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JIMU GROUP LIMITED
積木集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8187)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

Underwriter to the Rights Issue



PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.2, being the par value per Share, per Rights Share, to raise gross proceeds of approximately HK\$14.4 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date), by way of the Rights Issue of up to 72,230,400 Rights Shares to the Qualifying Shareholders. The Company will provisionally allot to the Qualifying Shareholders two Rights Shares in nil-paid form for every one existing Share in issue and held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds from the Rights Issue after deducting all necessary expenses will be approximately HK\$13.3 million (assuming no change in the number of Shares in issue on or before the Record Date), which are intended to be applied in following manners: (i) approximately HK\$11 million (or approximately 82.7% of the total net proceeds) for the repayment of the Group's loans; and (ii) the remaining balance of approximately HK\$2.3 million (or approximately 17.3% of the total net proceeds) for general working capital of the Group.

THE UNDERWRITING AGREEMENT

On 25 May 2023 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to fully underwrite the Underwritten Shares up to 72,230,400 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein.

Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the section headed “THE UNDERWRITING AGREEMENT” in this announcement.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue (including the Underwriting Agreement).

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue (including the Underwriting Agreement), and as to voting. An announcement will be made by the Company following the appointment of the Independent Financial Adviser.

GEM LISTING RULES IMPLICATIONS

Since the proposed Rights Issue will increase the issued share capital or the market capitalisation of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the proposed Rights Issue must be made conditional on approval by the Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the proposed Rights Issue. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

As at the date of this announcement, the Company has no controlling Shareholder as defined under the GEM Listing Rules and Mr. Shum Tsz Yeung, a non-executive Director, is beneficially interested in 6,750 Shares. Accordingly, Mr. Shum Tsz Yeung is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Underwriting Agreement and the transaction contemplated thereunder at the EGM. Except as disclosed above, no Shareholder shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM and no Director shall abstain from voting in favour of the Rights Issue at the meeting of the Board.

GENERAL

A circular containing, among other things, (i) further details of the Rights Issue, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 26 June 2023. Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL(s) and EAF(s)) to the Non-Qualifying Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

PROPOSED RIGHTS ISSUE

The Board proposes to implement the Rights Issue with the terms set out as follows:

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.2, being the par value per Share, per Rights Share

Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.18 per Rights Share
Number of Shares in issue at the date of this announcement	:	36,115,200 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 72,230,400 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
		The aggregate nominal value of the Rights Shares will be HK\$14,446,080
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 108,345,600 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$14.4 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of this announcement, there are (i) 720,000 outstanding Share Options, which are exercisable during the period from 6 January 2023 to 5 January 2033 at the exercise price of HK\$0.42 each. The Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Assuming no further issue or repurchase of Shares on or before the Record Date, the maximum number of 72,230,400 Rights Shares to be issued and allotted pursuant to the terms of the Rights Issue represent 200% of the total number of issued Shares and approximately 66.67% of the total number of issued Shares as enlarged by the allotment and issuance of the Rights Shares.

Undertakings

As at the date of this announcement, the Company has no substantial Shareholder and accordingly has not received any information or irrevocable undertaking from any substantial Shareholder of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

The Subscription Price

The Subscription Price of HK\$0.2, being the par value per Share, per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, upon an application of excess Rights Shares, or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a premium of approximately 15.6% to the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 12.9% to the average closing price of HK\$0.1772 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 12.3% to the average closing price of approximately HK\$0.1781 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day; and
- (d) a premium of approximately 4.7% to the theoretical ex-rights price of approximately HK\$0.191 per Share based on the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this announcement.

The Board (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular) has considered (i) the market price of the Shares prior to and including the Last Trading Day; (ii) the prevailing market conditions; (iii) the share price of the Company has been trading below its par value for some time; and (iv) the fund-raising size intended by the Company after taking into consideration of the par value per Share and are of the view that the terms of the Rights Issue, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully-paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the

Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 19 July 2023.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Monday, 17 July 2023, and the Shares will be dealt with on an ex-rights basis from Tuesday, 18 July 2023. Subject to the passing of the resolution to approve the Rights Issue by the Independent Shareholders at the EGM and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus (without the PAL(s) and the EAF(s)) to the Non-Qualifying Shareholders for their information only.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Thursday, 20 July 2023 to Wednesday, 26 July 2023 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date. Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Rights of Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 17.41(1) of the GEM Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Application for the excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess application, for (a) the Rights Shares representing the entitlement of the Non-Qualifying Shareholders and which cannot be sold at a net premium; and (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or transferees of nil-paid Rights Shares. Applications for the excess Rights Shares may be made by duly completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (a) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result;
- (b) the excess Rights Shares will be allocated to the applicants on a pro rata basis based on the number of excess Rights Shares applied for by them; and
- (c) no reference will be made to Rights Shares subscribed through PALs, or the number of Shares held by the Qualifying Shareholders.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any application may have been made with the intention to abuse the mechanism, such application for excess Rights Shares may be rejected at the sole discretion of the Board.

