



JiMU

JIMU GROUP LIMITED

積木集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8187)



2022



THIRD  
QUARTERLY  
REPORT





## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Jimu Group Limited (the “**Company**”) 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 (the “**GEM Listing Rules**”) 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 report 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 report misleading.*

## RESULTS

The board (the “Board”) of directors (“Directors”) of Jimu Group Limited (the “Company”) is pleased to presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2022, together with the comparative unaudited figures of the corresponding periods in 2021, are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	Three months ended 30 September		Nine months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue from goods and services	5	8,524	4,585	24,048	9,879
Cost of goods sold		(7,907)	(3,929)	(22,419)	(5,486)
Other income	6	–	461	85	631
Other gains and losses	7	(621)	(50)	91	282
Employee benefits expenses		(663)	(1,664)	(2,144)	(11,912)
Administrative expenses		(1,137)	(833)	(3,032)	(6,561)
Finance costs		(164)	–	(495)	(71)
<b>Loss before taxation</b>		<b>(1,968)</b>	<b>(1,430)</b>	<b>(3,866)</b>	<b>(13,238)</b>
Income tax credit	8	–	398	53	2,220
<b>Loss for the period</b>	9	<b>(1,968)</b>	<b>(1,032)</b>	<b>(3,813)</b>	<b>(11,018)</b>
<b>Other comprehensive income (expense):</b>					
<i>Item that will not be reclassified to profit or loss:</i>					
Exchange differences on translation from functional currency to presentation currency		204	(3)	196	44
<b>Total comprehensive expense for the period</b>		<b>(1,764)</b>	<b>(1,035)</b>	<b>(3,617)</b>	<b>(10,974)</b>
<b>Loss per share</b>	11				
Basic and diluted (HK cents)		<b>(0.33)</b>	(0.21)	<b>(0.64)</b>	(2.20)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	
<b>At 1 January 2022 (Audited)</b>	5,016	55,784	218	4,950	1,630	(73,842)	(6,244)
Loss for the period	-	-	-	-	-	(3,813)	(3,813)
Exchange differences on translation from functional currency to presentation currency	-	-	196	-	-	-	196
Total comprehensive income (expense) for the period	-	-	196	-	-	(3,813)	(3,617)
Placing of new shares (Note)	1,003	9,731	-	-	-	-	10,734
Transaction costs attributable to placing of new shares	-	(470)	-	-	-	-	(470)
<b>At 30 September 2022 (Unaudited)</b>	<b>6,019</b>	<b>65,045</b>	<b>414</b>	<b>4,950</b>	<b>1,630</b>	<b>(77,655)</b>	<b>403</b>
At 1 January 2021 (Audited)	5,016	55,784	148	4,950	1,630	(58,959)	8,569
Loss for the period	-	-	-	-	-	(11,018)	(11,018)
Exchange differences on translation from functional currency to presentation currency	-	-	44	-	-	-	44
Total comprehensive income (expense) for the period	-	-	44	-	-	(11,018)	(10,974)
At 30 September 2021 (Unaudited)	5,016	55,784	192	4,950	1,630	(69,977)	(2,405)

Note: On 31 December 2021, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 100,320,000 placing shares to independent investors at a price of HK\$0.107 per share. The placing was completed on 17 January 2022 pursuant to which the Company has allotted and issued 100,320,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$10,264,000 and resulted in the increase in share capital of approximately HK\$1,003,000 and share premium of approximately HK\$9,731,000, net of transaction costs of approximately HK\$470,000.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

## 1. GENERAL

Jimu Group Limited (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 “**Stock Exchange**”). The immediate holding company of the Company is Jimu Group Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate holding company and ultimate controlling shareholder is Jimu Holdings Limited, a company incorporated in the British Virgin Islands. 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 is Unit 06, 12th Floor, The Broadway, No. 54–62 Lockhart Road, Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the Company. The management of the Group considers that presenting the unaudited condensed consolidated financial statements in HK\$ is preferable as the Company listed its shares on the Stock Exchange and most of its investors are located in Hong Kong.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of Jimu Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2022 have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Rules**”).

