

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 767)

INSIDE INFORMATION

DISCLOSEABLE TRANSACTION

**IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED
SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE
ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

THE ACQUISITION

The Board is pleased to announce that on 9 August 2021, the Company entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at an initial consideration of approximately RMB154,000,000 (equivalent to approximately HK\$184,800,000) (subject to adjustment), which shall be paid by installments in cash and by allotting and issuing of the Consideration Shares by the Company to the Vendor (or its nominee(s)) under General Mandate.

Upon Completion, the Company will own the entire issued share capital of the Target Company, and the Target Company will become a direct wholly-owned Subsidiary of the Company and the financial results of the Target Group will therefore be consolidated in the accounts of the Company.

THE LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5%, but all applicable percentage ratios are less than 25% under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 9 August 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 August 2021.

Shareholders and potential investors of the Company are reminded that the Completion of the Acquisition is subject to the satisfaction (or waiver, if applicable) of certain conditions precedent under the Agreement and therefore the Completion may or may not take place. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

This announcement is made by the Group pursuant to Rule 13.09(2)(a) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE ACQUISITION

References is made to the announcement of the Company dated 10 April 2021 in relation to, among other things, a memorandum of understanding in respect of the proposed acquisition by the Company of the partial interest in Chengnan Hospital.

The Board is pleased to announce that on 9 August 2021 (after trading hours), the Company entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at an initial consideration of approximately RMB154,000,000 (equivalent to approximately HK\$184,800,000) (subject to adjustment), which shall be paid by installments in cash and by allotting and issuing of the Consideration Shares by the Company to the Vendor (or its nominee(s)) under General Mandate.

The Agreement

Date: 9 August 2021

Parties: 1) the Company, as the Purchaser;
2) Lo Hau Yin, as the Vendor; and
3) Zhang Meiting, as the Guarantor.

To the best of the Directors' knowledge, having made reasonable enquiries, as at the date of this announcement, the Vendor beneficially owns all the issued shares of the Target Company, and is the sole director of the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Vendor and the Guarantor are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to Be Acquired

The Sale Shares, representing the entire issued capital of the Target Company.

Consideration

The initial Consideration for the acquisition of the entire issued share capital of the Target Company is approximately RMB154,000,000 (equivalent to approximately HK\$184,800,000) (subject to the Consideration Adjustment), which shall be paid by installments pursuant to the terms of the Agreement as follows:

- (1) RMB20,000,000 (equivalent to approximately HK\$24,000,000) shall be paid in cash within 10 Business Days from the date of the Agreement (the "**First Consideration**");
- (2) RMB33,481,000 (equivalent to approximately HK\$40,177,200), which is subject to adjustment as described in the section "Consideration Adjustment" in this announcement, shall be paid in cash of RMB15,192,900 within 10 days from the issuance of the Special Audit Report for the 12 months ended 30 June 2022 and by Consideration Shares, which is equivalent to RMB18,288,100 (the "**Second Consideration**");
- (3) RMB41,995,200 (equivalent to approximately HK\$50,394,240), which is subject to adjustment as described in the section "Consideration Adjustment" in this announcement, shall be paid in cash of RMB18,735,700 within 10 days from the issuance of the Special Audit Report for the 12 months ended 30 June 2023 and by Consideration Shares, which is equivalent to RMB23,259,500 (the "**Third Consideration**");

- (4) RMB58,523,800 (equivalent to approximately HK\$70,228,560), which is subject to adjustment as described in the section “Consideration Adjustment” in this announcement, shall be paid in cash of RMB25,571,400 within 10 days from the issuance of the Special Audit Report for the 12 months ended 30 June 2024 and by Consideration Shares, which is equivalent to RMB32,952,400 (the “**Fourth Consideration**”).

Further details of the Consideration Shares are set out in the section “Consideration Shares” below.

Basis of the Consideration

The Consideration was arrived at after arm’s length negotiations between the Company and the Vendor on normal commercial terms with reference to, among other things, (i) future prospect of the business of the Target Group; and (ii) the reasons for and benefits of the Acquisition as described in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below.

In view of the above, the Directors consider that the Consideration is fair and reasonable.

Conditions Precedent

The Acquisition is subject to the following conditions being satisfied (or waived by written consent of the Purchaser):

- (i) the parties having signed the Agreement;
- (ii) The board of directors and the shareholders of the Target Company having authorised the approval of the Agreement and allowed the Vendor to transfer the Sale Shares to the Purchaser;
- (iii) the Vendor having obtained the necessary approvals from the shareholders and the board of directors of Hangzhou Chenghui and Chengnan Hospital in respect of the Share Transfer and the appointment of two new directors (one of whom is the chairman of the board) and a new chief financial officer designated by the Purchaser for Hangzhou Chenghui and Chengnan Hospital;
- (iv) the Target Company having cancelled the existing share certificates of the Vendor and issued new share certificates to the Purchaser in respect of the Share Transfer under the Agreement;
- (v) the Vendor having signed an instrument of transfer in respect of the Sale Shares in favour of the Purchaser or its nominee(s);
- (vi) the Vendor having signed a sold note in respect of the Sale Shares;