If the aggregate number of Rights Shares being available for excess application is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

Beneficial owners of the Shares whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the beneficial owners of the Shares whose Shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually and are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For those beneficial owners of the Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for completion of the relevant registration not later than 4:30 p.m. on Wednesday, 19 July 2023.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Friday, 18 August 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Friday, 18 August 2023 by ordinary post, at the respective Shareholders' own risk,

to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 18 August 2023, by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlement to the Rights Shares will arise under the proposed Rights Issue.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid Rights Shares shall have the same board lot size as the existing Shares (i.e. 5,000 Shares in one board lot).

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

THE UNDERWRITING ARRANGEMENT

On 25 May 2023 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below.

Date : 25 May 2023 (after trading hours)

Issuer : The Company

Underwriter : China Demeter Securities Limited

The Underwriter is a licensed corporation carrying out Type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its associates do not hold any Shares, and the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Number of Rights Shares to be underwritten by the Underwriter : Up to 72,230,400 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Underwriting Commission : The Company shall pay to the Underwriter an underwriting commission equal to a lump sum amount of HK\$100,000.00.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Save for the Underwriting Agreement, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associates.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business 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 or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the absolute opinion of the Underwriter would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company served prior to the Latest Time for Termination.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter or the Company.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the date of despatch of the Prospectus Documents;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules, the Companies Ordinance and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only, explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (d) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully paid forms) by no later than the first day of their dealings;

- (e) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination;
- (f) the compliance with and performance by the Company in all material respects of the undertakings and obligations under the Underwriting Agreement; and
- (g) there being no Specified Event occurring prior to the Latest Time for Termination.

Conditions (a), (b), (c), (d), (e) and (f) above are incapable of being waived. If any of the conditions of the Rights Issue is not satisfied (or waived, as the case maybe) in whole or in part by the Company by the Latest Time for Termination or such other time and/or date as the Company and the Underwriter may agree in writing, the Underwriting Agreement will terminate and none of the parties shall, have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

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

Since early 2022, the Group has diversified its footwear and apparel businesses by selling branded footwear and apparel products in Hong Kong and Canada. The Directors believe that the commencement of such new business in Hong Kong and North America allows the Group to develop a diversified range of customers in different geographical locations. The Group has set up a new company and established its presence in Vancouver, Canada in 2022. The Group will then maintain the scale of operations and retail network in 2023 and regularly review the market conditions in North American and adjust the strategies in due course.

As most of the countries' economies have started to recover from the COVID-19 pandemic since early 2022, together with the consumption voucher scheme implemented by the Hong Kong Government and the World Cup played in 2022, the Group achieved significant growth in revenue for the year ended 31 December 2022. Going forward, the Group plans to continue to widen the consumer reach by expanding its brand portfolio and product categories and the Group will explore business opportunities in various soft fashion trading networks and online platforms and seek operations with more local and overseas enterprises to expanding our retail business.

As disclosed in the Company's circular dated 1 March 2023, the Company had no intention as at 17 February 2023 to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Nevertheless, the Board also stressed it could not rule out the possibility that the Company would conduct debt and/or equity fund-raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group.

Since 17 February 2023, the Group has further incurred loans to support its ongoing operations. The Board is of the view that the Rights Issue will enable the Group to strengthen its capital base for the footwear and apparel business and enhance its working capital position. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Group. The Board has also considered other alternative means of fund raising before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. However, the Board considers that debt financing requires asset pledge or relatively higher interest rate which will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations.

In particular, given the volatile market conditions and the consecutive loss-making financial performance of the Group, it would be difficult for the Company to obtain loans from banks in Hong Kong.

The Directors consider that it would be difficult for the Company to obtain loans from other non-banking financial institution (the “**Non-Banking FIs**”) due to the Company lack of collateral acceptable to the Non-Banking FIs. Moreover, based on the past experience of the Directors, even for secured loan financing with acceptable collateral (such as property) from the Non-Banking FIs, it will still result in a high interest rate under prevailing market conditions. The Group is reluctant to obtain loan financing from the Non-Banking FIs which generally charge higher interest rates than banks. As such, the Company did not further approach the Non-Banking FIs.

In addition, debt financing may not be achievable on favourable terms in a timely manner. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and the Company has already exhausted its general mandate. Additionally, further placing of shares would lead to dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. Furthermore, the Company has approached multiple securities brokerages but they have all declined to act as placing agent. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. In view of the above, the Board considers that raising funds by way of the Rights Issue is more cost effective, efficient and beneficial to the Company and the Shareholders as a whole as compared to raising fund by other means.

