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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)**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 15 November 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 21,669,120 Subscription Shares at the Subscription Price of HK\$1.16 per Subscription Share.

The total number of 21,669,120 Subscription Shares to be issued and allotted under the Subscription Agreement represents (i) approximately 14.3% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.5% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company. The gross proceeds of the Subscription will be approximately HK\$25.1 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$24.9 million, representing the net price of approximately HK\$1.15 per Subscription Share. The Company intends to apply the net proceeds from the issue of the Subscription Shares as follows: (i) approximately HK\$22.4 million (approximately 90% of the total net proceeds) for the expansion of the Group's footwear and apparel business, such as operating expenses, procurement and marketing expenses; and (ii) approximately HK\$2.5 million (approximately 10% of the total net proceeds) general working capital of the Group to support and facilitate the Group's existing business and operating activities.

**Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 15 November 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 21,669,120 Subscription Shares at the Subscription Price of HK\$1.16 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are set out as follows:

Date: 15 November 2024 (after trading hours)

Parties: (1) the Company (as issuer); and  
(2) the Subscriber (as subscriber)

For details of information in relation to the Subscriber, please refer to the section headed "INFORMATION OF THE SUBSCRIBER" in this announcement. To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Given the Subscription Shares represent approximately 12.5% of the enlarged total number of issued Shares, the Subscriber will become a substantial shareholder of the Company immediately after the Completion.

### **Subscription Shares**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 21,669,120 Subscription Shares, representing (i) approximately 14.3% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.5% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

Based on the closing price of the Shares of HK\$1.400 per Share on 15 November 2024, being the date of the Subscription Agreement, the Subscription Shares have a market value of approximately HK\$30.3 million. The aggregate nominal value of the Subscription Shares is approximately HK\$4.3 million.

### **Subscription Price**

The Subscription Price is HK\$1.16 per Subscription Share, representing:

- (i) a discount of approximately 17.1% to the closing price of HK\$1.400 per Share as quoted on the Stock Exchange on 15 November 2024, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 15.1% to the average closing price per Share of HK\$1.366 for the last five (5) consecutive trading days immediately preceding the date of the Subscription Agreement.

The total Subscription Price for the Subscription shall be paid by the Subscriber to the Company in cash upon Completion.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent to the Subscription Agreement**

The Subscription Completion is conditional upon the satisfaction of the following conditions:

- (i) all representations, warranties or undertakings under the Subscription Agreement remain to be true, accurate, complete and not misleading from the date of the Subscription Agreement till the Subscription Completion Date;
- (ii) listing of and permission to deal in all the Subscription Shares being granted by the GEM Listing Committee of the Stock Exchange;
- (iii) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Subscription void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Subscription (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Subscription); and
- (iv) no material adverse change on the Group occurs or exists from the date of the Subscription Agreement till the Subscription Completion Date.

The Subscriber shall be entitled in its absolute discretion, by written notice to the Company, to waive any of the conditions set out in (i), (iii) and (iv) above relating to the obligations of the Company under the Subscription Agreement.

In the event that any of the conditions precedent shall not have been fulfilled (or waived) prior to the Long Stop Date, the Subscription Agreement shall terminate and cease to be of any effect, (i) except for certain provisions relating to representation and warranties, confidentiality and certain miscellaneous matters shall remain applicable after termination and such provisions shall remain in full force and effect; (ii) the Company shall refund to the Subscriber all (or part) of the subscription amount already received, if applicable, within a reasonable time; and (iii) neither party shall (save to such extent and to the extent of obligations or rights of any of the parties which have accrued prior to such termination) have any claim against the other party for costs, damages, compensation or otherwise.

## **Subscription Completion**

The Subscription Completion shall take place within seven (7) Business Days after the day on which the conditions as set out in the paragraph headed “Conditions precedent of the Subscription” above are fulfilled or waived (or another time or date as the Company and the Subscriber shall agree in writing).

## **Ranking**

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Subscription Shares.

## **General mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the General Mandate, which has been granted to the Directors at the AGM to allot and issue up to 21,669,120 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares and the issue of the Subscription Shares is not subject to the approval by the Shareholders.

