



JIMU GROUP LIMITED

積木集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8187)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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RESULTS

The board (the “**Board**”) of Directors of the Company presents the consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021, together with the comparative audited figures of the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

		2021	2020
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from goods and services	3	9,331	83,293
Cost of inventories sold		(5,189)	(42,206)
Other income		1,254	6,404
Other gains and losses		376	2,244
Impairment losses under expected credit loss model, net of reversal		(1,002)	578
Employee benefits expenses		(13,336)	(43,190)
Other operating expenses	5	(9,273)	(17,250)
Finance costs		(424)	(368)
Loss before tax		(18,263)	(10,495)
Income tax credit	6	3,380	1,790
Loss for the year	7	(14,883)	(8,705)
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		70	325
Total comprehensive expense for the year		(14,813)	(8,380)
Loss per share	9		
Basic and diluted (<i>HK cents</i>)		(2.97)	(1.80)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Plant and equipment		140	306
Right-of-use assets		283	–
Rental deposits		144	76
Contract assets		32	91
		<u>599</u>	<u>473</u>
Current assets			
Inventories		12,156	–
Trade receivables	10	2,986	877
Other receivables, prepayments and deposits		866	3,263
Contract assets		1,519	2,315
Bank balances and cash		3,485	26,831
		<u>21,012</u>	<u>33,286</u>
Current liabilities			
Trade payables	11	9,792	953
Other payables and accruals		7,813	8,506
Interest-bearing borrowings		8,026	–
Amount due to a former director		–	440
Tax payable		–	1,902
Lease liabilities		789	675
Contract liabilities		746	1,389
Refund liabilities		6	1,540
		<u>27,172</u>	<u>15,405</u>
Net current (liabilities) assets		<u>(6,160)</u>	<u>17,881</u>
Total assets less current liabilities		<u>(5,561)</u>	<u>18,354</u>
Non-current liabilities			
Loan from a former fellow subsidiary/fellow subsidiary	12	–	6,998
Lease liabilities		486	925
Contract liabilities		3	418
Refund liabilities		–	6
Deferred tax liabilities		194	1,438
		<u>683</u>	<u>9,785</u>
Net (liabilities) assets		<u>(6,244)</u>	<u>8,569</u>
Capital and reserves			
Share capital	13	5,016	5,016
Reserves and accumulated losses		(11,260)	3,553
(Capital deficiency) total equity		<u>(6,244)</u>	<u>8,569</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000 (Note a)	Statutory reserve HK\$'000 (Note b)	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2020	4,800	46,917	(177)	(67)	–	(48,624)	2,849
Loss for the year	–	–	–	–	–	(8,705)	(8,705)
Exchange differences on translation from functional currency to presentation currency	–	–	325	–	–	–	325
Total comprehensive income (expense) for the year	–	–	325	–	–	(8,705)	(8,380)
Transfer to statutory reserve	–	–	–	–	1,630	(1,630)	–
Deemed contribution from a former director	–	–	–	5,017	–	–	5,017
Placing of new shares	216	9,245	–	–	–	–	9,461
Transaction costs attributable to placing of new shares	–	(378)	–	–	–	–	(378)
At 31 December 2020 and 1 January 2021	<u>5,016</u>	<u>55,784</u>	<u>148</u>	<u>4,950</u>	<u>1,630</u>	<u>(58,959)</u>	<u>8,569</u>
Loss for the year	–	–	–	–	–	(14,883)	(14,883)
Exchange differences on translation from functional currency to presentation currency	–	–	70	–	–	–	70
Total comprehensive income (expense) for the year	–	–	70	–	–	(14,883)	(14,813)
At 31 December 2021	<u>5,016</u>	<u>55,784</u>	<u>218</u>	<u>4,950</u>	<u>1,630</u>	<u>(73,842)</u>	<u>(6,244)</u>

Notes:

- (a) Capital reserve represents (i) an amount of HK\$77,000 representing the difference between the carrying amount of the non-controlling interests which exceeded the fair value of the consideration paid for the acquisition of additional 60% non-controlling interests in a subsidiary, Alliance International Sourcing Limited (“Alliance”) in previous years; (ii) an amount of HK\$10,000 representing the sum of the share capital of certain group entities, including Ever Smart International Enterprise Limited, Dodge & Swerve Limited and Alliance, which have been transferred to capital reserve under the reorganisation in 2015; and (iii) an amount of HK\$5,017,000 representing the waiver of amount due to a former director, pursuant to the deed of waiver agreement entered into between the former director and Ever Smart International Enterprise Limited, a wholly-owned subsidiary of the Group, during the year ended 31 December 2020.
- (b) According to the relevant rules and regulations in the People’s Republic of China (the “PRC”), each of the Company’s subsidiaries in the PRC shall transfer 10% of their net income after taxation, based on the PRC statutory accounts of the respective subsidiary, as statutory reserves, until the balance reaches 50% of the respective subsidiary’s registered capital. Further appropriations can be made at the directors’ discretion. The statutory reserves can be used to offset any accumulated losses or convert into paid-up capital of the respective subsidiary.

