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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)

**SUPPLEMENTAL ANNOUNCEMENT REGARDING
THE DISCLOSEABLE TRANSACTION
IN RELATION TO SUBSCRIPTION OF 7% EQUITY INTEREST
IN THE TARGET COMPANY**

Reference is made to the announcement (the “**Announcement**”) of Jimu Group Limited (the “**Company**”) dated 19 January 2022 in relation to the discloseable transaction in relation to the Share Subscription. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplementary information on (i) the Consideration, the net asset value of the Target Company, the preliminary valuation of the Target Company and the basis of determining the Consideration; and (ii) the relationship between the Target Company, its directors and stakeholders and the Company and our connected persons as defined under Chapter 20 of the GEM Listing Rules.

As disclosed in the Announcement, the Consideration 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 for the year ended 31 December 2020; and (ii) the current business operations and prospects of the Target Group. According to the unaudited financial statements for the year ended 31 December 2020, the net asset value of the Target Company was approximately CAD1.6 million. In order to determine the fairness and reasonableness of the Consideration, the Company has engaged an independent third-party valuer ("Valuer") to conduct market research on the valuation multiples applicable to the valuation of the Target Company. The valuer has adopted the market approach and computed the enterprise-value ratio and price-to-sales ratio for selected comparable companies. According to the market research report of the Valuer, the applicable enterprise-value ratio and price-to-sales ratio for determining the valuation of the Target Company ranges from 0.90x to 2.66x and 0.94x to 2.13x respectively. As such, taking into account (i) the net asset value of the Target Company as at 31 December 2020; (ii) the revenue of the Target Company for the year ended 31 December 2020; and (iii) the valuation multiples provided by the Valuer in deriving the valuation of the Target Company, the Board considers that the Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As for the relationship between the Target Company and the Company, as disclosed in the Announcement, each of Mr. Dai, Ms. Ha and Mr. Li (being the ultimate beneficial owners of the Target Company) is an independent third party to the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Target Company, its directors and its ultimate beneficial owners (i.e. Mr. Dai, Ms. Ha and Mr. Li.); and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level.

Save as disclosed in the Announcement and as above, all other information as set out in the Announcement remain unchanged and shall continue to be accurate for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 20 February 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. Hung Wai Che and Mr. Choi Ho Yan.

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 for a minimum period of 7 days from the date of its publication and on the Company’s website at www.jimugroup.hk. In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.