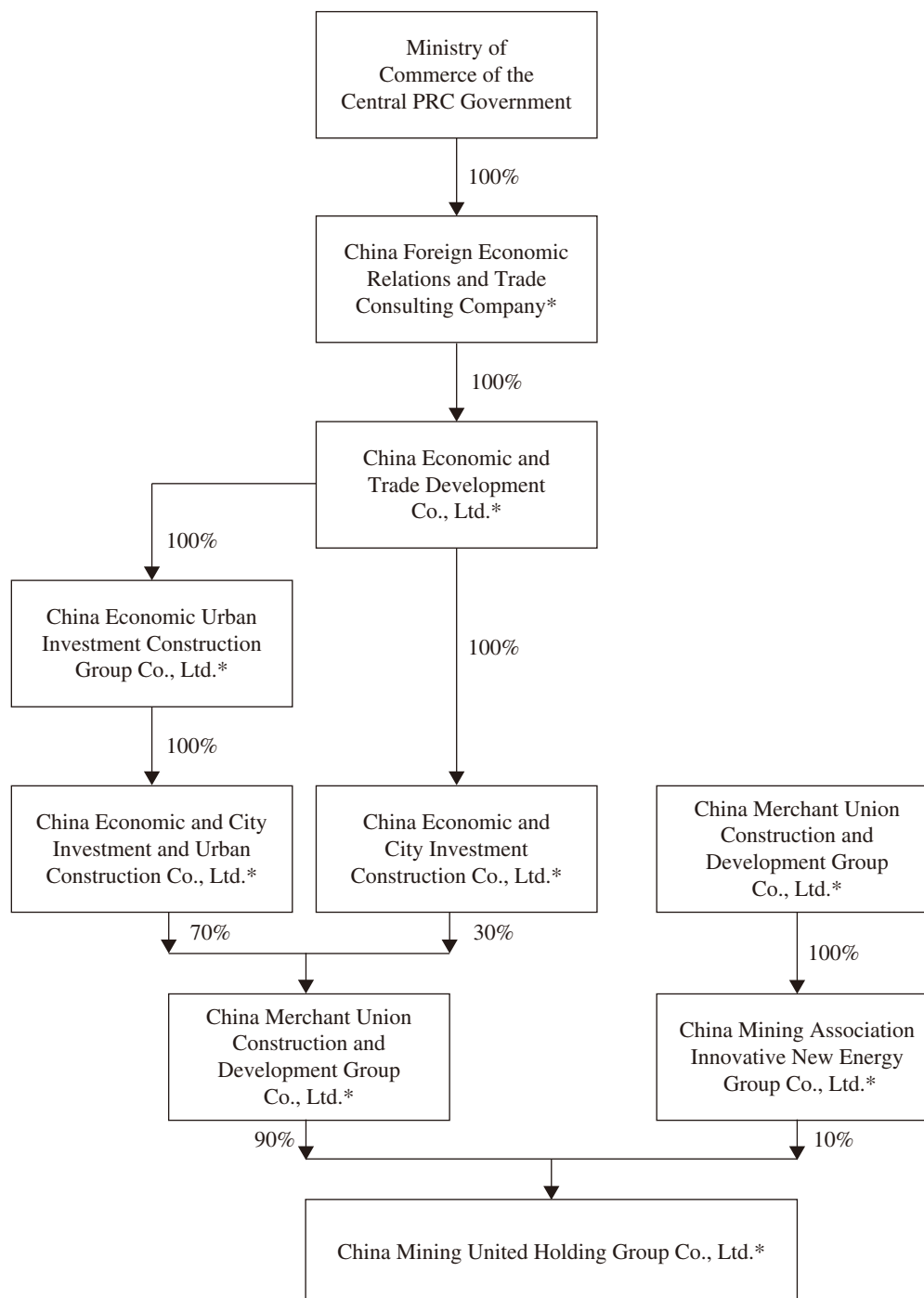
## **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

## **INFORMATION OF THE SUBSCRIBER**

The Subscriber is an enterprise established in the PRC under the direct management of the Central Government with businesses covering trading and sales, sales of mineral products, sales of chemical products, sales of communication devices, leasing and sales of real estates, sales of construction materials, largescale agriculture and consultation services, etc. The company is renowned of its expertise and capability in these segments.

Set out below is the shareholding structure of the Subscriber as at the date of this Agreement:



To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, all corporate shareholders of the Subscriber are managed and ultimately owned by Ministry of Commerce of the Central PRC Government (中華人民共和國商務部) and thus, the Subscriber is an enterprise established in the PRC under the direct management of the Central Government.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner is an Independent Third Party.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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

The gross proceeds of the Subscription will be approximately HK\$25.1 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$24.9 million, representing the net price of approximately HK\$1.15 per Subscription Share. The Company intends to apply the net proceeds from the issue of the Subscription Shares as follows:

- (i) approximately HK\$22.4 million (approximately 90% of the total net proceeds) for the expansion of the Group's footwear and apparel business, such as operating expenses, procurement and marketing expenses; and
- (ii) approximately HK\$2.5 million (approximately 10% of the total net proceeds) general working capital of the Group to support and facilitate the Group's existing business and operating activities.

The Directors consider that the Subscription represents an opportunity to raise capital for the business expansion of the Group while broadening the Shareholder base of the Company. The Group has been actively seeking opportunities to enhance its financial performance, in particular to implement measures to increase revenue generation, drive business growth and achieve business expansion, including to source suppliers and customers through its business network. The Company intends to (i) expand and broaden sales channels and distribution networks, including online and offline in Hong Kong and in the PRC; (ii) source suppliers of footwear, apparel, and sports-related products; and (iii) develop new product lines for new market.