Assuming full subscription under the Right Issues, it is estimated that the Company will raise gross proceeds of approximately HK\$14.4 million from the Rights Issue and the relevant expenses would be approximately HK\$1.1 million, which include underwriting commission and professional fees. The estimated net proceeds from the Rights Issue will be approximately HK\$13.3 million (equivalent to a net price of approximately HK\$0.18 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:

- (a) approximately HK\$11 million (or approximately 82.7% of the total net proceeds) for the repayment of the Group's loans ("**Repayment**"); and
- (b) the remaining balance of approximately HK\$2.3 million (or approximately 17.3% of the total net proceeds) for general working capital of the Group.

In respect of the Repayment, the Group obtained loans in 2022 in the aggregate amount of HK\$11.5 million bearing an interest rate of 8–9% per annum. The Group therefore has to make interest payments of approximately HK\$1,035,000 every year. Although the loans are not repayable until late 2024 and the Group is only required to make interest payments on a half-yearly basis until the maturity date, the Board (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular) considers that Repayment within this year is for the commercial benefit of the Group because it will help the Group save interest expense of approximately HK\$1,035,000. The re-opening of the borders and the relaxation of anti-epidemic measures provide an opportunity for the rebound in economic activities and stimulate the consumer spending especially in retail business following the easing restrictions of mainland Chinese tourists' arrivals and the distribution of consumption vouchers. Besides, it is expected that sporting events will continue to resume post-COVID and bounce back in terms of attendance. As a result, the savings will enable the Group to capture the enormous business opportunities in the footwear and apparel market created by major sporting events to be held such as the 2024 UEFA Euro Championship to be held in Germany and the Olympic Games to be held in Paris in 2024. The FIBA Basketball World Cup to be held later this year and the NBA Playoff Finals are also set to boost demand for sneakers. Therefore the cash resources can enable the Group to reduce its interest expenses by repayment of part of its loans, increase its liquidity and reserve its working capital to prepare for the anticipated growth in business and equip the Group with a timely and robust funding position to secure favourable opportunities.

In respect of (b), despite the gradual recovery of economy from the COVID-19 pandemic, the business conditions remain troubled in Hong Kong as the tourism industry has yet to rebound and the reopening of borders by countries such as Japan has diminished the consumer purchase power in Hong Kong. The fragile global economy as evidenced by a series of bank failures and rescues recently has also made shoppers more wary of non-essential spending. In these abnormal business conditions, the Group is conscious about the importance of liquidity in the Group's ongoing operations and managing cash flow is a very critical aspect during a period of uncertainty. Given that the Group's net cash used in operating activities for the year ended 31 December 2022 was already approximately HK\$15.8 million and the Group's bank balances and cash were only at HK\$2,011,000 as at 31 December 2022, the Board foresees

the Group's forthcoming cash level might be further strained when the Group conducts its business activities. As a low cash level would not be ideal for the Group's business operations the Group is considering actions to increase liquidity with a view to strengthen the competitive edge of the Group over the competitors in the industry.

Having taken into account the state of the global and local economies, the cash level of the Group, as well as the estimated working capital required for the Group's daily operation, the Board (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular) considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital structure without incurring debt financing cost, improve the financial position, and provide additional financial resources for capturing suitable business expansion and investment opportunities as they arise, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms to maintain their respective pro-rata shareholdings in the Company. Hence, the Board (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular) considered that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (a) as at the date of this announcement; (b) immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders); and (c) immediately after the Rights Issue (assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up all Rights Shares pursuant to the Underwriting Agreement).

	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up all Rights Shares pursuant to the Underwriting Agreement	
	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>
Mr. Shum Tsz Yeung	6,750	0.02	20,250	0.02	6,750	0.006
Underwriter, sub-underwriter(s) and/or subscriber(s) procured by them (Notes 2 & 3)	–	–	–	–	72,230,400	66.67
Other public Shareholders	36,108,450	99.98	108,325,350	99.98	36,108,450	33.33
Total	36,115,200	100.00	108,345,600	100.00	108,345,600	100.00

Notes:

- (1) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- (2) Pursuant to the Underwriting Agreement, the Underwriter shall confirm with the Company the actual number of Untaken Shares as at the Latest Time for Acceptance, and shall procure for full subscription therefor.
- (3) In any event and notwithstanding any provisions under the Underwriting Agreement, the Underwriter irrevocably undertakes to the Company that (i) each of the subscribers of the Untaken Shares procured by the Underwriter (or the Underwriter concerned, whichever shall be appropriate) shall be an Independent Third Party and are not acting in concert (within the meaning of the Takeovers Code) with the Underwriter and its associates; (ii) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers and/or placees to take up such number of Untaken Shares as necessary to ensure that the Company will comply with the public float requirement under the GEM Listing Rules upon completion of the Rights Issue; and (iii) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

FUND-RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE MONTHS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
24 November 2022	Placing of new Shares under general mandate	HK\$2.31 million	Business operation and general working capital	All used as intended, except as disclosed in the Company's annual results announcement dated 23 March 2023 that the remaining HK\$50,000 earmarked for use as general working capital is expected to be utilized by June 2023.

