,000 (Short)	237.72% 237.72%
Jia Rutong	Beneficial owner	888,103,068 (Long)	22.95%

Name of Shareholder	Capacity	Number of Shares and Underlying Shares held (Position)	Percentage of total issued share capital as at Latest Practicable Date
Allied Summit Inc. (Note 6)	Beneficial owner	580,659,755 (Long)	15.00%
		580,659,755 (Short)	15.00%
Su Weibiao (Note 7)	Interest in controlled corporation	580,659,755 (Long)	15.00%
		580,659,755 (Short)	15.00%
DeTai Finance Limited	Person having a security interest in shares	580,659,755 (Long)	15.00%
Treasure Champion Limited (Note 8)	Interest in controlled corporation	580,659,755 (Long)	15.00%
DeTai New Energy Group Limited (Note 9)	Interest in controlled corporation	580,659,755 (Long)	15.00%

## Notes:

- (1) Harmony Delight Holdings Limited held convertible notes with conversion price of HK\$0.2 per Share issued by the Company (the “Convertible Notes”) in the principal amount of HK\$342,400,000.
- (2) On 5 November 2020, a mortgage was entered into between Zhong Ji 1 International Medical Group (Hong Kong) Limited as mortgagor and Harmony Delight Holdings Limited as mortgagee in respect of the Convertible Notes in the principal amount of HK\$1,840,000,000.
- (3) Harmony Delight Holdings Limited was wholly owned by Mr. Ma Hongyi.
- (4) Zhong Ji 1 International Medical Group (Hong Kong) Limited held the Convertible Notes in the principal amount of HK\$1,840,000,000.
- (5) Zhong Ji 1 International Medical Group (Hong Kong) Limited was 90.76% owned by China International Osteoarticular Medical Group Limited, which in turn wholly owned by Mr. Yan Li.
- (6) On 8 October 2019, Allied Summit Inc. charged 580,659,755 Shares in favour to DeTai Finance Limited.
- (7) Allied Summit Inc. was wholly owned by Mr. Su Weibiao.

- (8) DeTai Finance Limited was wholly owned by Treasure Champion Limited.
- (9) Treasure Champion Limited was wholly owned by DeTai New Energy Group Limited.
- (10) For the purpose of the above table, the shareholding percentage in the Company is calculated on the basis of 3,870,102,650 Shares in issue as at the Latest Practicable Date.

### **3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP**

Since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up, none of the Directors or proposed Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to, any member of the Group as at the Latest Practicable Date.

In addition, none of the Directors is materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) were continuous contracts with a notice period of 12 months or more; or (b) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

### **5. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, so far is known to the Directors, none of the Directors or their close associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **6. MATERIAL LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

## 7. MATERIAL CONTRACTS

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) the non-legally binding memorandum of understanding dated 23 February 2021 (the “**MOU**”) entered into between Perpetual Master Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, and China International Osteoarticular Medical Group Limited (the “**Vendor**”), pursuant to which the Purchaser intends to acquire (either by itself or through its wholly-owned subsidiary), and the Vendor intends to sell, 100% of the total shareholding interest of Asian Integrated Cell Laboratory Limited;
- (b) the supplemental memorandum of understanding dated 12 April 2021 entered into between the Purchaser and the Vendor to extend the expiry date of the MOU to 23 July 2021 or upon the execution of the final agreement, whichever is earlier unless extended by agreement of the Purchaser and the Vendor in writing;
- (c) the memorandum of understanding dated 8 April 2021 entered into between the Company and Mirai Medical Service Co., Ltd. (未來メテikalサービス株式会社) (“**Mirai Medical**”) in relation to the proposed acquisition by the Company of the partial interest in Mirai Medical;
- (d) the memorandum of understanding dated 10 April 2021 entered into between the Company and 杭州臨安城南醫院有限公司 (“**Hangzhou Hospital**”) in relation to the proposed acquisition by the Company of the partial interest in Hangzhou Hospital;
- (e) the Subscription Agreement;
- (f) the Placing Agreement;
- (g) the First Supplemental Placing Agreement;
- (h) the Second Supplemental Placing Agreement; and
- (i) the Termination Agreement.

## 8. EXPERT’S QUALIFICATIONS AND CONSENT

The following is the qualification of the expert who has given opinions, letters or advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Frontpage Capital Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the expert named above was not beneficially interested in, the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

The Independent Financial Adviser has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.

## **9. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020 (the date to which the latest published audited accounts of the Group were made up).

