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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)

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE TENANCY AGREEMENT**

**THE TENANCY AGREEMENT**

The Board announces that on 19 February 2024, Kam Chan & Co., as the landlord, and Art Kingdom, a direct wholly-owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement in respect of a lease of the Premises for a term of three (3) years, commencing from 4 March 2024, and ending on 3 March 2027 (both days inclusive). The Premises will be used as one of the Group's merchandise stores.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

Under HKFRS 16, the Company is required to recognize an asset that represents its right to use the Premises as a lessee under the Tenancy agreement. According to the GEM Listing Rules, any lease transaction entered by the Group as a lessee will be considered as an acquisition of an asset, under the definition of the transaction in accordance with the GEM Listing Rules.

As the applicable percentage ratios (as defined under the GEM Listing Rules) for the lease transaction contemplated under the Tenancy Agreement exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Board announces that on 19 February 2024, Kam Chan & Co., as the landlord, and Art Kingdom, a direct wholly-owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement in respect of a lease of the Premises for a term of three (3) years, commencing from 4 March 2024, and ending on 3 March 2027 (both days inclusive). The Premises will be used as one of the Group's merchandise stores.

## **THE TENANCY AGREEMENT**

Details of the terms of the Tenancy Agreement are summarised below:

Date	:	19 February 2024
Landlord	:	Kam Chan & Co.
Tenant	:	Art Kingdom
The Premise	:	1st Floor, Tak Wah Mansion, Nos. 290, 290A, 292, 294 and 296 Hennessy Road, Hong Kong
Terms	:	Three (3) years from 4 March 2024 to 3 March 2027 (both days inclusive)
The aggregate value of rent payable	:	The aggregate value of rent payable under the Tenancy Agreement by Art Kingdom is HK\$2,160,000, representing a monthly rental of HK\$60,000 exclusive of government rent, rates and management fees to be paid in advance without any deduction.

The rent under the Tenancy Agreement is determined after arm's length negotiations between Kam Chan & Co. and Art Kingdom after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.

Payable term	:	The monthly rent shall be payable in advance on the first day of each and every calendar month without deduction whatsoever.
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The payment of the monthly rent, the rental deposit and the stamp duty will be funded by the internal resources of the Group.

## **THE RIGHTS OF USE ASSETS**

Under HKFRS 16, the Company is required to recognize an asset that represents its right to use the Premises as a lessee under the Tenancy agreement.

The Company has recognised the value of the right-of-use assets under the Tenancy Agreement, which amounts to approximately HK\$1,802,000. This value is calculated using the present value of aggregated lease payments, minus incentives (if any), plus initial direct costs and estimated reinstatement cost with the lease in accordance with HKFRS 16. To compute the present value of aggregate lease payments, a discount rate of 10.8% has been applied.

## **INFORMATION ABOUT THE GROUP, ART KINGDOM AND KAM CHAN & CO.**

### **The Company and the Group**

The Company is an investment holding company which, together with its subsidiaries, is principally engaged in the footwear and apparel trading businesses.

### **Art Kingdom**

Art Kingdom is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, Art Kingdom is a direct wholly-owned subsidiary of the Group and is principally engaged in the trading of footwear and apparel.

### **Kam Chan & Co.**

Kam Chan & Co. is a company incorporated in Hong Kong with limited liability. Prior to the entering into of the Tenancy Agreement, the Directors have taken reasonable and applicable procedures to understand the ultimate beneficial owner (the “UBO”) of Kam Chan & Co. and based on the response from the management of Kam Chan & Co., the UBO is a reputable family in Hong Kong and all members of which are Independent Third Parties. The Directors also understand that the Landlord has been focusing on operating lease of premises in Hong Kong as its usual and ordinary course of business.

Save as the aforesaid, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, the Directors do not have any other information in relation to the UBO.

## **REASONS FOR ENTERING INTO THE TENANCY AGREEMENT**

The primary focus of the Group is to run retail businesses in Hong Kong. As part of its retail operations, the Group regularly enters into tenancy agreements to lease retail stores. Each retail store contributes to and sustains the Group’s scale of operation, resulting in lower overall costs, better negotiation power with business partners, and expansion of the Group’s store network and market shares.

The rental charge and other terms of the Tenancy Agreement were determined through arm’s length negotiations with reference to the open market rent of comparable office properties. The Directors believe that the Tenancy Agreement is necessary for the Group’s continued business operations and is in the normal course of business. Therefore, the Board considers the terms of the Tenancy Agreement to be fair and reasonable and the entering into of the Tenancy Agreement is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

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## **DEFINITIONS**

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

“Art Kingdom”	a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Jimu Group Limited, company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8187)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	directors of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	GEM Listing Committee of the Stock Exchange
“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
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of and not connected with the Company and its connected persons
“Kam Chan & Co.”	Kam Chan & Company Limited, a company incorporated in Hong Kong with limited liability
“Premises”	1st Floor, Tak Wah Mansion, Nos. 290, 290A, 292, 294 and 296 Hennessy Road, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.2 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 19 February 2024 entered into between Art Kingdom and Kam Chan & Co. Limited in relation to the lease of the Premises

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

Hong Kong, 22 February 2024

*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 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>.*