Save as disclosed above, the Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme, the exercise prices and/or number of new Shares to be issued upon exercise of the Share Options may be adjusted in accordance with the Share Option Scheme, if any, upon the Rights Issue becoming unconditional. The Company will notify the holders of the Share Options the adjustments upon the Rights Issue becoming unconditional by further announcement, if necessary.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	Date and time
Despatch date of the circular, proxy form and the notice of the EGM	Monday, 26 June 2023
Latest time for lodging transfers of shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 7 July 2023
Register of members closes (both days inclusive)	Monday, 10 July 2023 to Friday, 14 July 2023
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	11:00 a.m. on Wednesday, 12 July 2023
Record date for attendance and voting at the EGM	Friday, 14 July 2023
EGM to approve the proposal	11:00 a.m. on Friday, 14 July 2023
Announcement of the result of the EGM	Friday, 14 July 2023
Last day of dealings in securities on cum-rights basis	Monday, 17 July 2023

Event	Date and time
Ex-date (the first day of dealings in securities on ex-rights basis)	Tuesday, 18 July 2023
Latest time for lodging transfers of shares to qualify for the Rights Issue	4:30 p.m. on Wednesday, 19 July 2023
Register of members closes (both days inclusive)	Thursday, 20 July 2023 to Wednesday, 26 July 2023
Record date for the Rights Issue	Wednesday, 26 July 2023
Despatch of the Prospectus Documents	Thursday, 27 July 2023
First day of dealing in NPR	Monday, 31 July 2023
Latest time for splitting of PAL	At a time on Wednesday, 2 August 2023
Last day of dealings in NPR	Monday, 7 August 2023
Latest time for acceptance and payment for rights shares and application for excess rights shares	4:00 p.m. on Thursday, 10 August 2023
Latest time for the termination of the Underwriting Agreement	4:30 p.m. on Friday, 11 August 2023
Announcement of the allotment results	Thursday, 17 August 2023
Despatch of certificates for fully-paid Rights Shares and refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated	Friday, 18 August 2023
Expected first day of dealings in fully-paid Rights Shares	Monday, 21 August 2023

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if a typhoon signal No. 8 (or above), “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region, or a “black” rainstorm warning is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. Announcement will be made by the Company in such event.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue (including the Underwriting Agreement). The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue (including the Underwriting Agreement), and as to voting. An announcement will be made by the Company following the appointment of the Independent Financial Adviser.

GEM LISTING RULES IMPLICATIONS

Since the proposed Rights Issue will increase the issued share capital or the market capitalisation of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the proposed Rights Issue must be made conditional on approval by the Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the proposed Rights Issue. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

As at the date of this announcement, the Company has no controlling Shareholder as defined under the GEM Listing Rules and Mr. Shum Tsz Yeung, a non-executive Director, is beneficially interested in 6,750 Shares. Accordingly, Mr. Shum Tsz Yeung is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Underwriting Agreement and the transaction contemplated thereunder at the EGM. Except as disclosed above, no Shareholder shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM and no Director shall abstain from voting in favour of the Rights Issue at the meeting of the Board.

GENERAL

A circular containing, among other things, (i) further details of the Rights Issue, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 26 June 2023. Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL(s) and EAF(s)) to the Non-Qualifying Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday 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 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 general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Jimu Group Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, in such usual form as may be agreed between the Company and the Underwriter
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Rights Issue
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all three independent non-executive Directors, namely Mr. Hung Wai Che, Mr. Choi Ho Yan and Mr. Yiu Yu Hong John, established to give a recommendation to the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders of the Company on the terms of the Rights Issue and the Underwriting Agreement
“Independent Shareholder(s)”	any Shareholder(s) other than any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Last Trading Day”	25 May 2023, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 10 August 2023 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:30 p.m. on Friday, 11 August 2023 or such other time or date as the Underwriter may agree in writing with the Company
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 27 July 2023 or such other date as may be agreed in writing between the Underwriter and the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders

“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 26 July 2023 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions in the Underwriting Agreement
“Rights Share(s)”	up to 72,230,400 Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 11 May 2016
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Shareholder(s)”	holder(s) of issued Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect

“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2, being the par value per Share, per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	China Demeter Securities Limited, a licensed corporation carrying out Type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 25 May 2023 entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Share(s)”	any of the Underwritten Shares which have not been taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or applicants under excess applications by the Latest Time for Acceptance
“%”	per cent.

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

Hong Kong, 25 May 2023

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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>.

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