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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Jimu Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**This circular is for information purposes only and is being provided to you solely for the purposes of considering the resolutions to be voted upon at the EGM to be held on Tuesday, 30 April 2024. This circular does not constitute an offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for securities referred to in this circular.**

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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)**

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Placing Agent**  
**Orient Securities Limited**

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Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Tuesday, 30 April 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jimugroup8187.com](http://www.jimugroup8187.com)). Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

*This circular will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication. This circular will also be published on the Company's website at [www.jimugroup8187.com](http://www.jimugroup8187.com).*

15 April 2024

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## CHARACTERISTICS OF GEM

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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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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:*

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday 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 signal 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 business throughout their normal business hours
“Company”	Jimu Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8187)
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Completion Date”	a date falling within four (4) Business Days after the day on which all the conditions set out in the section headed “Conditions of the Placing” of this circular have been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Revised Placing Shares
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associates)
“Latest Practicable Date”	9 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Revised Placing Share
“Placing”	the placing of the Revised Placing Shares on and subject to the terms and condition set out in the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Placing Agent”	Orient Securities Limited, a licensed corporation to carry out Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activity under the SFO

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## DEFINITIONS

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“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 8 March 2024 which was subsequently amended and supplemented by the Supplemental Agreement
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Revised Placing Price”	HK\$0.31 per Revised Placing Share (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable)
“Revised Placing Share(s)”	up to 43,338,240 new Shares to be placed pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement)
“Rights Issue”	the allotment and issue of 72,230,400 rights Shares of the Company by way of rights issue completed on 30 August 2023
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Specific Mandate”	the specific mandate to be sought, approved and granted by the Shareholders at the EGM to allot and issue a maximum of 43,338,240 Revised Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Supplemental Agreement”	the supplemental placing agreement entered into between the Company and the Placing Agent dated 12 March 2024 to amend and supplement the Placing Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Director:*

Dr. Tsang Hing Bun

*Non-executive Director:*

Mr. Shum Tsz Yeung

*Independent non-executive Directors:*

Mr. Hung Wai Che

Mr. Choi Ho Yan

Mr. Yiu Yu Hong John

*Registered Office:*

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman, KY1-1108

Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*

Suite 2105

21/F, Central Plaza

18 Harbour Road

Hong Kong

15 April 2024

*To the Shareholders,*

Dear Sirs,

### **PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **INTRODUCTION**

References are made to the announcements of the Company dated 8 March 2024 and 12 March 2024 in relation to, among other matters, the Placing.

The purpose of this circular is to provide Shareholders with, among other things, (i) further details of the Placing; and (ii) a notice of the EGM to be convened to consider and, if thought fit, approve, among other things, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Revised Placing Shares.

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## LETTER FROM THE BOARD

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### PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 12 March 2024 (after trading hours), the Company and the Placing Agent entered into a Supplemental Agreement to amend and supplement the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 43,338,240 Revised Placing Shares to not less than six (6) Placees at the Revised Placing Price of HK\$0.31 per Revised Placing Share who and whose ultimate beneficial owners shall be Independent Third Parties.

Details of the Placing Agreement (as amended and supplemented by the Supplemental Agreement) are set out below:

**The Placing Agreement (as amended and supplemented by the Supplemental Agreement)**

**Date of Placing Agreement:** 8 March 2024 (after trading hours)

**Date of Supplemental Agreement:** 12 March 2024 (after trading hours)

**Parties:**           **Issuer:**                   The Company

**Placing Agent:**           Orient Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party as at the Latest Practicable Date.

### **Placing commission**

Pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement), the Placing Agent will charge the Company a placing commission of HK\$200,000. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions, and the Directors are of the view that the placing commission is fair and reasonable.

### **Placees**

The Placing Agent will, on a best efforts basis, place the Revised Placing Shares to currently expected to be not less than six (6) Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties and are not connected persons and persons acting in concert of the Company (as defined in the Takeovers Code). Pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement), the Placing Agent will use its best endeavours and make all reasonable enquiries to ensure



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## LETTER FROM THE BOARD

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that none of the Placees will, immediately upon the Completion, become a substantial shareholder (as defined under the GEM Listing Rules) of the Company.