- (vii) the Purchaser being reasonably satisfied with and accepting the results of the due diligence in respect of the Share Transfer and the Target Group;
- (viii) the board of directors of the Purchaser having approved the Agreement and the purchase of the Sale Shares by the Purchaser from the Vendor in accordance with and subject to the terms and conditions of the Agreement;
- (ix) the Purchaser having obtained the necessary approval from the Shareholders of the Purchaser for the Share Transfer (if applicable);
- (x) both parties having complied with their articles of association and the Purchaser having complied with the Listing Rules;
- (xi) all other necessary relevant approvals and consents having been obtained for the Share Transfer, including but not limited to those from the Stock Exchange, relevant governmental authorities and/or regulatory bodies;
- (xii) there being no breach by the Vendor of its representations, warranties and undertakings made under the Agreement;
- (xiii) there being no material breach of the terms and conditions of the Agreement by the Vendor and the Target Company prior to the completion of the Share Transfer;
- (xiv) there being no applicable laws or regulations prohibiting any of the transactions contemplated under the Agreement; and
- (xv) the Vendor procuring the documents relating to the Share Transfer and the change to be duly executed and registered.

If for any reason the conditions precedent set out above are not fulfilled within one (1) month from the date of the Agreement, the Agreement and the Share Transfer referred to therein shall terminate and the Vendor shall refund to the Purchaser all sums paid by it to the Vendor and neither party shall have any liability to the other for any reason whatsoever, unless the parties sign a separate supplemental agreement.

Completion

The Completion will take place on the third (3rd) Business Day after all the conditions precedent to the Agreement are fulfilled. Upon Completion, the Target Company will become a direct wholly-owned Subsidiary of the Company and the financial results of the Target Group will therefore be consolidated in the accounts of the Company. As at the date of this announcement, none of the conditions precedent has been fulfilled.

Consideration Adjustment

Pursuant to the Agreement, the Vendor and the Guarantor have undertaken to the Purchaser that the consolidated audited profit after tax (excluding non-operating extraordinary income) of Hangzhou Chenghui for the 12 months ended 30 June 2022, 30 June 2023 and 30 June 2024 (“**Guaranteed Year**”) shall be not less than RMB18,000,000 (equivalent to approximately HK\$21,600,000), RMB22,000,000 (equivalent to approximately HK\$26,400,000) and RMB30,000,000 (equivalent to approximately HK\$36,000,000), respectively (“**Guaranteed Profit**”).

If the profit after tax realized in any given Guaranteed Year exceeds the Guaranteed Profit, the full amount of the Second, Third and Fourth Consideration shall be paid, and the excess profit will be carried forward to the next Guaranteed Year. If the cumulative net profit realized in three consecutive years exceeds the Guaranteed Profit for three Guaranteed Years, the Guaranteed Profit will be deemed to be realized. Based on to the Special Audit Report, 45% of the excess amount shall be awarded on a one-time basis to Hangzhou Chenghui’s management team and employees with outstanding contributions.

If the profit after tax in any given Guaranteed Year is less than the Guaranteed Profit, the difference shall first be deducted from the cash portion of the Second, Third and Fourth Consideration payable by the Purchaser to the Vendor for the Share Transfer in that year. And if the deduction of the cash Consideration of that Guaranteed Year is still insufficient, it shall be set off against the equivalent Consideration Shares in the Consideration payable to the Vendor for the Share Transfer in that year. If the profit after tax realized in a certain Guaranteed Year is negative and the deduction of all the cash Consideration and the relevant Consideration Shares are still insufficient to cover the difference, the entire cash Consideration and equivalent share Consideration payable by the Purchaser to the Vendor in that year will be deducted and the deficit will not be carried forward to the next Guaranteed Year. The final Consideration will not exceed RMB154,000,000 (equivalent to approximately HK\$184,800,000).

Consideration Shares

The Consideration Shares will be allotted and issued under the General Mandate granted, at the issue price being the average closing price as quoted on the Stock Exchange for the 5 trading days immediately prior to the respective issue date for each Second, Third and Fourth Consideration, (subject to the Consideration Adjustment). The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares, including the right to all dividends, distributions and other payments on or after the record date for such allotment and issue of Shares which have been made or will be made.

