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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares per board lot.

As at the date of this announcement, there are 722,304,000 Existing Shares in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, there will be 36,115,200 Consolidated Shares in issue which are fully paid or credited as fully paid.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM. A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the EGM, is expected to be despatched to the Shareholders on or before Monday, 27 February 2023.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 722,304,000 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$10,000,000 divided into 50,000,000 Consolidated Shares of par value of HK\$0.20 each, of which 36,115,200 Consolidated Shares will be in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the relevant expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 17 March 2023, being the second Business Day after the date of EGM.

Listing Application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 17 March 2023, being the second Business Day immediately after the date of the EGM, the Shareholders may on or after Friday, 17 March 2023 and until Tuesday, 2 May 2023 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates on the basis of every twenty (20) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share in pink colour for the Consolidated Shares at the expense of the Company. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar and transfer office for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

After 4:10 p.m. on Thursday, 27 April 2023, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares per board lot.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has granted a total of 14,400,000 share options to certain eligible participants on 6 January 2023 (the “**Grant of Share Options**”) under the share option scheme of the Company adopted on 11 May 2016. Subsequent to the Grant of Options, there are 33,600,000 shares options (the “**Share Options**”) available for future grant. The Share Consolidation may lead to adjustments to the exercise prices of the Share Options and/or the number of Consolidated Shares to be issued under the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 states that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000.

The Existing Shares have predominantly been trading at closing prices close to HK\$0.1 each in the past few months. Based on the closing price of the Existing Shares of HK\$0.023 as at the date of this announcement, the Existing Shares were trading at board lot value of HK\$115. In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation.

The proposed Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to continue to comply with the trading requirements under the GEM Listing Rules. Based on the closing price of HK\$0.023 per Existing Share (equivalent to HK\$0.46 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$2,300, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the said “Guide on Trading Arrangements for Selected Types of Corporate Actions”.

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

OTHER CORPORATE ACTIONS AND FUNDRAISING ACTIVITIES IN THE NEXT TWELVE MONTHS

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Nevertheless, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules if and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Date and time
Despatch date of circular, proxy form with notice of the EGM	on or before Monday, 27 February 2023
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM.	4:30 p.m. on Monday, 13 March 2023
Closure of the register of members for the entitlements to attend and vote at the EGM	Tuesday, 14 March 2023 to Friday, 17 March 2023 (both days inclusive)
Latest time for lodging proxy forms for the EGM	3:00 p.m. on Wednesday, 15 March 2023
Date and time of the EGM.	3:00 p.m. on Friday, 17 March 2023
Publication of the announcement of poll results of the EGM	Friday, 17 March 2023
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.	
Effective date of the Share Consolidation	Tuesday, 21 March 2023
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 21 March 2023
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares.	Tuesday, 21 March 2023
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 21 March 2023
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 21 March 2023

Event	Date and time
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens.	9:00 a.m. on Tuesday, 4 April 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 4 April 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 4 April 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.	4:00 p.m. on Thursday, 27 April 2023
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) closes.	4:10 p.m. on Thursday, 27 April 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends	4:10 p.m. on Thursday, 27 April 2023
Last date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares.	4:30 p.m. on Tuesday, 2 May 2023

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the EGM, is expected to be despatched to the Shareholders on or before Monday, 27 February 2023.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Jimu Group Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company upon the Share Consolidation becoming effective
“Directors”	Directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the rules governing the listing of securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 10 February 2023

As at the date of this announcement, the executive Directors of the Company are Ms. Wei Ju and Mr. Tsang Hing Bun; the non-executive Director of the Company is Mr. Shum Tsz Yeung; and the independent non-executive Directors of the Company are Mr. Hung Wai Che, Mr. Choi Ho Yan and Mr. Yiu Yu Hong John.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Announcements” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.jimugroup8187.com>.