The functional currency of the Group is Reminbi (“**RMB**”). The unaudited condensed consolidated financial statements are presented in Hong Kong dollars as management considered it is more beneficial to users of the unaudited condensed consolidated financial statements. All values stated in these unaudited condensed consolidated financial statements are rounded to the nearest thousands Hong Kong dollars (“**HK\$’000**”).

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The unaudited condensed consolidated financial statements for the three months and nine months ended 30 September 2022 have not been audited or reviewed by the Company’s auditors, but have been reviewed by the audit committee of the Company.



### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and the methods of computation used in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 are the same as those followed in the Group's audited consolidated financial statements for the year ended 31 December 2021. The adoption of the new/amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

The Group has not early adopted the new/amendments to HKFRSs that have been issued but are not yet effective. The Directors do not anticipate that the adoption of the new/amendments to HKFRSs in future periods will have any material impact on the Group's condensed consolidated financial statements.

### 4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the Chief Operating Decision Maker ("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; and
- Loan facilitation and credit assessment services – 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.

#### 4. SEGMENT INFORMATION – continued

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

##### Nine months ended 30 September 2022 (Unaudited)

	Footwear and apparel businesses HK\$'000	Loan facilitation and credit assessment services HK\$'000	Total HK\$'000
Revenue	23,986	62	24,048
Segment results	541	201	742
Unallocated income			1
Unallocated expenses			(4,609)
Loss before taxation			(3,866)

##### Nine months ended 30 September 2021 (Unaudited)

	Footwear and apparel businesses HK\$'000	Loan facilitation and credit assessment services HK\$'000	Total HK\$'000
Revenue	5,904	3,975	9,879
Segment results	(3,841)	(6,797)	(10,638)
Unallocated expenses			(2,600)
Loss before taxation			(13,238)

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



## 5. REVENUE FROM GOODS AND SERVICES

An analysis of the Group's revenue from goods and services is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Trading of footwear and apparel businesses	8,524	4,264	23,986	5,904
Provision of loan facilitation services and credit assessment services	–	321	62	3,975
	<b>8,524</b>	<b>4,585</b>	<b>24,048</b>	<b>9,879</b>

## 6. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income	–	1	1	71
Miscellaneous income	–	460	84	560
	–	<b>461</b>	<b>85</b>	<b>631</b>

## 7. OTHER GAINS AND LOSSES

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Gain on derecognition of right-of-use assets, net	–	–	–	378
Gain on termination of lease liabilities, net	–	–	980	–
Impairment losses recognised on other receivables	6	–	(256)	–
Loss on disposal of plant and equipment, net	–	(17)	–	(63)
Net foreign exchange losses	(627)	(33)	(633)	(33)
	(621)	(50)	91	282

## 8. INCOME TAX CREDIT

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Deferred tax	–	398	53	2,220
	–	398	53	2,220

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit for the nine months periods ended 30 September 2022 and 2021.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the nine months ended 30 September 2022 and 2021.



## 9. LOSS FOR THE PERIOD

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss for the period has been arrived at after charging:				
Directors' remuneration	210	488	554	1,351
Other staff costs (excluding directors' remuneration)				
– Salaries, allowances and benefits in kind	412	1,039	1,462	8,520
– Retirement benefit scheme contributions	41	137	128	2,041
<b>Total staff costs</b>	<b>663</b>	<b>1,664</b>	<b>2,144</b>	<b>11,912</b>
Depreciation of plant and equipment	37	55	115	182
Depreciation of right-of-use assets	39	–	116	–
Expenses relating to short-term leases	112	206	133	750

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the nine months ended 30 September 2022 and 2021. The Directors of the Company do not recommend payment of dividend for the nine months ended 30 September 2022 (for the nine months ended 30 September 2021: Nil).