The Directors are of the view that, in order to significantly expand the Group's business, the Group may consider seeking new business partners, such as established distributors and suppliers with PRC presence and connections for strategic cooperation so to expand its footwear and apparel business to the market in the PRC. With the support of online and offline distributors with PRC network, the Group will be able to expand its sales channels and boost sales opportunities and secure more clientele for its retail and wholesale business of the footwear and apparel business, including to open retail outlets in the PRC and cooperate with e-commerce platforms. Concurrently, the Group will also cooperate with suppliers to maintain a consistent and dependable product supply for addressing the anticipated increase in sales demands. To further expand its business, the Company also plans to enhance its customer base and improve market competitiveness through co-developing new product lines which may attract new targeted customers, thereby allowing the Group to broaden its source of income.

The Directors believe that the aforementioned measures can be further implemented through strategic cooperation in multiple aspects with partners with PRC presence and connections in order for the Group to expand market in the PRC.

As such, the Board considers that the Subscription will provide the funding needed for the Group to implement the aforementioned measures in order to significantly increase revenue generation and expand the Group's footwear and apparel business. It is anticipated that such expansion will yield positive financial impact on the Group and will benefit the long-term development of the Group's business.

In view of the aforementioned, the Directors are of the view that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Board considers the terms of the Subscription Agreement to be normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Company has 151,683,840 Shares in issue. The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares):

	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
The Subscriber	–	–	21,669,120	12.50
Mr. Shum Tsz Yeung (Note 1)	6,750	0.00	6,750	0.00
Sharp Ally International Limited (Note 2)	26,464,939	17.45	26,464,939	15.27
<b>Public Shareholders</b>				
Other Public Shareholders	<u>125,212,151</u>	<u>82.55</u>	<u>125,212,151</u>	<u>72.23</u>
<b>Total</b>	<u><u>151,683,840</u></u>	<u><u>100.00</u></u>	<u><u>173,352,960</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Shum Tsz Yeung is a non-executive Director of the Company.
2. According to the Corporate Substantial Shareholder Notice filed by Sharp Ally International Limited ("Sharp Ally") through the Disclosure of Interests Online System, Sharp Ally is the beneficial owner of 26,464,939 Shares with its registered office located at the British Virgin Islands. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Directors do not have any information in relation to the ultimate beneficial owner of Sharp Ally.

## EQUITY FUND RAISING ACTIVITY OVER THE PAST 12 MONTHS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of announcement/circular	Fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
4 August 2024, 19 September 2024, 31 October 2024	Placing under specific mandate	HK\$10.2 million	<p>(i) approximately HK\$2.7 million (approximately 26.5% of the net proceeds) for repayment of loans; and</p> <p>(ii) approximately HK\$7.5 million (approximately 73.5% of the net proceeds) as general working capital of the Group to support and facilitate the Group's existing business and operating activities through off-setting the Group's operating expenses and employee benefits expenses and replenishing the Group's cash balance.</p>	<p>The net proceeds from the placing have been used as follows:</p> <p>(i) approximately HK\$2.7 million for repayment of loans; and (ii) approximately HK\$2.6 million for operating expenses and professional fees.</p>

**Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 9 May 2024
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday, a public holiday or a day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Company”	Jimu Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8187)
“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	the date on which Completion takes place in accordance with the terms of the Subscription Agreement, which shall be within seven (7) Business Days following the fulfillment or waiver (as the case may be) of all the conditions precedent to the Subscription Agreement, or such other date as the parties to the Subscription Agreement shall otherwise agree
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 21,669,120 Shares, representing 20% of the issued share capital of the Company as at the date of the passing of such resolution

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not a connected person (as defined in the GEM Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of the connected persons (as defined in the GEM Listing Rules) of the Company
“Long Stop Date”	31 December 2024, or such later date as the parties to the Subscription Agreement may agree
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.2 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Mining United Holding Group Co., Ltd.* (中礦聯合控股集團有限公司), a company established in the PRC with limited liability, being the subscriber of the Subscription
“Subscription”	the subscription of 21,669,120 Subscription Shares at the Subscription Price by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 15 November 2024 in relation to the Subscription
“Subscription Price”	HK\$1.16 per Subscription Share

“Subscription Shares” 21,669,120 new Shares to be issued by the Company to the Subscriber pursuant to the terms of the Subscription Agreement

“%” per cent

By order of the Board  
**Jimu Group Limited**  
**Dong Bin**  
*Executive Director*

Hong Kong, 15 November 2024

*As at the date of this announcement, the executive Directors of the Company are Dr. Tsang Hing Bun and Dr. Dong Bin; 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 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 of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its publication and on the Company’s website at <http://www.jimugroup8187.com>.*

\* for identification purposes only