NOTES:

1. GENERAL INFORMATION

The Company is a public listed company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. The registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company was Room 20-01, 20/F, LKF Tower, 33 Wyndham Street, Central, Hong Kong and changed to Unit 06, 12th Floor, The Broadway, No. 54-62 Lockhart Road, Wan Chai, Hong Kong on 8 October 2021.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the trading of footwear and apparel business and the provision of loan facilitation and credit assessment services.

In 2020, in view of the Group’s expansion of footwear and apparel business, continuous operations of loan facilitation services in the PRC and suspension of the overseas markets of footwear business, the Directors reassessed the functional currency of the Company and determined that Renminbi (“RMB”) better reflects the economic substance of the Company and its business activities as an investment holding company with subsidiaries mainly operating in the PRC. Accordingly, the functional currency of the Company was prospectively changed from United States dollars to RMB with effective from 1 January 2020. For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars (“HK\$”).

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning 1 January 2021:

Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)
	Presentation of Financial Statements– Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intened Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 ¹
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018-2020 cycle ²

¹ Effective for annual periods beginning on or after 1 April 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ Effective for annual periods beginning on or after a date to be determined

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE FROM GOODS AND SERVICES

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2021		
	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Trading of footwear and apparel			
Footwear	2,693	–	2,693
Apparel	2,884	–	2,884
	<u>5,577</u>	<u>–</u>	<u>5,577</u>
Provision of loan facilitation services			
Pre-loan facilitation services	–	1,484	1,484
Post-loan facilitation services	–	1,550	1,550
	<u>–</u>	<u>3,034</u>	<u>3,034</u>
Provision of credit assessment services			
	<u>–</u>	<u>720</u>	<u>720</u>
Total	<u>5,577</u>	<u>3,754</u>	<u>9,331</u>
Geographical market			
The PRC	–	3,754	3,754
Hong Kong	2,693	–	2,693
Mexico	2,884	–	2,884
Total	<u>5,577</u>	<u>3,754</u>	<u>9,331</u>
Timing of revenue recognition			
At a point in time	5,577	1,484	7,061
Over time	–	2,270	2,270
Total	<u>5,577</u>	<u>3,754</u>	<u>9,331</u>

For the year ended 31 December 2020

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Trading of footwear and apparel			
Footwear	50,152	–	50,152
Apparel	<u>7,670</u>	<u>–</u>	<u>7,670</u>
	<u>57,822</u>	<u>–</u>	<u>57,822</u>
Provision of loan facilitation services			
Pre-loan facilitation services	–	9,678	9,678
Post-loan facilitation services	<u>–</u>	<u>11,773</u>	<u>11,773</u>
	<u>–</u>	<u>21,451</u>	<u>21,451</u>
Provision of credit assessment services			
	<u>–</u>	<u>4,020</u>	<u>4,020</u>
Total	<u>57,822</u>	<u>25,471</u>	<u>83,293</u>
Geographical market			
The PRC	<u>57,822</u>	<u>25,471</u>	<u>83,293</u>
Timing of revenue recognition			
At a point in time	57,822	13,517	71,339
Over time	<u>–</u>	<u>11,954</u>	<u>11,954</u>
Total	<u><u>57,822</u></u>	<u><u>25,471</u></u>	<u><u>83,293</u></u>

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the Chief Operating Decision Maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s operating and reportable segment under HKFRS 8 Operating Segments are as follows:

- Footwear and apparel businesses – trading of footwear and apparel (2020: design, development, production management (including quality control) and logistics management services and trading of footwear and apparel); and
- Loan facilitation and credit assessment services – provision of pre-loan facilitation services, post-loan facilitation services and credit assessment services (2020: provision of pre-loan facilitation services, post-loan facilitation services and credit assessment services).

The above operating divisions constitute the operating and reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segments:

For the year ended 31 December 2021

	Footwear and apparel businesses HK\$’000	Loan facilitation and credit assessment services HK\$’000	Total HK\$’000
Segment revenue	<u>5,577</u>	<u>3,754</u>	<u>9,331</u>
Segment results	<u>(4,881)</u>	<u>(7,707)</u>	<u>(12,588)</u>
Unallocated income			30
Unallocated expenses			<u>(5,705)</u>
Loss before tax			<u><u>(18,263)</u></u>

For the year ended 31 December 2020

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>57,822</u>	<u>25,471</u>	<u>83,293</u>
Segment results	<u>12,020</u>	<u>(13,408)</u>	(1,388)
Unallocated income			43
Unallocated expenses			<u>(9,150)</u>
Loss before tax			<u><u>(10,495)</u></u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current and prior years.