### Revised Placing Shares

As at the Latest Practicable Date, the Company has 108,345,600 Shares in issue. Assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion of the Placing, the maximum number of 43,338,240 Revised Placing Shares under the Placing represent (i) 40% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 28.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Revised Placing Shares.

The aggregate nominal value of the maximum number of 43,338,240 Revised Placing Shares under the Placing is HK\$8,667,648.

### Ranking of the Revised Placing Shares

The Revised Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Revised Placing Shares.

### Placing under Specific Mandate

The Revised Placing Shares will be allotted and issued under the Specific Mandate to be sought, approved and granted by the Shareholders at the EGM.

### Revised Placing Price

The Revised Placing Price of HK\$0.31 represents:

- (a) a discount of approximately 41.51% to the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the date of the Supplemental Agreement;
- (b) a premium of approximately 22.34% to the average closing price of HK\$0.2534 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Supplemental Agreement;
- (c) a discount of approximately 76.15% to the closing price of HK\$1.300 per Share as quoted on the Stock Exchange as of the Latest Practicable Date; and
- (d) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 11.86%, represented by the theoretical diluted price of approximately HK\$0.4671 per Share to the benchmarked price of approximately HK\$0.530 per Share (as defined under 10.44A of the GEM Listing Rules, taking

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## LETTER FROM THE BOARD

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into account the higher of (i) the closing price on the date of the Supplemental Agreement of HK\$0.530 per Share and (ii) the average of the closing prices of approximately HK\$0.2534 per Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Supplemental Agreement).

While the Company has completed a Rights Issue on 30 August 2023, i.e. within twelve (12) months immediately preceding the date of the Supplemental Agreement, the Rights Issue was conducted at a premium and therefore there was no value dilution to the non-participating shareholders. Save as to the Rights Issue, the Company had not conducted any fund raising activities involving the issue of its equity securities in the twelve (12) months immediately preceding the date of the Supplemental Agreement.

In view of the above, the Placing will not result in a theoretical dilution effect of 25% or more on its own or when aggregated with the Rights Issue, and accordingly, the theoretical dilution impact of the Placing is in compliance with Rule 10.44A of the GEM Listing Rules.

The Revised Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account factors including the prevailing market prices of the Shares and the current market conditions, in particular,

- (i) having reviewed the closing prices of the Shares over the period from 13 December 2023 up to and including 12 March 2024, being the 3-month period prior and up to the date of the Supplemental Agreement (the “**Review Period**”), as a benchmark to reflect the prevailing market conditions and the recent trading performance of the Shares, the Revised Placing Price of HK\$0.31 represents a premium of 29.01% to the average closing price of the Shares of HK\$0.2403 during the Review Period;
- (ii) the low average trading volume of approximately 515,314 Shares during the Review Period representing approximately 0.48% of the total number of issued Shares as at the date of the Supplemental Agreement, which indicates low liquidity and demand for the Shares of the Company;
- (iii) the Revised Placing Price of HK\$0.31 represents a premium of approximately 520% to the unaudited consolidated net asset value per Share of approximately HK\$0.05 on the basis of the total number of 108,345,600 issued Shares as at the date of the Supplemental Agreement and unaudited consolidated net assets as at 30 June 2023 of approximately HK\$5.34 million, as disclosed in the interim report of the Company published on 8 August 2023 for the six months ended 30 June 2023 (for reference, the Revised Placing Price of HK\$0.31 also represents a premium of approximately 107% to the audited consolidated net asset value per Share of approximately HK\$0.15 on the basis of the total number of 108,345,600 issued Shares as at the date of the Supplemental Agreement and audited

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## LETTER FROM THE BOARD

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consolidated net assets as at 31 December 2023 of approximately HK\$16.31 million, as disclosed in the annual results announcement of the Company published on 21 March 2024 for the year ended 31 December 2023); and

- (iv) the current market sentiment of the shares of listed companies in Hong Kong, which can be observed from the significant decrease of the Hang Seng Index of approximately 24.7% from 22,689.90 points, the highest recorded in 2023, on 27 January 2023 to 17,093.50 points as at the date of the Supplemental Agreement.

