



JIMU GROUP LIMITED
積木集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8187)

FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2023

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**”) of Jimu Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM 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 announcement 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 announcement misleading.*

RESULTS

The board (the “**Board**”) of directors (“**Directors**”) of Jimu Group Limited (the “**Company**”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 March 2023, together with the comparative unaudited figures of the corresponding periods in 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

		(Unaudited)	
		Three months ended	
		31 March	
		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from goods and services	5	5,270	6,290
Cost of inventories sold		(3,686)	(5,668)
Other income		7	1
Employee benefits expenses		(1,364)	(745)
Other operating expenses		(1,675)	(944)
Finance costs		(365)	(166)
Loss before tax		(1,813)	(1,232)
Income tax expenses	6	–	(178)
Loss for the period	7	(1,813)	(1,410)
Other comprehensive expense:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		–	(8)
Total comprehensive expense for the period		(1,813)	(1,418)
			(Restated)
Loss per share			
– Basic and diluted (<i>HK cents</i>)	9	(0.05)	(0.05)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000 (Note 1)	Share premium HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2023 (Audited)	7,223	66,209	178	4,950	1,630	(78,955)	1,235
Loss and total comprehensive expense for the period	-	-	-	-	-	(1,813)	(1,813)
At 31 March 2023 (Unaudited)	<u>7,223</u>	<u>66,209</u>	<u>178</u>	<u>4,950</u>	<u>1,630</u>	<u>(80,768)</u>	<u>(578)</u>
At 1 January 2022 (Audited)	5,016	55,784	218	4,950	1,630	(73,842)	(6,244)
Loss for the period	-	-	-	-	-	(1,410)	(1,410)
Exchange differences arising on the translation of foreign operations	-	-	(8)	-	-	-	(8)
Total comprehensive expense for the period	-	-	(8)	-	-	(1,410)	(1,418)
Placing of new shares (Note 2)	1,003	9,731	-	-	-	-	10,734
Transaction costs attributable to placing of new shares	-	(470)	-	-	-	-	(470)
At 31 March 2022 (Unaudited)	<u>6,019</u>	<u>65,045</u>	<u>210</u>	<u>4,950</u>	<u>1,630</u>	<u>(75,252)</u>	<u>2,602</u>

Note 1: On 17 March 2023, the shareholders at the extraordinary general meeting approved share consolidation (“**Share Consolidation**”) on the basis that every twenty (20) issued and unissued existing shares of HK\$0.01 each will be consolidated into one (1) consolidated share of HK\$0.20 each.

The consolidation was implemented on 21 March 2023. 722,304,000 Existing Shares of par value HK\$0.01 each successfully converted into 36,115,200 consolidated shares par value of HK\$0.20 each which are fully paid or credited as fully paid. The board lot size for trading in the consolidated shares remained unchanged at 5,000 consolidated shares per board lot.

Note 2: On 31 December 2021, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 100,320,000 placing shares to independent investors at a price of HK\$0.107 per share. The placing was completed on 17 January 2022 pursuant to which the Company has allotted and issued 100,320,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$10,264,000 and resulted in the increase in share capital of approximately HK\$1,003,000 and share premium of approximately HK\$9,731,000, net of transaction costs of approximately HK\$470,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1. GENERAL INFORMATION

The Company is a public listed company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. The registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company was Unit 06, 12th Floor, The Broadway, No. 54–62 Lockhart Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the trading of footwear and apparel businesses and the provision of loan facilitation and credit assessment services.

In 2022, in view of the Group's expansion of footwear and apparel business and continuous operations of loan facilitation services in the People's Republic of China (the "PRC"), the Directors of the Company reassessed the functional currency of the Company and determined that Hong Kong dollars ("HK\$") better reflects the economic substance of the Company and its business activities as an investment holding company with subsidiaries mainly operating in Hong Kong. Accordingly, the functional currency of the Company was prospectively changed from Renminbi ("RMB") to HK\$ with effective from 1 January 2022. For the convenience of the consolidated financial statements and unaudited condensed consolidated financial statements users, the consolidated financial statements and unaudited condensed consolidated financial statements are presented in HK\$.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2023 are consistent with those used in the annual financial statements for the year ended 31 December 2022.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the Chief Operating Decision Maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s operating and reportable segment under HKFRS 8 Operating Segments are as follows:

- Footwear and apparel businesses – trading of footwear and apparel; and
- Loan facilitation and credit assessment services – provision of pre-loan facilitation services, post-loan facilitation services and credit assessment services.