Segment results represent the profit (loss) before tax of each segment without allocation of certain other income, central administration costs, directors' emoluments and loss on disposal of a subsidiary. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

Segment assets

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Footwear and apparel businesses	18,720	7,809
Loan facilitation and credit assessment services	<u>2,696</u>	<u>10,376</u>
Total segment assets	21,416	18,185
Unallocated assets		
– Bank balances and cash	173	15,368
– Others	<u>22</u>	<u>206</u>
Total assets	<u><u>21,611</u></u>	<u><u>33,759</u></u>

Segment liabilities

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Footwear and apparel businesses	12,324	5,510
Loan facilitation and credit assessment services	<u>5,551</u>	<u>10,153</u>
Total segment liabilities	17,875	15,663
Unallocated liabilities		
– Amount due to a former director	–	440
– Other payables and accruals	1,954	2,089
– Interest-bearing borrowings	8,026	–
– Loan from a former fellow subsidiary/fellow subsidiary	<u>–</u>	<u>6,998</u>
Total liabilities	<u><u>27,855</u></u>	<u><u>25,190</u></u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets, including primarily certain bank balances and cash and other receivables and deposits.
- all liabilities are allocated to operating segments other than unallocated corporate liabilities, including certain other payables, amount due to a former director, interest-bearing borrowings and loan from a former fellow subsidiary.

Other segment information

For the year ended 31 December 2021

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss of segment assets:			
Addition to non-current assets (<i>Note</i>)	319	–	319
Depreciation of plant and equipment	142	18	160
Depreciation of right-of-use assets	36	–	36
Impairment of trade and other receivables and contract assets, net	34	968	1,002
Gain on disposal of plant and equipment, net	–	(52)	(52)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss of segment assets:			
Interest expenses	33	391	424
Income tax credit	<u>(2,112)</u>	<u>(1,268)</u>	<u>(3,380)</u>

For the year ended 31 December 2020

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss of segment assets:			
Addition to non-current assets (<i>Note</i>)	–	240	240
Depreciation of plant and equipment	195	190	385
Depreciation of right-of-use assets	–	747	747
(Reversal of) impairment of trade and other receivables and contract assets, net	(3)	581	578
Impairment loss recognised on right-of-use assets	–	159	159
Loss on disposal of plant and equipment, net	47	31	78
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss of segment assets:			
Interest expenses	–	368	368
Income tax expenses (credit)	<u>2,517</u>	<u>(4,307)</u>	<u>(1,790)</u>

Note: Non-current assets included plant and equipment and right-of-use assets.

Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the locations of the shipment destinations, irrespective of the origin of the goods, or the location of the loan facilitated or credit assessed as detailed below:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The PRC	3,754	83,293
Hong Kong	2,693	–
Mexico	2,884	–
	<u>9,331</u>	<u>83,293</u>

Information about the Group's non-current assets is presented based on the geographical location of the assets:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	377	237
The PRC	78	160
	<u>455</u>	<u>397</u>

Non-current assets excluded rental deposits.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A ¹	N/A ²	32,306
Customer B ¹	N/A ²	25,516
Customer C ¹	2,693	N/A ²
Customer D ¹	2,884	N/A ²
	<u>2,884</u>	<u>N/A²</u>

¹ Revenue from trading of footwear and apparel.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER OPERATING EXPENSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditor's remuneration	800	2,150
Bank charges	30	40
Depreciation of plant and equipment	160	385
Depreciation of right-of-use assets	36	747
Entertainment expenses	22	116
Expenses relating to short term leases	483	1,566
Marketing and promotion expenses	2,020	1,270
Other taxes	37	339
Outsourcing expenses	–	1,330
Professional fees	3,558	6,624
Travelling cost	246	584
Utilities	41	491
Others	1,840	1,608
	<u>9,273</u>	<u>17,250</u>

6. INCOME TAX CREDIT

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
PRC Enterprise Income Tax ("EIT")		
– Current tax	–	2,518
Over-provision in prior years	(2,112)	–
Deferred tax	(1,268)	(4,308)
	<u>(3,380)</u>	<u>(1,790)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and subsidiaries in Hong Kong had no assessable profit for the both years.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the consolidated financial statements for the year ended 31 December 2021 as the subsidiaries in the PRC have no taxable profit.

7. LOSS FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Directors' remuneration	1,564	1,590
Other staff costs (excluding directors' remuneration):		
– Salaries, allowances and benefits in kind	10,725	34,587
– Retirement benefit scheme contributions	1,047	4,577
– Termination benefits	–	2,436
	<u>13,336</u>	<u>43,190</u>
Total staff costs (<i>Note</i>)		
Auditor's remuneration	800	2,150
Depreciation of plant and equipment	160	385
Depreciation of right-of-use assets	36	747
Expenses relating to short term leases	<u>483</u>	<u>1,566</u>

Note: For the year ended 31 December 2021, no COVID-19 related government grants/assistance (2020: HK\$162,000) have been offset against employee benefits expense.

8. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss:		
Loss for the year for the purpose of basic loss per share	<u>(14,883)</u>	<u>(8,705)</u>
	2021 <i>'000</i>	2020 <i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>501,600</u>	<u>483,718</u>

For the year ended 31 December 2020, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share placing in October 2020 (details are disclosed in Note 13).

No diluted loss per share for the years ended 31 December 2021 and 2020 is presented as there were no potential ordinary shares in issue for both years.

10. TRADE RECEIVABLES

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables from contracts with customers	3,028	883
<i>Less: allowance for credit losses</i>	(42)	(6)
	<u>2,986</u>	<u>877</u>

As at 31 December 2021, the gross amount of trade receivables from contracts with customers amounted to HK\$3,028,000 (2020: HK\$883,000).

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	–	877
Over 90 days	<u>2,986</u>	<u>–</u>
	<u>2,986</u>	<u>877</u>

11. TRADE PAYABLES

The credit period on purchase of goods varies from 20 days to 45 days. The ageing analysis of the trade payables presented based on the invoice dates at the end of the reporting period is as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	6,101	–
31 to 60 days	2,738	–
Over 90 days	953	953
	9,792	953

12. LOAN FROM A FORMER FELLOW SUBSIDIARY/FELLOW SUBSIDIARY

In April 2020, 通泉財富(寧夏)科技有限公司 (“通泉財富”), a subsidiary of the former ultimate holding company (2020: the ultimate holding company), has provided a loan of RMB40,000,000 (equivalent to approximately HK\$44,224,000) which is unsecured, interest free and repayable on April 2022. The entire amount had been settled during the year ended 31 December 2020.

In December 2020, 通泉財富 has provided a loan of RMB5,890,000 (equivalent to approximately HK\$6,998,000). The amount was unsecured, interest bearing at 5% per annum and repayable at maturity of 36 months since the draw down date. The entire amount had been settled in January 2021.

13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised ordinary shares at HK\$0.01 per share:		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>1,000,000,000</u>	<u>10,000</u>
Issued and fully paid shares at HK\$0.01 per share:		
At 1 January 2020	480,000,000	4,800
Placement of new shares on 30 October 2020 (<i>Note</i>)	<u>21,600,000</u>	<u>216</u>
At 31 December 2020, 1 January 2021 and 31 December 2021	<u>501,600,000</u>	<u>5,016</u>

Note: On 14 October 2020, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 22,200,000 placing shares to independent investors at a price of HK\$0.438 per share. The placing was completed on 30 October 2020 pursuant to which the Company has allotted and issued 21,600,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$9,083,000 and resulted in the increase in share capital of HK\$216,000 and share premium of approximately HK\$9,245,000, net of transaction costs of approximately HK\$378,000.

14. EVENT AFTER THE REPORTING PERIOD

1. Placing shares under general mandate

On 31 December 2021, the Company entered into an agreement with Silverbricks Securities Company Limited (“Placing Agent”), pursuant to which the Placing Agent agreed to place up to 100,320,000 placing shares (“Placing Shares”) at the placing price of HK\$0.107 per Placing Share, to not less than six persons or entities procured by the Placing Agent or its agents to subscribe for any Placing Shares, who and whose respective ultimate beneficial owners shall be independent third parties.

The placing was completed on 17 January 2022. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) is amounted to approximately HK\$10,260,000.

2. Share Subscription Agreement of Stay Fresh Footwear Inc. (the “SSA of Stay Fresh”)

As disclosed in the Company’s announcement dated 19 January 2022, the Company entered into the share subscription agreement pursuant to which the Company has conditionally agreed to the possible subscription of 7% equity interest in Stay Fresh, at the consideration of HK\$1,050,000.

As at the date of this announcement, the possible subscription had not been completed. Further announcements will be made by the Company in respect of the SSA of Stay Fresh when appropriate. Details of the above are set out in the Company’s announcements dated 19 January 2022 and 20 February 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Jimu Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is engaged in the footwear and apparel businesses and the loan facilitation and credit assessment businesses.

Footwear and Apparel Businesses

The Group is engaged in the trading of footwear and apparel. The Group offers formal and casual footwear and apparel for men, women and children to its customers. Over the years of its operations since 2009, the Group has built a diverse global customer portfolio comprising mainly international wholesaler and retailers which are brand owners or licensees of formal and casual footwear. Also, the Group seized the opportunity for extending to apparel business in 2021 as we see the massive market potential for apparel business in overseas. The management believes that the footwear and apparel businesses are recovering and shall continue to seek further development opportunities in both overseas and the PRC market. Starting from 2021, the Group has been reorganising resources to invest in the footwear business, especially focusing on the development of premium and collector sneakers trading business and football jersey business in North America and Asia.