The Company will apply to the listing committee for approval of the listing of, and permission to deal in, the Consideration Shares. Unless the Vendor has achieved the Guaranteed Profit for the relevant Guaranteed Year, the Consideration Shares are

subject to a lock-up period from the date of issue of the Consideration Shares to the 20th Business Day (both days inclusive) after Hangzhou Chenghui issues the Special Audit Report for the 12 months ended 30 June 2024.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 3,870,102,650 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the allotment and issuance of all the Consideration Shares (assuming no Consideration Adjustments will be made and that the Consideration Shares are all allotted at HK\$0.61 per Share, being the closing price as quoted on the Stock Exchange immediately prior to the date of this announcement):

Shareholders	As at the date of this announcement		Immediately after the completion of allotment and issuance of all Consideration Shares	
	<i>Number of shares</i>	<i>Approximate (%)</i>	<i>Number of shares</i>	<i>Approximate (%)</i>
Ms. Jia Rutong	761,136,145	19.67	761,136,145	19.07
Allied Summit Inc. (Note)	580,659,755	15	580,659,755	14.54
Mr. Yan Li	184,030,000	4.76	184,030,000	4.61
Vendor (or its nominee)	—	—	122,131,148	3.06
Public shareholders	<u>2,344,276,750</u>	<u>60.57</u>	<u>2,344,276,750</u>	<u>58.72</u>
Total	<u>3,870,102,650</u>	<u>100</u>	<u>3,992,233,798</u>	<u>100</u>

INFORMATION ABOUT THE COMPANY

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

INFORMATION ABOUT THE VENDOR

The Vendor is Ms. Lo Hau Yin. As at the date of this announcement, Ms. Lo is the sole director and the sole shareholder of the Target Company.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor is an Independent Third Party.

INFORMATION ABOUT THE TARGET GROUP

The Target Company is an investment holding company. As at the date of the announcement, the Target Company indirectly holds 55% of the equity interest in Hangzhou Chenghui, which directly wholly-owns Chengnan Hospital. The Target Group mainly operates Chengnan Hospital, a second-tier comprehensive hospital specialising in telemedicine, high-end health check, rehabilitation from severe illnesses and comprehensive medical care. Chengnan Hospital has established, among other things, a remote consultation centre, departments of rehabilitation from severe illnesses, neurological rehabilitation, rehabilitation from joint diseases, geriatric rehabilitation, pain rehabilitation, six major rehabilitation wards and a brain stimulation waking centre.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2019 and 2020 prepared in accordance with the generally accepted accounting principles in PRC:

	For the year ended	
	31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited
Net loss before tax	<u>1,059</u>	<u>5,907</u>
Net loss after tax	<u>1,059</u>	<u>5,907</u>

According to the unaudited financial information of the Target Group, as at 31 December 2020, the Target Group recorded unaudited consolidated net asset value of approximately RMB17,500,000 (equivalent to approximately HK\$21,000,000).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Acquisition will further improve the Group's global layout in the field of longevity science, which will bring stable and sustainable revenue growth to the Group in the long run.

THE LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5%, but all applicable percentage ratios are less than 25% under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 9 August 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 August 2021.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the Agreement
“Agreement”	the Share Transfer Agreement dated 9 August 2021 entered into by the Company, the Vendor and the Guarantor in relation to the Acquisition
“Board”	the board of directors
“Business Day”	a day on which banks in Hong Kong are generally open for business, excluding public holidays, Sundays and Saturdays or days on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Chengnan Hospital”	Hangzhou Lin’an Chengnan Hospital Company Limited, a company established in the PRC with limited liability and wholly owned by Hangzhou Chenghui
“Company” or “Purchaser”	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
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	the date of the Completion, which shall take place on the tenth Business Day after the fulfilment of the last condition under the Agreement
“Connected Person(s)”	has the meaning as ascribed to it under the Listing Rules

“Consideration”	the consideration for the Acquisition, which is initially determined to be RMB154,000,000 (equivalent to approximately HK\$184,800,000), subject to adjustment pursuant to the terms of the Agreement
“Consideration Shares”	new Shares to be allotted and issued to the Vendor as part of the Consideration with the issue price being the average closing price as quoted on the Stock Exchange for the 5 trading days immediately prior to the issue date
“Director(s)”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at general meetings from time to time to allot, issue and deal with new Shares
“Group”	the Company and its Subsidiaries
“Hangzhou Chenghui”	Hangzhou Chenghui Health Management Company Limited* (杭州城慧健康管理有限公司), a company established in the PRC with limited liability, which will become an indirect non-wholly owned Subsidiary of the Company upon completion of the Acquisition
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Transfer”	pursuant to the terms and conditions of the Agreement, the act of transferring the Sale Shares from the Vendor to the Purchaser and receiving such shares by the Purchaser from the Vendor. Upon completion of the transfer of the Sales Shares, the Purchaser will hold 100% of the issued share capital of the Target Company and the Target Company will become a direct wholly-owned Subsidiary of the Purchaser

“Special Audit Report”	the post-merger consolidated audit report on Hangzhou Chenghui for the 12 months ended 30 June 2022, 30 June 2023 and 30 June 2024 issued by an accounting firm specifically engaged by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“Target Company”	Banderland Development Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its Subsidiaries
“Vendor”	Lo Hau Yin, an individual who is a third party independent of the Company and Connected Person(s)
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.20. Such conversion should not be construed as a representation that any amount has been, would have been, or may be, exchanged at this or any other rate.

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

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

Hong Kong, 12 August 2021

As at the date of this announcement, 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

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