The above operating divisions constitute the operating and reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segments:

Three months ended 31 March 2023 (Unaudited)

	Footwear and apparel businesses HK\$’000	Loan facilitation and credit assessment services HK\$’000	Total HK\$’000
Segment revenue	<u>5,268</u>	<u>2</u>	<u>5,270</u>
Segment results	<u>(62)</u>	<u>(165)</u>	<u>(227)</u>
Unallocated expenses			<u>(1,586)</u>
Loss before tax			<u><u>(1,813)</u></u>

Three months ended 31 March 2022 (Unaudited)

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>6,229</u>	<u>61</u>	<u>6,290</u>
Segment results	<u>557</u>	<u>(215)</u>	342
Unallocated expenses			<u>(1,574)</u>
Loss before tax			<u><u>(1,232)</u></u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current and prior periods.

5. REVENUE FROM GOODS AND SERVICES

An analysis of the Group's revenue from goods and services is as follows:

	(Unaudited) Three months ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trading of footwear and apparel businesses	5,268	6,229
Provision of loan facilitation and credit assessment services	<u>2</u>	<u>61</u>
	<u>5,270</u>	<u>6,290</u>

6. INCOME TAX EXPENSES

	(Unaudited) Three months ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong – current tax	–	(4)
PRC Enterprise Income Tax (“EIT”) – Deferred Tax	<u>–</u>	<u>(174)</u>
	<u>–</u>	<u>(178)</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit for the both periods.

Under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the condensed consolidated financial statements for both periods as the subsidiaries in the PRC have no taxable profit.

The Canada subsidiary is incorporated in British Columbia, Canada. Overseas tax is calculated at rates of tax applicable in countries in which the Group is assessable for tax. No provision for Canada has been made in the condensed consolidated financial statements for the period ended 31 March 2023 as the subsidiary in the Canada has no taxable profit.

7. LOSS FOR THE PERIOD

	(Unaudited)	
	Three months ended	
	31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period has been arrived at after charging:		
Directors' remuneration	210	275
Other staff costs (excluding directors' remuneration)		
– Salaries, bonuses and other benefits	1,113	425
– Retirement benefit scheme contributions	41	45
	<u>1,364</u>	<u>745</u>
Total staff costs		
Depreciation of plant and equipment	26	57
Depreciation of right-of-use assets	421	38
Expenses relating to short term leases	258	14
	<u><u>258</u></u>	<u><u>14</u></u>

8. DIVIDEND

No dividends were paid, declared or proposed during the three months ended 31 March 2023 and 2022. The directors of the Company do not recommend the payment of any dividend for the three months ended 31 March 2023 (2022: HK\$Nil).

9. LOSS PER SHARE

	(Unaudited) Three months ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss:		
Loss for the purpose of calculating basic loss per share (Loss for the period attributable to the owners of the Company)	<u><u>(1,813)</u></u>	<u><u>(1,410)</u></u>

	(Unaudited) Three months ended 31 March	
	2023	2022
	<i>'000</i>	<i>'000</i>
		(Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u><u>36,115</u></u>	<u><u>29,204</u></u>

For the three months ended 31 March 2023, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation on 17 March 2023.

Comparative figures of the weighted average number of shares for calculating basic earnings per share has been adjusted on the assumption that the share consolidation had been effective in prior year.

No diluted loss per share is being presented for three months ended 31 March 2023 and 2022 as there is no potential ordinary share in issue during the both periods.

10. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group had no significant events occurred.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is engaged in the footwear and apparel businesses and the loan facilitation and credit assessment businesses.

Footwear and Apparel Businesses

The Group is engaged in the trading of footwear and apparel business. The Group has built a diverse global customer portfolio comprising mainly international wholesalers and retailers and offers formal and casual footwear and apparel to its customers since 2009. Also, the Group extended the apparel business since 2021 for the massive overseas market potential of the apparel business.