From the start of 2021, governments across the globe had been taking more proactive measures against the COVID-19 pandemic, providing stronger support for the global market to recover from the significant hit in 2020. In addition to more stringent measures on gatherings and social distancing, the research and development of vaccines against the virus had also picked up pace. Multiple vaccines had been approved for use by national bodies and large-scale national vaccination campaigns had been launched. With more members of the public got vaccinated, social activities in many of the developed countries in North America and Europe became more frequent. Cross-border activities and many economic activities had hence started to recover. With the above factors, the management is optimistic about our premium sneaker and sportswear trading business in North America and on e-commerce platforms. The Board believes that the economic environment hit by COVID-19 is expected to recover gradually during the coming year, which will also stimulate consumer sentiment. It is expected to have a positive impact on the footwear and apparel businesses.

The footwear and apparel businesses segment recorded loss for the year ended 31 December 2021. The management believes that the footwear and apparel businesses are recovering and shall continue to seek further development opportunities in both overseas and the PRC market. After evaluating the development opportunities of footwear and apparel in overseas and the PRC, in late 2021, the Group had actively negotiated with various overseas sales networks, and had successfully established a supply channel with a Vancouver based market place boutique (the “**Boutique**”) to vigorously develop in 2022 Footwear and apparel lay a solid foundation. In the first quarter of 2022, the Group had started the consignment sales business of premium and collector sneakers with the Boutique. At the same time, the Group has also expanded our trading business to football jersey in Hong Kong. By continuously diversifying our income sources in the trading business, the management hopes to bounce back from the performance during COVID-19 pandemic and bring stable and growing revenue to the Group in the long run.

Loan Facilitation and Credit Assessment Businesses

The Group commenced the provision of loan facilitation services to customers in the PRC in 2018.

The Group has set up branch office network across different regions in the PRC to provide assistance to customers with financing needs, with a particular focus on individual customers in 3rd and 4th tier cities in the PRC, who in general, compared to individuals in first tier cities, have weaker knowledge or access of financing solutions available in the market. The Group has built a credit rating system which gives customers an internal credit score, taking into account the customer’s financial condition, previous lending and repayment history and other behavior pattern. Our risk team periodically monitors and updates the algorithm to meet changing market conditions. Our branch network, together with our IT infrastructure, allows us to tap into these markets with relative ease. Our credit rating system helps to filter customers with relatively poor credit rating and allows us to focus on more credible customers. The on-site credit team then performs site visits and other due diligence procedures to verify the authenticity of information. Based on these credit scores and due diligence materials, our credit assessment team will consider whether to make a loan recommendation to appropriate funding sources (which may include bank and non-bank institutions). Our branch offices liaise between customers and the funding sources and arrange for contract signing upon agreement by both parties.

There is a significant downturn in the loan facilitation business for the year ended 31 December 2021. The significant turndown was mainly due to the severe impact of the COVID-19 pandemic on the loan facilitation and credit assessment business. The management implemented the administrative measures planned for 2020, closing branches and laying off staff to reduce costs, to restructure resource allocation and to review the business model suitable for the business in the current economic environment.

The management expects the impact of COVID-19 pandemic to persist in 2022 and the management anticipates a hard time ahead. The management had already closed the branches and layoff staffs to reduce operating costs.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$9.3 million in 2021, a decrease of 88.8% compared with that of approximately HK\$83.3 million for 2020. Set out below is the revenue breakdown by segment for the years ended 31 December 2020 and 2021:

	For the year ended 31 December			
	2021		2020	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Trading of footwear and apparel				
Footwear	2,693	28.9	50,152	60.2
Apparel	2,884	30.9	7,670	9.2
	5,577	59.8	57,822	69.4
Provision of loan facilitation and credit assessment services				
Pre-loan facilitation services	1,484	15.9	9,678	11.6
Post-loan facilitation services	1,550	16.6	11,773	14.1
Provision of credit assessment services	720	7.7	4,020	4.9
	3,754	40.2	25,471	30.6
Total	9,331	100	83,293	100

Footwear and Apparel Businesses

Revenue from the footwear and apparel businesses segment decreased significantly by 90.4% from approximately HK\$57.8 million for 2020 to approximately HK\$5.6 million for 2021. This was mainly due to the decrease in sales to PRC customers amid various uncertainties clouding the global economy and the impact caused by COVID-19 pandemic.

Loan Facilitation and Credit Assessment Businesses

Revenue from the loan facilitation and credit assessment segment decreased by 85.3% from approximately HK\$25.5 million for 2020 to approximately HK\$3.8 million for 2021. The reason for the revenue dropped significantly was mainly due to the impact caused by COVID-19 during the year.

Cost of inventories sold

The Group's cost of inventories sold decreased by approximately 87.7% from approximately HK\$42.2 million for 2020 to approximately HK\$5.2 million for 2021. Purchase cost to sales ratio was approximately 93% for 2021 comparing to approximately 73% for 2020 due to the purchase price is higher than last year.

