

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**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  
SUBSCRIPTION OF 7% EQUITY INTEREST  
IN THE TARGET COMPANY  
AND  
RESUMPTION OF TRADING**

**THE SUBSCRIPTION**

The Board is pleased to announce that on 17 January 2022 (after trading hours), the Subscriber entered into the Share Subscription Agreement with the Target Company, pursuant to which the Subscriber has conditionally agreed to subscribe for the Subscription Shares, representing 7% equity interest in the Target Company, at the Consideration of HK\$1,050,000. The Target Company is principally engaged in the footwear business specializing in premium and collector sneakers, streetwear, and accessories in Canada.

Upon completion of the Share Subscription, the Target Company will be owned as to 7% shareholding by the Company.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Share Subscription exceeds 5% but are less than 25% for the Company, the Share Subscription constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

**As the Completion is subject to the fulfilment of a number of conditions, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares or other securities of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 18 January 2022 pending the release of this announcement.

Application will be made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange expectedly with effect from 9:00 a.m. on 20 January 2022.

Reference is made to the announcement of the Company dated 10 November 2021, in relation to the possible acquisition of the equity interest of the Target Company. The Board is pleased to announce that, on 17 January 2022 (after trading hours), the Company and the Target Company entered into the Share Subscription Agreement, pursuant to which the Company, as subscriber agreed to subscribe for 7% equity interest in the Target Company at the Consideration of HK\$1,050,000.

## **THE SHARE SUBSCRIPTION AGREEMENT**

The principal terms of the Share Subscription Agreement are set out below:

### **Date:**

17 January 2022 (after trading hours)

### **Parties:**

- (1) the Subscriber; and
- (2) the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company, and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Subject Matter**

Pursuant to the Share Subscription Agreement, subject to the fulfillment of the condition precedents, the Subscriber has agreed to subscribe for the Subscription Shares, being 7% of the issued Shares of the Target Company and the Target Company has agreed to allot and issue such Subscription Shares to the Subscriber in accordance with the terms and conditions of the Share Subscription Agreement. As at the date of the Share Subscription Agreement, each of Mr. Dai, Ms. Ha and Mr. Li owned one-third of the equity interest in the Target Company.

## **Consideration**

Pursuant to the Share Subscription Agreement, the total Consideration shall be HK\$1,050,000.

The consideration for the Share Subscription was determined and agreed between the parties after arm's length negotiations based on normal commercial terms with reference to, among other things, (i) the preliminary valuation of the Target Company based on its unaudited financial statements; and (ii) the current business operations and prospects of the Target Group.

The consideration for the Share Subscription will be settled by the internal resources of the Group.

## **Conditions Precedent**

Completion is subject to the following conditions precedent being fulfilled, amongst others:

- (a). the Target Company to increase its authorised share capital prior to the Completion;
- (b). all necessary documents, consents and approvals required to be obtained on the part of the Target Company in respect of the Share Subscription having been obtained, including the approval from its board of directors and shareholders (if required);
- (c). all necessary documents, consents and approvals required to be obtained on the part of the Subscriber in respect of the Share Subscription having been obtained, including the approval from the Board;
- (d). all the representations, warranties and undertakings of or by the Target Company and the Subscriber remaining true and accurate in all respects at all times up to Completion;
- (e). the Subscriber having been satisfied with the result of the due diligence relating to the Target Company; and
- (f). the existing shareholders of the Target Company remain as the only shareholders of the Target Company and shall not transfer any part or all of their shares in the Target Company to third party other than the Subscriber or have any encumbrance imposed on their shares prior to Completion.

The Subscriber may waive any of the conditions precedent as set out above and the parties to the Share Subscription Agreement shall use their respective best endeavours to ensure that the conditions precedent shall be fulfilled and/or satisfied as soon as possible after the execution of the Share Subscription Agreement and before the Completion Date.

## **Completion**

Completion shall take place on the Completion Date when the conditions precedent above are satisfied or waived. Upon Completion, the Target Company will be owned as to 7% shareholding by the Company.