In view of the above, and having considered the prevailing trading performances of the Shares and the low average daily trading volume during the Review Period as well as the recent market conditions as of the date of the Supplemental Agreement, the Directors consider it necessary to set the Revised Placing Price at a discount to the closing price of HK\$0.530 per Share as of the date of the Supplemental Agreement, and that the Revised Placing Price of HK\$0.31 is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

### **Application for listing of Revised Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Revised Placing Shares.

### **Conditions of the Placing**

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Revised Placing Shares;
- (ii) the passing of necessary resolution(s) by the shareholders of the Company who are allowed to vote under the GEM Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder, including the grant of the Specific Mandate at the EGM; and
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 28 June 2024 (or such later date as may be agreed between the Company and the Placing Agent in writing), all rights, obligations and liabilities of the Company and the Placing Agent shall cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other save for any antecedent breach under the Placing Agreement (as amended and supplemented by the Supplemental Agreement) prior to such termination.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, none of the above conditions has been fulfilled.

### **Completion**

Completion of the Placing will take place on the Completion Date, being a date within four (4) Business Days after the fulfillment of the above conditions of the Placing (or such other date to be agreed between the Company and the Placing Agent in writing).

### **Termination**

The Placing Agent may terminate the Placing Agreement (as amended and supplemented by the Supplemental Agreement) without any liability to the Company save for any antecedent breach prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following events:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

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## LETTER FROM THE BOARD

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- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties of the Company to the Placing Agent under the Placing Agreement (as amended and supplemented by the Supplemental Agreement) comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement (as amended and supplemented by the Supplemental Agreement); or
- (vii) any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to this section, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) shall terminate and be of no further effect and neither party shall be under any liability to the other party save for any antecedent breach under the Placing Agreement (as amended and supplemented by the Supplemental Agreement) prior to such termination.

The Directors are not aware of the occurrence of any of the above events as at the Latest Practicable Date.

**If the Placing Agent exercises such right of termination, the Placing will not proceed. A further announcement will be made by the Company if the Placing Agreement (as amended and supplemented by the Supplemental Agreement) is terminated by the Placing Agent.**

### REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the footwear, apparel and sports-related peripheral products businesses.

Having reviewed the latest audited consolidated financial statements of the Company for the year ended 31 December 2023, the Directors note that:

- (i) the loss resulting from the Group's continuing operations had increased from approximately HK\$3.9 million in 2022 to approximately HK\$5.3 million in 2023, mainly as a result of the reduced sales of branded footwear and apparel products in Canada due to the overall slowdowns of the economy of Canada in 2023 and the rather slow economic recovery after the COVID-19 pandemic;

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## LETTER FROM THE BOARD

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- (ii) the expenses of the Group's continuing operations have further increased in 2023, in which the employee benefit expenses had increased from approximately HK\$1.8 million for 2022 to HK\$6.0 million for 2023, whereas the operating expenses had increased from approximately HK\$3.7 million for 2022 to HK\$5.6 million for 2023; and
- (iii) the net cash used in the Group's operating activities for the year of 2023 amounted to approximately HK\$4.59 million, which was off-set by the net cash from financing activities of approximately HK\$4.51 million as a result of the large proceeds from the Rights Issue in 2023.

In view of the financial condition and performance of the Group in 2023, and given there are 2 major sports event upcoming in the summer of 2024, namely the UEFA Euro and the 2024 Paris Olympic Games, which according to past record will largely stimulate the Group's sales of jerseys, footwear and other sports-related accessories, the Directors consider it necessary to seek additional source of funding to secure and maintain a sufficient amount of general working capital to support and facilitate the Group's existing business and operating activities, and that the Placing represents a good opportunity to broaden the capital base of the Company and raise capital for the Group's business operations.

Subject to completion of the Placing and assuming all the 43,338,240 Revised Placing Shares are fully placed, it is expected that the maximum gross proceeds and net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing will be approximately HK\$13.4 million and HK\$12.9 million respectively. On such basis, the net issue price will be approximately HK\$0.298 per Revised Placing Share. The Company intends to apply the net proceeds from the Placing for the purposes of replenishing the general working capital for the Group's daily business operations and investment opportunities, if any.