Other income

Other income decreased by approximately 80.4% from approximately HK\$6.4 million for 2020 to approximately HK\$1.3 million for 2021. The decrease was mainly due to the decrease in business activities amid COVID-19 for the year ended 31 December 2021, thus, causing a decrease in consultancy income for the provision of consultancy services in related to loan facilitation business.

Other gains and losses

Other gains (net) decreased by approximately 83.2% from approximately HK\$2.2 million for 2020 to approximately HK\$0.4 million for 2021. This was mainly due to the decrease in the gain on termination of certain right-of-use assets.

Finance costs

Finance costs increased by approximately 15.2% from approximately HK\$0.37 million for 2020 to approximately HK\$0.42 million for 2021. Finance costs in 2021 represented interests on lease liabilities and interests on other borrowings.

Employee benefits expenses

Employee benefits expenses decreased by approximately 69.1% from approximately HK\$43.2 million for 2020 to approximately HK\$13.3 million for 2021, which was mainly due to cost-cutting and restructuring plan implemented during the year.

Other operating expenses

Other operating expenses decreased by approximately 46.2% from approximately HK\$17.3 million for 2020 to approximately HK\$9.3 million for 2021, which was mainly a result of the implementation of certain cost-cutting measures during the year.

Income tax credit

Income tax credit increased by approximately 88.8% from approximately HK\$1.8 million for 2020 to approximately HK\$3.4 million for 2021. This was mainly due to the recognition of deferred tax credit of approximately HK\$1.3 million for the year and over-provision in prior years of approximately HK\$2.1 million.

Loss for the year

As a result of foregoing, loss for the year increased from approximately HK\$8.7 million for 2020 to approximately HK\$14.9 million for 2021.

Loss before taxation for footwear and apparel businesses segment amounting to approximately HK\$4.9 million for 2021 as compared to profit before taxation for the footwear and apparel businesses segment approximately HK\$12 million for 2020, which was mainly due to the decrease in sales to PRC customers amid various uncertainties clouding the global economy and the impact of COVID-19.

Loss before taxation for the loan facilitation and credit assessment services segment decreased from approximately HK\$13.4 million for 2020 to approximately HK\$7.7 million for 2021. This is mainly due to the further cost-cutting and restructuring plan implemented in 2021.

LIQUIDITY, FINANCIAL RESOURCES AND LOAN CAPITAL STRUCTURE

As at 31 December 2021, the Group had outstanding borrowings with HK\$8.0 million (2020: HK\$7.0 million). As at 31 December 2021, the cash and cash equivalents of the Group amounted to approximately HK\$3.5 million (2020: approximately HK\$26.8 million). As at 31 December 2021, debt to equity ratio of the Group was 1.2 (2020: 0.8). (Debt to equity ratio is calculated by dividing the net debt, which is defined as bank borrowings and bank overdrafts net of bank balances and cash, by total equity at the end of the respective years.) Current ratio as at 31 December 2021 was approximately 0.8 times (2020: approximately 2.2 times).

On 10 November 2021, the Company and Mr. Wang Ning (“**Mr. Wang**”) entered into the subscription agreement, pursuant to which Mr. Wang has conditionally agreed to subscribe for and the Company has conditionally agreed to issue approximately 21.93% convertible bonds in the aggregate principal amount of HK\$77,000,000 at the conversion price of HK\$0.70 per conversion share. On 15 November 2021, the Company and Mr. Wang entered into a supplemental agreement to the subscription agreement where the principal amount of the convertible bonds was reduced to the amount of HK\$38,500,000, while all other terms of the convertible bonds remained unchanged. After further discussion between the Company and Mr. Wang, both parties agreed to terminate the subscription agreement and to enter into the share subscription agreement instead. As such, on 18 November 2021, the Company and Mr. Wang entered into a termination agreement to terminate the subscription agreement with immediate effect. On 18 November 2021, the Company and Mr. Wang entered into the share subscription agreement under which the Company conditionally agreed to allot and issue, and Mr. Wang conditionally agreed to subscribe, 25,080,000 new shares at the subscription price of HK\$0.544 each (the “**SSA with Mr. Wang**”). Subsequently, on 19 November 2021, the Company and Mr. Wang entered into the supplemental agreement pursuant to which the parties thereto agreed to amend the subscription price from HK\$0.544 to HK\$0.55. As such, the gross proceeds and the net proceeds (after deducting the relevant expenses of the subscription) from the subscription are approximately HK\$13,794,000 and HK\$13,394,000, respectively. After deducting the relevant expenses of the subscription, the net subscription price is approximately HK\$0.53 per share. On 30 December 2021, the Company and Mr. Wang entered into the second supplemental agreement pursuant to which the parties thereto agreed to extend the long stop date from 31 December 2021 to 30 June 2022.