## **INFORMATION OF THE TARGET COMPANY**

As at the date of this announcement, the Target Company is owned as to one-third by each of Mr. Dai, Ms. Ha and Mr. Li.

### **Business of the Target Company**

The Target Company was incorporated in British Columbia of Canada. It is a footwear company specializing in sale of premium and collector sneakers, streetwear, and accessories in Canada. The Target Company has physical stores in Vancouver and operated its online sales platform which features a curated catalogue of internationally renowned sportswear and fashion brands and supplied sneakers, streetwear and accessories worldwide. Its customers and business partners include various prominent online marketplaces, sneakers and clothing reseller platforms in Hong Kong, the U.S. and the PRC.

### **Financial Information of the Target Company**

Set out below is certain financial information of the Target Company, as extracted from its unaudited financial statements for the year ended 31 December 2020:

	<b>For the year ended 31 December 2020</b> (unaudited) <i>CAD'000</i>
Revenue	4,989
Net loss before tax	(3.6)
Net loss after tax	(4.2)

## **INFORMATION OF THE COMPANY**

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

## **REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION**

One of the principal business of the Group is footwear and apparel business. As revealed in the latest annual report of the Company for the year ended 31 December 2020, it was the management's business strategy to seek further development opportunities in both overseas and PRC market in order to leverage on the recovering footwear and apparel industry. The Directors consider that the Share Subscription will provide the Group with the following benefits:

- a) the Target Company is an online market place that specialises in premium and collector sneakers, streetwear and accessories with physical stores in Vancouver. The capabilities of the Target Company and its collaboration with sport brands, sneakers and clothing resellers and other online marketplaces have long-term and profound strategic significance for the Group's operations which will ultimately broaden our footwear and apparel portfolio as well as our customer bases; and
- b) the Share Subscription will strengthen and reinforce the business cooperation between the Group and the Target Company and allow us to reach the retail customers in Canada and other online consumers worldwide via the Target Company's online marketplace.

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

As one or more of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Share Subscription exceeds 5% but are less than 25% for the Company, the Share Subscription constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 18 January 2022 pending the release of this announcement.

Application will be made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange expectedly with effect from 9:00 a.m. on 20 January 2022.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company” or “Subscriber”	Jimu Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Completion”	the completion of the Share Subscription in accordance with the Share Subscription Agreement
“Completion Date”	date falling within 7 business day after the fulfilment of the conditions precedent (or waived, if applicable), but if any event, no later than the Long Stop Date
“Consideration”	the total consideration of the Share Subscription, being HK\$1,050,000
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	30 June 2022
“Mr. Dai”	Mr. Dai Aleix, one of the shareholders of the Target Company
“Mr. Li”	Mr. Li Kwok Ming, one of the shareholders of the Target Company
“Ms. Ha”	Ms. Ha April Yi Pui, one of the shareholders of the Target Company

“PRC”	People’s Republic of China which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subscription”	the proposed subscription of the Subscription Shares by the Subscriber as contemplated under the Share Subscription Agreement
“Share Subscription Agreement”	the Shares subscription agreement dated 17 January 2022 entered into between the Subscriber and the Target Company in relation to the Share Subscription
“Subscription Shares”	the 7% class A voting common shares of the Target Company without par value
“Target Company”	Stay Fresh Footwear Inc., a company incorporated in Canada with limited liability, the equity interest of which is held by Mr. Dai, Ms. Ha and Mr. Li as one-third each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“CAD”	Canada dollar, the lawful currency of the Canada
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“U.S.”	United States of America
“%”	percent

By order of the Board  
**Jimu Group Limited**  
**Wei Ju**  
*Executive Director*

Hong Kong, 19 January 2022

*As at the date of this announcement, the executive Directors are Mr. Dong Jun, Mr. Huang Zexiong, Mr. Chen Zuze, and Ms. Wei Ju; the non-executive Director is Mr. Shum Tsz Yeung; and the independent non-executive Directors are Mr. Eric Todd and Mr. Hung Wai Che.*

*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 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 on the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.jimugroup.hk](http://www.jimugroup.hk). In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*