In the early 2022, the Group has diversified its footwear and apparel businesses by selling branded footwear and apparel products in Hong Kong and Canada. The Group has set up a new company and established its presence in Vancouver, Canada in 2022. At the end of 2022, the Group expanded our retail footprint and opened 3 physical shops engaged in the trading of footwear and apparel in Hong Kong. Following the consumption voucher scheme being distributed and the reopening of border for the mainlanders in 2023 render support to consumption.

The global improving economic conditions and prospects should boost domestic demand, though tight financial conditions, inflation and the high interest rates will remain a constraint in 2023. Therefore, the management will conservatively review the market conditions and adjust the strategies timely.

Looking forward, we will continue to maintain and solidify our position within the industry, and allocate internal resources to develop our existing business in the trading of footwear and apparel, and explore suitable business opportunities as well as seek cooperation with more local and overseas enterprises simultaneously.

Loan Facilitation and Credit Assessment Businesses

The Group commenced the provision of loan facilitation services to customers in the PRC in 2018 and set up a branch office network across different regions in the PRC to provide assistance to customers with financing needs in 3rd and 4th tier cities in the PRC. Since 2020, the management of the Group (the “**Management**”) were aware of the change in economic condition of the loan market and started to close the branches and layoff staffs of loan facilitation business to reduce costs.

The PRC business remained disappointing in 2022 and showed no sign of revival even most of the counter-COVID-19 measures have been lifted in the PRC but the business had been accumulated considerable losses and suffering net liabilities. As a result, the management were in the opinion that it would no longer be in the interest to the Company and its shareholders as a whole to continue the business that on 20 April 2023, the Company resolved to dispose of the prolonged loss-making business to an independent third party at a nominal consideration of HK\$1. As none of the applicable ratios were higher than 5%, the disposal was exempt from announcement, circular and shareholders' approval.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$5.3 million for the three months ended 31 March 2023, a decrease of 15.9% compared with that of approximately HK\$6.3 million for the three months ended 31 March 2022. Revenue for the three months ended 31 March 2023 mainly derived from the footwear and apparel businesses.

Footwear and Apparel Businesses

The Group recorded revenue from the footwear and apparel businesses of approximately HK\$5.3 million for the three months ended 31 March 2023 (2022: HK\$6.2 million). The decrease is mainly due to the slow down of trading sportswear after the World Cup 2022.

Loan Facilitation and Credit Assessment Businesses

Revenue from the loan facilitation business decreased by 96.7% from approximately HK\$61,000 for the three months ended 31 March 2022 to approximately HK\$2,000 for the three months ended 31 March 2023. The revenue dropped significantly due to the closing down of branches and laying off staff since 2020. The Group had already closed the branches and layoff staffs of loan facilitation business to reduce operating costs.

Cost of inventories sold

Cost of inventories sold of approximately HK\$3.7 million mainly comprised the cost of inventories sold and consignment costs incurred during the three months ended 31 March 2023 (2022: HK\$5.7 million).

Employee benefits expenses

Employee benefits expenses increased to approximately HK\$1.4 million for the three months ended 31 March 2023 from approximately HK\$0.7 million for the three months ended 31 March 2022, which was mainly due to the increase in headcounts from the expansion of trading of footwear and apparel businesses.

Other operating expenses

Other operating expenses increased to approximately HK\$1.7 million for the three months ended 31 March 2023 from approximately HK\$0.9 million for the three months ended 31 March 2022, which was mainly a result of the expansion of 3 retail shops in trading of footwear and apparel business in Hong Kong.

Finance costs

The increase of finance costs by 119.9% to approximately HK\$365,000 for the three months ended 31 March 2023 from approximately HK\$166,000 for the three months ended 31 March 2022, which was mainly due to the interest charged for the HK\$14.8 million loan (bearing interest at 8–9% per annum) obtained in 2023.

Income tax expenses

Income tax expenses decreased to Nil income tax expenses for the three months ended 31 March 2023 from approximately HK\$0.2 million income tax expenses for the three months ended 31 March 2022.

Loss for the period

As a result of foregoing, loss for the period increased to approximately HK\$1.8 million for the three months ended 31 March 2023 from approximately HK\$1.4 million for the three months ended 31 March 2022.