As at the date of this announcement, the possible share subscription had not been completed. Further announcements and disclosures will be made by the Company in respect of the SSA with Mr. Wang when appropriate. Details of the above are set out in the Company’s announcements dated 14 November 2021, 18 November 2021, 30 December 2021 and 31 December 2021.

The Group maintained sufficient working capital as at 31 December 2021 with bank balances and cash of approximately HK\$3.5 million (2020: approximately HK\$26.8 million). The Board of Directors will continue to follow a prudent treasury policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business.

As at 31 December 2021, the Group's net current liabilities amounted to approximately HK\$6.2 million (2020: net current assets approximately HK\$17.9 million). The Group's operations are financed principally by revenue generated from its business operation, available cash and bank balances, share placing, advances from a former director/director and loan from a former fellow subsidiary/fellow subsidiary. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and maintains a conservative level of funding to finance its operations.

PLEDGE OF ASSETS

As at 31 December 2021, the Group had no asset pledged (2020: nil) to secure the Group's bank borrowings.

EXCHANGE RATE EXPOSURE

Revenue, cost and expenses of the Group's are denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and Canadian dollars ("CAD"), as such the net exposure to fluctuation of HK\$ against RMB and CAD are not material. The Group's management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered to be minimal. As at 31 December 2021, the Group did not use any financial instrument for hedging the foreign exchange risk.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2021, there was no significant investment held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Memorandum of understanding (the “MOU”) in relation to 67% interests in Stay Fresh Footwear Inc. (“Stay Fresh”)

As disclosed in the Company’s announcement dated 10 November 2021, the Company entered into the non-legally binding MOU with Mr. Li Kwok Ming and Mr. Dai Aleix (collectively the “**Vendors**”, and together with the Company, the “**Parties**”).

As disclosed in the Company’s announcement dated 19 January 2022, the Parties together with Ms. Ha April Yi Pui entered into the share subscription agreement (the “**SSA**”) in relation to the possible subscription of 7% equity interest in Stay Fresh Footwear Inc. at 17 January 2022. As at the date of this announcement, the possible subscription had not been completed. Further announcements will be made by the Company in respect of the SSA of Stay Fresh when appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2021, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (2020: nil).

CAPITAL COMMITMENTS

As at 31 December 2021, the Group did not have any significant capital commitments (2020: nil).

EVENT AFTER THE REPORTING PERIOD

1. Placing shares under general mandate

On 31 December 2021, the Company entered into an agreement with Silverbricks Securities Company Limited (“**Placing Agent**”), pursuant to which the Placing Agent agreed to place up to 100,320,000 placing shares (“**Placing Shares**”) at the placing price of HK\$0.107 per Placing Share, to not less than six persons or entities procured by the Placing Agent or its agents to subscribe for any Placing Shares, who and whose respective ultimate beneficial owners shall be independent third parties.

The placing was completed on 17 January 2022. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) amounted to approximately HK\$10,260,000.

2. Share Subscription Agreement of Stay Fresh (the “SSA of Stay Fresh”)

As disclosed in the Company’s announcement dated 19 January 2022, the Company entered into the share subscription agreement pursuant to which the Company has conditionally agreed to the possible subscription of 7% equity interest in Stay Fresh, at the consideration of HK\$1,050,000.

As at the date of this announcement, the possible subscription had not been completed. Further announcements will be made by the Company in respect of the SSA of Stay Fresh when appropriate. Details of the above are set out in the Company’s announcements dated 19 January 2022 and 20 February 2022.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2021, the total employees in mainland China and Hong Kong has decreased from approximately 180 in 2020 to approximately 12 in 2021, which was mainly a result of our cost-cutting measures. In order to recruit, develop and retain talented employees, the Group offers competitive remuneration packages to our staff, including internal promotion opportunities and performance based bonus. The Group enters into standard employment contracts with our staff which contain provisions on intellectual property rights and confidentiality.

The remuneration committee of the Company will make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at 31 December 2021, approximately 100% and 100% of the total trade receivables were due from our five largest debtors (all being customers) and our largest debtor (being a customer) respectively. The Group will review and monitor the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, at the end of each reporting year, the Group performs impairment assessment under expected credit loss model so as to ensure that adequate impairment losses are made. The carrying amounts of trade receivables, other receivables and contract assets represent the Group's maximum exposure to credit risk in relation to financial assets.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing financial liabilities, mainly the interest-bearing loan and lease liabilities. The Group monitors the interest rate exposure on a continuous basis.

