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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)

**(1) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE;
AND
(2) ADJUSTMENTS TO THE SHARE OPTIONS**

Reference is made to the prospectus of Jimu Group Limited (the “**Company**”) dated 9 August 2023 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriter did not terminate the Underwriting Agreement prior to the Latest Time for Termination, the Rights Issue became unconditional at 4:30 p.m. on Thursday, 24 August 2023.

As at 4:00 p.m. on Wednesday, 23 August 2023, being the latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares:

- (i) a total of 3 valid acceptances of provisional allotments under the PALs had been received for a total of 21,155,664 Rights Shares, representing approximately 29.29% of the total number of 72,230,400 Rights Shares available for subscription under the Rights Issue; and
- (ii) a total of 3 valid applications for excess Rights Shares under the EAFs had been received for a total of 52,127,250 excess Rights Shares, representing approximately 72.17% of the total number of 72,230,400 Rights Shares available for subscription under the Rights Issue.

In aggregate, 6 valid acceptances and applications in respect of 73,282,914 Rights Shares have been accepted and applied for representing approximately 101.46% of the total number of 72,230,400 Rights Shares being offered under the Rights Issue.

Based on the above results, the Rights Issue was over-subscribed by 1,052,514 Rights Shares, representing approximately 1.46% of the total number of 72,230,400 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

Given the valid acceptance of provisional allotments under the PALs as mentioned above, 51,074,736 Rights Shares were available for subscription under the EAFs. Such number of excess Rights Shares was insufficient to satisfy all valid applications for a total number of 52,127,250 excess Rights Shares made under the EAFs.

The allocation of the excess Rights Shares was made pursuant to the principles set out in the section headed “Letter from the Board – Rights Issue – Application for the excess Rights Shares” in the Prospectus. Given that the number of excess Rights Shares available for subscription under the EAFs was insufficient to satisfy all valid applications, the allocation of the 51,074,736 Rights Shares to the Qualifying Shareholders who applied for excess Rights Shares was made on a fair and equitable basis, and as far as practicable on a pro-rata basis of approximately 97.98% of the number of excess Rights Shares applied for under each application. No preference was given to applications for topping-up odd-lot holdings to whole-lot holdings and the excess Rights Shares were allocated to the applicants on a pro rata basis based on the number of excess Rights Shares applied for by them. In addition, no reference was made to Rights Shares subscribed through PALs, or the number of existing Shares held by the Qualifying Shareholders. The following table sets forth the details of excess applications validly received:

Number of valid excess applications	Total number of excess Rights Shares applied for	Basis of allotment	Total number of excess Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for
3	52,127,250	Allot approximately 97.9809% of the Excess Rights Shares applied for	51,074,736	97.9809%

UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:30 p.m. on Thursday, 24 August 2023.

Since the Rights Issue was over-subscribed by 1,052,514 Rights Shares and there were no Rights Shares not taken up, in accordance with the terms of the Underwriting Agreement, the obligations of the Underwriters in respect of the Untaken Share(s) have been fully discharged.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$14.4 million and the net proceeds from the Rights Issue, after deducting all relevant expenses, are approximately HK\$13.3 million. The Company will apply the net proceeds of the Rights Issue as to (i) approximately HK\$11.0 million (or approximately 82.7% of the total net proceeds) for the repayment of the Group's loans; and (ii) the remaining balance of HK\$2.3 million (or approximately 17.3% of the total net proceeds) for general working capital of the Group, in accordance with the proposed use of proceeds set out in the section headed "Reasons for and Benefits of the Rights Issue and Use of Proceeds" in the Prospectus.

EFFECTS OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Director's knowledge and information, the following is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Mr. Shum Tsz Yeung Underwriter, sub-underwriter(s) and/or subscriber(s) procured by them	6,750	0.02	6,750	0.006
Other public Shareholders	36,108,450	99.98	108,338,850	99.994
Total	<u>36,115,200</u>	<u>100</u>	<u>108,345,600</u>	<u>100</u>

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares will be posted to those Qualifying Shareholders entitled thereto, and the refund cheques for the partially unsuccessful applications for excess Rights Shares will be posted to the relevant applicants, by ordinary post to their respective registered address at their own risk on Thursday, 31 August 2023.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Prior to the completion of the Rights Issue, the Company had 720,000 outstanding Share Options (the “**Outstanding Options**”) granted by the Company exercisable into 720,000 Shares, at the exercise price of HK\$0.42 per Share under the Share Option Scheme. As a result of the Rights Issue, the Company has calculated the necessary adjustments (the “**Share Options Adjustments**”) to the exercise price and the number of Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules, and the Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072–2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”).

The Share Options Adjustments as a result of the Rights Issue with effect from 31 August 2023, being the date on which the fully-paid Rights Shares are allotted and issued, are set out below:

Date of Grant	Immediately before the completion of the Rights Issue		Immediately after the completion of the Rights Issue	
	Number of Shares to be issued upon exercise of the Outstanding Options	Exercise price per Share (HK\$)	Adjusted number of Shares to be issued upon exercise of the Outstanding Options	Adjusted exercise price per Share (HK\$)
6 January 2023	720,000	0.42	652,147	0.46

Save for the above adjustments, all other terms and conditions of the Outstanding Options remain unchanged.

The auditor and reporting accountant of the Company, Prism Hong Kong and Shanghai Limited, has confirmed to the Directors in writing that the adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the Outstanding Options are accurate and in compliance with the requirements set out in the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules, and the Stock Exchange Supplementary Guidance.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange on Friday, 1 September 2023.

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

Hong Kong, 30 August 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 Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) 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 Announcements” page of the Stock Exchange’s website 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>.