Looking forward, in light of the upcoming major sports events in 2024, the Group intends to maintain and solidify its position within the industry and develop the Group's existing business. The Group plans and have made corresponding preparations to:

- (i) keep the trendy footwear and sports apparel products in Hong Kong and extend footwear trading networks to online platforms; and
- (ii) seek cooperation with more local and overseas enterprises to expand the Group's retail business in sports-related peripheral products.

Apart from the Placing, the Board has considered other fund-raising alternatives such as debt financing, rights issue or open offer. The Board considers that debt financing such as bank borrowings would incur additional interest burden on the Group and create pressure to the liquidity of the Company, and may be subject to time-consuming due diligence and negotiations with the banks. As for rights issue or open offer, the Board considers that it would involve relatively more substantial time and costs to complete when compared with the Placing.

## LETTER FROM THE BOARD

Having considered the above, and given the relatively low placing commission and expenses of the Placing, the Board considers that the Placing Agreement (as amended and supplemented by the Supplemental Agreement) is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions and the recent trading performance of the Shares, and that the terms of the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Revised Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, 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.

Assuming there being no other changes in the share capital of the Company from the Latest Practicable Date and up to completion of the Placing, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion of the Placing assuming all Revised Placing Shares are fully placed.

	<b>As at the Latest Practicable Date</b>		<b>Immediately after Completion of the Placing assuming all Revised Placing Shares are fully placed</b>	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Mr. Shum Tsz Yeung ( <i>Note 1</i> )	6,750	0.01%	6,750	0.00%
Sharp Ally International Limited ( <i>Note 2</i> )	26,464,939	24.43%	26,464,939	17.45%
<b>Public Shareholders</b>				
The Placees ( <i>Note 3</i> )	–	–	43,338,240	28.57%
Other Public Shareholders	81,873,911	75.56%	81,873,911	53.98%
<b>Total</b>	<u>108,345,600</u>	<u>100.00%</u>	<u>151,683,840</u>	<u>100.00%</u>

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## LETTER FROM THE BOARD

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*Notes:*

1. Mr. Shum Tsz Yeung is a non-executive Director of the Company.
2. According to the Corporate Substantial Shareholder Notice filed by Sharp Ally International Limited (“**Sharp Ally**”) through the Disclosure of Interests Online System, Sharp Ally is the beneficial owner of 26,464,939 Shares with its registered office located at the British Virgin Islands. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, the Directors do not have any information in relation to the ultimate beneficial owner of Sharp Ally.
3. This scenario is for illustrative purpose only. Pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Agreement), the Placing Agent will use its best endeavours and make all reasonable enquiries to ensure that the Placees and their respective ultimate beneficial owners (if applicable) shall be Independent Third Parties and are not connected persons and persons acting in concert of the Company (as defined in the Takeovers Code), and that none of the Placees will, immediately upon the Completion, become a substantial shareholder (as defined under the GEM Listing Rules) of the Company.
4. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the Latest Practicable Date:

Date of announcement/ circular/prospectus	Fund-raising activity	Net proceeds raised ( <i>approximately</i> )	Intended use of proceeds	Actual use of proceeds
25 May 2023, 6 June 2023, 26 June 2023, 7 July 2023, 9 August 2023, and 30 August 2023	Rights Issue	HK\$13.3 million	Approximately HK\$11.0 million for the repayment of the Group’s loans, and approximately HK\$2.3 million for general working capital of the Group	Approximately HK\$11.0 million used for the repayment of the Group’s loans, and approximately HK\$2.3 million used for business operations. The proceeds have been kept in the Group’s bank account prior to utilisation.

Save as disclosed above, the Company had not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.



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## LETTER FROM THE BOARD

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### GEM LISTING RULES IMPLICATIONS

The Placing will not result in a theoretical dilution effect of 25% or more on its own or when aggregated with the Rights Issue. As such, the theoretical dilution impact of the Placing is in compliance with Rule 10.44A of the GEM Listing Rules.

### GENERAL

None of the Directors has a material interest in the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and hence no Director was required to abstain from voting on the Board resolution approving the Placing Agreement (as amended and supplemented by the Supplemental Agreement).