Loss before tax for the footwear and apparel businesses segment turned to loss of approximately HK\$62,000 for the three months ended 31 March 2023 from profit of approximately HK\$0.6 million for the three months ended 31 March 2022 due to the increase in operating costs of start up in running 3 retail shops in Hong Kong.

Loss before tax for the loan facilitation and credit assessment segment decreased to approximately HK\$165,000 million for the three months ended 31 March 2023 from loss approximately HK\$215,000 for the three months ended 31 March 2022. This was mainly due to the further cost-cutting and restructuring plan implemented in 2021 and the negative effect in the PRC economy and the Group had not yet benefited from the PRC's pro-COVID recovery.

OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2023 (2022: HK\$Nil).

PLEDGE OF ASSETS

As at 31 March 2023, the Group had no asset pledged (2022: HK\$Nil) to secure the Group's other borrowings.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the three months ended 31 March 2023, the Group currently has no other plan for material investments.

CONTINGENT LIABILITIES

As at 31 March 2023, the Group did not have any significant contingent liabilities (31 December 2022: HK\$Nil).

CAPITAL COMMITMENTS

As at 31 March 2023, the Group had no significant capital commitments (31 December 2022: HK\$Nil).

LIQUIDITY, FINANCIAL AND CAPITAL STRUCTURE

As at 31 March 2023, the total borrowings of the Group amounted to approximately HK\$18.6 million (31 December 2022: approximately HK\$14.5 million) which comprised interest-bearing borrowings and lease liabilities.

As at 31 March 2023, the gearing ratio of the Group was 55.2% (31 December 2022: 49.0%). Gearing ratio is calculated based on total borrowings divided by total assets at the end of the relevant period.

The Group's operations are financed principally by revenue generated from its business operation, available bank balances and cash as well as interest-bearing borrowings. The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity position to ensure that the Group is well positioned to achieve its business objectives and strategies.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 March 2023, the total employees in mainland China, Hong Kong and Canada has increased from 5 in 31 March 2022 to 24 in 31 March 2023. In order to recruit, develop and retain talented employees, the Group offers competitive remuneration packages to our staff, including internal promotion opportunities and performance based bonus. The Group enters into standard employment contracts with our staff which contain provisions on intellectual property rights and confidentiality.

The remuneration committee of the Company will make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group.

SIGNIFICANT INVESTMENTS HELD

During the three months ended 31 March 2023, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS OR DISPOSALS

During the three months ended 31 March 2023, the Group did not have any material acquisition or disposal.

INTERESTS IN COMPETING BUSINESS

For the three months ended 31 March 2023, none of the Directors or any of their respective close associates (all as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such persons has or may have with the Group.

EXCHANGE RATE EXPOSURE

Revenue, cost and expenses of the Group's are denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and Canadian dollars ("CAD"), as such the net exposure to fluctuation of HK\$ against RMB and CAD are not material. The Group's management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered to be minimal. As at 31 March 2023, the Group did not use any financial instrument for hedging the foreign exchange risk.

PLACING SHARES UNDER GENERAL MANDATE

On 24 November 2022, the Company has entered into a placing agreement (the “**2022 Placing Agreement**”) with a placing agent (the “**2022 Placing Agent**”), pursuant to which the Company has conditionally agreed to place through the 2022 Placing Agent, a maximum of 120,384,000 new shares (the “**Placing Shares of 2022 Placing**”) to not less than six independent placees at the placing price of HK\$0.0200 per Placing Share (the “**2022 Placing**”). The 2022 Placing was completed on 14 December 2022 (the “**Completion of 2022 Placing**”). The Company has fully placed an aggregate of 120,384,000 Placing Shares of 2022 Placing, representing (i) 20% of the issued share capital of the Company immediately prior to the Completion of 2022 Placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the 120,384,000 Placing Shares of 2022 Placing. The Company’s issued share capital increased from 601,920,000 to 722,304,000 immediately after the Completion of 2022 Placing. The net proceeds from the issue of the Placing Shares of 2022 Placing after deduction of all relevant expenses amounted to approximately HK\$2.3 million. Further details of the above placing were set out in the announcements of the Company dated 24 November 2022 and 14 December 2022.