Liquidity risk

The Group is exposed to minimal liquidity risk as a substantial portion of its financial assets and financial liabilities are due within one year and it can finance its operations from existing shareholders' funds and internally generated cash flows. For the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group was in compliance in all material respects with the relevant laws and regulations applicable to the business operations of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

According to our business nature and pursuant to the laws of Hong Kong, there are no specific environmental standards and/or requirements for conducting the Group's business in Hong Kong. The Group is aware of environmental protection and social responsibility as an enterprise citizen and promotes healthy work place. The Group's Environmental, Social and Governance Report for the year ended 31 December 2021 will be published on the respective websites of the Stock Exchange and the Company on or before 31 May 2022.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group maintains good relationship with its customers. The sales personnel and merchandisers make regular phone calls to the customers and visit them overseas periodically. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken.

The Group also maintains a good relationship with its suppliers. During the year ended 31 December 2021, no complaint was received from the suppliers and there was no disputed debts or unsettled debts and all the debts are settled on or before due dates or a latest date as mutually agreed.

During the year ended 31 December 2021, there was no dispute on salary payments and all accrued remunerations were settled on or before their respective due dates, as stipulated under individual employee's employment contract. The Group also ensures that all the employees are reasonably remunerated by regular review the policies on salary increment, promotion, bonus, allowances and all other related benefits.

In view of the above and as at the date of the annual report, there is no circumstance or any event which will have a significant impact on the Group's business and on which the Group's success depends.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The corporate governance practices of Jimu Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") are based on the principles and the code provisions in the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

During the year ended 31 December 2021, the Company has complied with all the applicable code provisions of the Code, except for the following deviations:

Code Provision A.2.7 of the Code provides (which has been re-numbered as code provision C.2.7 of the Corporate Governance Code since 1 January 2022) that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. For the year ended 31 December 2021, a formal meeting was not arranged between the Chairman and the non-executive Directors (including independent non-executive Directors) without the executive Directors present due to the tight schedules of the Chairman and the independent non-executive Directors. Although such meeting was not held during the year, the Chairman could be contacted by email or phone to discuss any potential concerns and/or questions that the non-executive Directors and the independent non-executive Directors might have and would arrange to set up follow-up meetings, whenever necessary.

Code Provision A.5.1 of the Code (which has been re-numbered as Rules 5.36A of the GEM Listing Rules since 1 January 2022) requires the Nomination Committee chaired by the chairman of the board or an independent non-executive director and comprising a majority of independent non-executive directors. Following the resignation of Mr. Ni Zhixing on 12 November 2021, the number of independent non-executive directors on the Board were less than three and the Nomination Committee were not comprised a majority of independent non-executive directors. The Company has identify a suitable candidate to fill the vacancy and appointed Mr. Hung Wai Che as an independent non-executive director of the Company with effect from 30 December 2021. The Board will adopt the new Corporate Governance Code (the “**New CG Code**”) with effect from 1 January 2022, the requirements under which shall apply to the Company’s corporate governance report in the financial year commencing on or after 1 January 2022. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the New CG Code and align with the latest development.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules, as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by directors during the year ended 31 December 2021.

INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2021, none of the Directors or any of their respective close associates (all as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such persons has or may have with the Group.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Share Option Scheme**”) on 11 May 2016. Since the adoption of the Share Option Scheme and up to the date of this announcement, no share options have been granted pursuant to the Share Option Scheme.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2021, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares or underlying shares held		Total	Approximate percentage of interest in such corporation
		Ordinary shares	Share options		
Mr. Shum Tsz Yeung	beneficial owner	135,000	–	135,000	0.03%

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2021, 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2021, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

CONNECTED TRANSACTION

During the year ended 31 December 2021, the Company did not have any connected transaction which were subject to the reporting requirements under Chapter 20 of the GEM Listing Rules.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021. (2020: nil).

AUDIT COMMITTEE

The Company established the audit committee of the Company (the "**Audit Committee**") on 11 May 2016 with written terms of reference in compliance with the code provisions of the Code. The Audit Committee currently consists of two members, namely Mr. Choi Ho Yan (Chairman) and Mr. Hung Wai Che, all being independent non-executive Directors.

Disclosure of financial information in this announcement complies with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements. The Company's Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2021.

SCOPE OF WORK OF UNITAX PRISM (HK) CPA LIMITED ("UNITAX PRISM")

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, UniTax Prism, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by UniTax Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by UniTax Prism on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange at www.hkexnews.com.hk and the Company at www.jimugroup.hk. The annual report of the Company for the year ended 31 December 2021 containing all the information required by the GEM Listing Rules will be published on the websites of the Stock Exchange and the Company and despatched to the shareholders of the Company in due course.

ANNUAL GENERAL MEETING

The notice of the annual general meeting of 2022 of the shareholders of the Company will be published and despatched to the shareholders of the Company in the manner as required by the GEM Listing Rules in due course.

By Order of the Board
JIMU GROUP LIMITED
Wei Ju
Executive Director

Hong Kong, 23 March 2022

As at the date of this announcement, the executive Directors are Mr. Dong Jun (Chairman), Mr. Huang Zexiong (Chief Executive Officer), 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 will remain on the “Latest Listed Company Information” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.jimugroup.hk>. In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.