The Placing is subject to the Shareholders' approval at the EGM. The Revised Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the EGM.

### EGM

The EGM will be held and convened for the Shareholders to consider and, if thought fit, approve, among other things, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate.

As at the Latest Practicable Date, the Company has no controlling Shareholder as defined under the GEM Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders and their respective close associates has any material interest in the Placing, the Placing Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, and no Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Placing, the Placing Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, at the EGM.

A notice convening the EGM to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Tuesday, 30 April 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jimugroup8187.com](http://www.jimugroup8187.com)).

Whether or not Shareholders are able to attend and vote at the EGM in person, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 11:00 a.m. on Sunday, 28 April 2024) or any adjournment thereof. Completion and return of the form of proxy

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## LETTER FROM THE BOARD

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will not preclude Shareholders from attending and voting in person at the EGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### **CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY**

In order to determine the entitlements of the Shareholders to attend and vote at the EGM, the transfer books and register of members will be closed from Thursday, 25 April 2024 to Tuesday, 30 April 2024, both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible for attending and voting at the EGM, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on Wednesday, 24 April 2024.

### **RECOMMENDATION**

The Board considers that the Placing, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, are fair and reasonable and in the interest of the Company and the Shareholders as a whole and recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

### **RESPONSIBILITY STATEMENT**

This circular, 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 circular 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 circular misleading.

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## LETTER FROM THE BOARD

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### MISCELLANEOUS

In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

**Shareholders and potential investors of the Company should note that the completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement (as amended and supplemented by the Supplemental Agreement), the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

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

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## NOTICE OF EGM

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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)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the shareholders (the “**Shareholder(s)**”) of Jimu Group Limited (the “**Company**”) will be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Tuesday, 30 April 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company. The capitalised terms defined in the circular of the Company dated 15 April 2024 (the “**Circular**”) of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

NO refreshment, NO food and beverage service, and NO handing out of corporate gifts, gift coupons or cake vouchers.

#### ORDINARY RESOLUTION

1. “**THAT:**

- (a) the placing agreement dated 8 March 2024 (the “**Placing Agreement**”) and the supplemental placing agreement dated 12 March 2024 (the “**Supplemental Agreement**”) entered into between the Company as issuer and Orient Securities Limited as the placing agent in relation to the placing of up to 43,338,240 shares of the Company (the “**Revised Placing Share(s)**”) at the revised placing price of HK\$0.31 per Revised Placing Share (a copy of the Placing Agreement marked “A” and a copy of the Supplemental Agreement marked “B” having been produced to the EGM and initialed by the chairman of the EGM for the purpose of identification), and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Revised Placing Shares) be and are hereby approved, confirmed and ratified;
- (b) subject to and conditional upon the GEM Listing Committee of the Stock Exchange granting the approval for the listing of and the permission to deal in the Revised Placing Shares, the board of Directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Revised Placing Shares, subject to and in accordance with the terms and conditions of the Placing Agreement (as amended and supplemented by the Supplemental Agreement); and

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## NOTICE OF EGM

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- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things, and to sign, execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or give effect to or in connection with the Placing, the Placing Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Revised Placing Shares under the specific mandate and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 15 April 2024

*Notes:*

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in Circular shall have the same meanings when used in this notice.
2. Voting at the EGM will be taken by poll as required under the GEM Listing Rules.
3. The register of members of the Company will be closed from Thursday, 25 April 2024 to Tuesday, 30 April 2024 (both days inclusive) for determining the entitlements of the Shareholders to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on Wednesday, 24 April 2024.
4. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting of the Company. A proxy need not be a member of the Company.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
6. A form of proxy for the EGM is enclosed. In order to be valid, the form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

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## NOTICE OF EGM

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7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the EGM, and in such event the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
9. The English text of this notice of extraordinary general meeting shall prevail over the Chinese text in case of inconsistency.
10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the Company’s website at [www.jimugroup8187.com](http://www.jimugroup8187.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify members of the date, time and place of the rescheduled EGM.
11. If member has any particular access requirements or needs special arrangements for participating at the meeting, please contact the Hong Kong branch share registrar and transfer office of the Company.
12. As at the date hereof, the executive Director of the Company is Dr. 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.