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Suite Nos. 01–03, 19/F., Sino Plaza, 255–257 Gloucester Road, Causeway Bay, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (c) the “Letter from the Board”, the text of which is set out on pages 7 to 17 of this circular;
- (d) the “Letter from the Independent Board Committee”, the text of which is set out on pages 18 to 19 of this circular;
- (e) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 20 to 37 of this circular;
- (f) the written consent referred to in the paragraph headed “Expert’s Qualifications and Consent” of this appendix; and
- (g) this circular.

**11. MISCELLANEOUS**

- (a) The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is located at Suite Nos. 01–03, 19/F., Sino Plaza, 255–257 Gloucester Road, Causeway Bay, Hong Kong.
- (c) The share registrar and transfer office in Bermuda of the Company is MUFG Fund Services (Bermuda) Limited at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda and the Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Liu Wai Kin, who is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators of the United Kingdom.
- (e) In the event of any inconsistencies, the English text of this circular shall prevail over the Chinese text.

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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**

*(formerly known as ASIA PACIFIC SILK ROAD INVESTMENT COMPANY LIMITED 亞太絲路投資有限公司)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of Zhong Ji Longevity Science Group Limited (the “**Company**”) will be held at 1/F., China Building, 29 Queen’s Road Central, Hong Kong on Friday, 9 July 2021 at 11:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolution:

**ORDINARY RESOLUTION**

1. **“THAT**

- (a) the Subscription Agreement dated 10 May 2021 (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) entered into between the Company and Mr. Yan Li (the “**Subscriber**”) in relation to the subscription of 77,000,000 new ordinary shares of the Company (the “**Subscription Shares**”) at the subscription price of HK\$0.65 per Subscription Share, and all transactions contemplated thereunder and all other matters thereof and incidental thereto and in connection therewith, be and are hereby generally and unconditionally approved, confirmed and ratified in all respects;
- (b) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Subscription Shares, the directors (the “**Directors**” and each a “**Director**”) of the Company be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot and issue the Subscription Shares, such Specific Mandate being in addition to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company; and

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## NOTICE OF SGM

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- (c) any one Director be and is hereby generally and unconditionally authorised to do all such acts or things and execute and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to the transactions contemplated by the Subscription Agreement and the allotment and issue of the Subscription Shares, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Director, in the interests of the Company.”

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

Hong Kong, 22 June 2021

*Principal place of business in Hong Kong:*  
Suite Nos. 01–03, 19/F., Sino Plaza  
255–257 Gloucester Road  
Causeway Bay  
Hong Kong

*Notes:*

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the SGM or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and vote instead of him/her/it. A proxy needs not be a Member but must be present in person at the SGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
2. Completion and return of the form of proxy will not preclude a Member from attending and voting in person at the SGM if he/she/it so wishes. In the event of a Member who has lodged a form of proxy attending the SGM in person, the form of proxy will be deemed to have been revoked.
3. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed certified copy of such power or authority, at the office of the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the SGM or its adjournment (as the case may be).
4. For determining the entitlement of the Members to attend and vote at the SGM, the register of members of the Company (“**Register of Members**”) will be closed from Tuesday, 6 July 2021 to Friday, 9 July 2021 (both days inclusive), during which period no transfer of Shares will be registered. To qualify for attending and voting at the SGM, non-registered Members must lodge all transfer documents, accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 5 July 2021.
5. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolution set out in this Notice will be decided by way of a poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.95(5) of the Listing Rules.



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## NOTICE OF SGM

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6. Where there are joint holders of any Share, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of such joint holders so present whose name stands first in the Register of Members in respect of the joint holding shall alone be entitled to vote in respect thereof.
7.
  - (a) Subject to paragraph (b) below, if a tropical cyclone typhoon signal no. 8 is hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the SGM, the SGM will be postponed and the Members will be informed of the date, time and venue of the postponed SGM by an announcement posted on the respective websites of the Company and the Stock Exchange.
  - (b) If a black rainstorm warning signal is cancelled at or before three hours before the time fixed for holding the SGM and where conditions permit, the SGM will be held as scheduled.
  - (c) The SGM will be held as scheduled when a tropical cyclone typhoon signal no. 3 is hoisted or an amber or red rainstorm warning signal is in force.
  - (d) After considering their own situations, the Members should decide on their own as to whether they would attend the SGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
8. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.

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

*Executive Directors:*

Mr. Yan Li (*Chairman*)  
Mr. Wang Hongxin (*Chief Executive Officer*)  
Ms. Cao Xie Qiong

*Independent non-executive Directors:*

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

*Non-executive Director:*

Ms. Choi Ngai Wah