

TARGET

Intelligence Report

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T U E S D A Y

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PART ONE OF TWO

CHINA LONGEVITY GROUP COMPANY LTD: THE FINANCIALS POINT TO A TURNABOUT SITUATION FOR THE COMPANY

But Its Shares Remain Suspended On The Main Board

Trading in the shares of China Longevity Group Company Ltd (中國龍天集團有限公司) (Code: 1863, Main Board, The Stock Exchange of Hongkong Ltd) on The Stock Exchange of Hongkong Ltd were suspended on February 14, 2013.

In this medium's recollection, for a publicly listed company, the shares of which are listed on the premier, or the secondary, equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, having trading in its shares, suspended for a period of eight years, it is not a common practice.

In a public announcement, dated Friday, October 29, 2021, Senior Management of China Longevity Group Company Ltd informed the Company's shareholders of the following:

'BUSINESS UPDATE

'The Board would like to provide an update to the Shareholders that the Company's production, operation, and finance remain healthy, and it will continue to focus on the research and development of new materials and products.

'SUSPENSION OF TRADING

*'The shares of the Company have been suspended from trading on the Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since 14 February 2013.*

'As previously provided in the Company's Announcement on 18 June 2019, the Stock Exchange had confirmed that it would, until further notice, withhold exercising its right to delist the Company under Rule

6.01A(2)(b)(ii) should the trading in the Company's securities remain suspended on 31 July 2019.

'As of the date of this announcement, the Company has not received any notice from the Stock Exchange stating that it is proceeding to delist the Company.

'THE REGULATORY CONCERNS OF THE SFC

*'On 23 December 2019, the Company, upon the suggestion of the Securities and Futures Commission ("**the Commission**"), submitted a written representation to the Board of the Commission ("**the Board**") pursuant Section 9 of the Securities and Futures (Stock Market Listing) Rules ("**SMLR**") to address the concerns raised by the Commission in its "Show Cause Letter" dated 24 November 2014 ("**the Resumption Application**").*

*'According to a letter from the Commission Secretary to the Enforcement Division of the Commission ("**ENF**") dated 8 May 2020, the Board had considered the Resumption Application at its meeting on 7 May 2020. The said meeting was adjourned for the Board to seek clarifications from ENF on several questions.*

'According to a letter from the Commission Secretary to the ENF and the Company dated 5 March 2021, the Board had considered the Resumption Application at its adjourned meeting on 22 February 2021. The said meeting was again adjourned pending further information from the Company.

'The Company understands that up to the date hereof the Board has not made a decision on the Resumption Application and may seek further information from the Company.

'The Company will make further announcement(s) to keep the Shareholders informed of the latest development as and when appropriate.

'Trading of shares of the Company has been suspended since 14 February 2013 and will remain suspended until further notice.'

(More about the above-mentioned matter, at the tail end of in this Report.)

The Interim Report Of China Longevity Group Company Ltd

On Monday, September 6, 2021, China Longevity Group Company Ltd published and disseminated its Interim Report in respect of the six months, ended June 30, 2021.

At Page 11 of this Report, the Company produced its Results for the first half of the 2021 Financial Year.

The following **TARGET** (泰達財經) table highlights some of the key factors, obtained from the Interim Report:

	Six Months, Ended June 30		Percentage Increase/Decrease
	2021	2020	
	All Figures Are Denominated In Renminbi (RMB)’000 (except where otherwise specified)		
Revenue	721,675	320,101	125.45
Gross Profit	133,100	71,095	87.21
Gross Profit Margin*	18.44	22.21	(16.97)
Net Profit Attributable To Shareholders	49,439	44,532	11.02
Net Profit Margin*	6.85	13.91	(50.75)

* These are **TARGET**'s calculations

At Page 19 of the Interim Report, one notes the following statistics, under the subheading, '*Geographic markets*':

	Six Months, Ended June 30		Percentage Increase/(Decrease)
	2021	2020	
	All Figures Are Denominated In Renminbi (RMB)*000 (except where otherwise specified)		
The People’s Republic of China (PRC)	572,008	221,135	158.67
Others	149,667	98,966	51.23
TOTAL	721,675	320,101	125.45

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