For details on the use of proceeds from the 2022 Placing refer to the section “Use of proceeds from the Placing” below.

USE OF PROCEEDS FROM THE PLACING

As at the date of this announcement, the net proceed from the 2022 Placing has not been fully utilised.

Use of net proceeds	Net proceeds HK\$’000	Net proceeds utilised up to 31 March 2023 HK\$’000	Unutilised net proceeds as at 31 March 2023 HK\$’000	Expected timeline on utilisation of Unutilised net proceeds
Business operation	494	(494)	–	N/A
General working capital	1,874	(1,844)	30	June 2023
	<u>2,368</u>	<u>(2,338)</u>	<u>30</u>	

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Currently, the positions of Chairman and Chief Executive Officer have been vacant but the Executive Director performs similar function as Chief Executive Officer. Besides, the Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation by management. The Board monitors the Group's operating and financial performance and ensures that effective governance and corporate social responsibility and policies and sound internal control and risk management systems are in place. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable to those in the Code Provision.

The Company is committed to achieve high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code"). During the three months ended 31 March 2023, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2023, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares or underlying shares held		Total	Approximate percentage of interest in such corporation
		Ordinary shares	Share options		
Mr. Shum Tsz Yeung	Beneficial owner	6,750	–	6,750	0.02%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2023, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, no person (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares 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 as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Share Option Scheme**”) on 11 May 2016.

On 6 January 2023, 14,400,000 share options were granted to certain eligible participants to subscribe for shares of the Company under the Share Option Scheme. Please refer to the Company’s announcement dated 6 January 2023 for further details. Subsequent to the Company’s share consolidation implemented on 21 March 2023 and as at the date of this announcement, there are 720,000 outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for 720,000 shares of the Company at the exercise price of HK\$0.42 per share.

As the share consolidation had taken effect on 21 March 2023, adjustments were made to the exercise prices and the number of shares of the Company falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme and the GEM Listing Rules. As at the date of this announcement, there are 1,680,000 share options available for future grant.

Particulars of the movement of options granted under the Share Option Scheme as at the date of this quarterly results announcement are as follows (the Share price and number of Shares has been adjusted pursuant to the Share Consolidation):

Name	Capacity	Date of Grant	Vesting Period	Validity Period	Exercise Price (HK\$/per share)	Shares granted during the Reporting Period	Shares exercised during the Reporting Period	Shares outstanding as at the date of this quarterly results announcement
Tsang Hing Bun	Director	6 January 2023	6 January 2024	6 January 2023 to 5 January 2033	0.42	-	-	360,000
Grantee A	General manager of a subsidiary of the Group	6 January 2023			0.42	-	-	360,000

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three months ended 31 March 2023, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules, as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by directors during the period under review.

AUDIT COMMITTEE

The Company established the audit committee of the Company (the "Audit Committee") on 11 May 2016 with written terms of reference in compliance with the code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors; review financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company. The Audit Committee currently consists of three members, namely Mr. Choi Ho Yan (Chairman of the Audit Committee), Mr. Hung Wai Che and Mr. Yiu Yu Hong John, all being independent non-executive Directors.

The Audit Committee has reviewed the Group's quarterly results for the three months ended 31 March 2023. The Audit Committee is of the view that the unaudited condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements.

The unaudited condensed consolidated financial results for the three months ended 31 March 2023 have not been audited or reviewed by the Company's auditors.

EVENT AFTER THE REVIEW PERIOD

Saved as disclosed, there was no material event after the review period.

PUBLICATION OF QUARTERLY RESULTS AND QUARTERLY REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The unaudited quarterly results announcement of the Company for the three months ended 31 March 2023 has been published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.jimugroup8187.com. This quarterly results announcement will be dispatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Jimu Group Limited
Tsang Hing Bun
Executive Director

Hong Kong, 12 May 2023

As at the date of this announcement, the executive Director is Mr. Tsang Hing Bun; the non-executive Director is Mr. Shum Tsz Yeung; and the independent non-executive Directors are Mr. Hung Wai Che, Mr. Choi Ho Yan and Mr. Yiu Yu Hong John.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company's website at <http://www.jimugroup8187.com>.