## 11. LOSS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Loss:</b>				
Loss for the period for the purpose of basic loss per share	(1,968)	(1,032)	(3,813)	(11,018)

	Three months ended 30 September		Nine months ended 30 September	
	2022 '000 (Unaudited)	2021 '000 (Unaudited)	2022 '000 (Unaudited)	2021 '000 (Unaudited)
<b>Number of shares:</b>				
Number of ordinary shares for the purpose of basic loss per share	601,920	501,600	596,040	501,600

No diluted loss per share is being presented for three months and nine months periods ended 30 September 2022 and 2021 as there is no potential ordinary share in issue during both periods.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Outlook

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

Since early 2022, the Group has diversified its footwear and apparel businesses by selling branded footwear and apparel products in Hong Kong and Canada. The Directors believe that the commencement of such new business in Hong Kong and North America allows the Group to develop a diversified range of customers in different geographical locations. Also, the Directors are of the view that there are well established footwear and apparel supply and sales network in North America, whereby the Group has set up a new company and established its presence in Vancouver, Canada during the nine months ended 30 September 2022. The Group will then expand the scale of operations and retail network to other cities in North America as and when appropriate.

As most of the countries' economies have started to recover from the COVID-19 pandemic since early 2022, together with the consumption voucher scheme implemented by the Hong Kong Government, propelling domestic needs and the once in every four years World Cup will be played in November 2022, it is anticipated that the Group could achieve significant growth in revenue and gross profit in the year ending 31 December 2022. Going forward, the Group plans to continue to widen the consumer reach by expanding its brand portfolio and product categories and the Group will explore business opportunities in various soft fashion segments through acquisition, investment and/or licensing.

## *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. Our branch offices liaise between customers and the funding sources and arrange for contract signing upon agreement by both parties.

Since 2021, the management of the Group (the “**Management**”) had been continuously assessing the change in economic condition of the loan market. The PRC business remained disappointing. The restriction of social activities measures due to the COVID-19 pandemic and the cross-border epidemic control measures taken in response to the virus have negatively affected workforces, customers, consumer confidence, financial markets, consumer spending and credit markets, leading to significant economic and business disruption, volatility and financial uncertainty, and dragging down the PRC economy significantly, further reducing the need for borrowing and business growth, which in turn undermined the loan market where the Group operate. Therefore, the Board, after reviewing the adverse market conditions, had decided to downsize the loan facilitation and credit assessment businesses in the third quarter of 2021 and the Group will continue the planned downsizing of the loan facilitation and credit assessment businesses and will closely monitor the loan facilitation and credit assessment business and will take appropriate steps in due course.

## **Financial Review**

### *Revenue*

The Group recorded revenue of approximately HK\$24.0 million for the nine months ended 30 September 2022, an increase of approximately 142.4% compared with that of approximately HK\$9.9 million for the nine months ended 30 September 2021. Revenue for the nine months ended 30 September 2022 mainly derived from the footwear and apparel businesses.

### *Footwear and Apparel Businesses*

The Group recorded revenue from the footwear and apparel businesses of approximately HK\$24.0 million for the nine months ended 30 September 2022 (2021: approximately HK\$5.9 million) since the Group has also engaged in the footwear and apparel business in Hong Kong and Canada in 2022.



## *Loan Facilitation and Credit Assessment Businesses*

Revenue from the loan facilitation segment decreased by 98.5% from approximately HK\$4.0 million for the nine months ended 30 September 2021 to approximately HK\$62,000 for the nine months ended 30 September 2022. The revenue dropped significantly due to the closing down of branches and laying off staff since 2020. The Group had already closed the branches and layoff staffs of loan facilitation business to reduce operating costs.

### *Cost of goods sold*

Cost of goods sold of approximately HK\$22.4 million mainly comprised the cost of inventories sold and consignment costs incurred during the nine months ended 30 September 2022 (2021: approximately HK\$5.5 million).

### *Other gains and losses*

Other gains (net) amounted to approximately HK\$91,000 for the nine months ended 30 September 2022 as compared approximately HK\$0.3 million for the nine months ended 30 September 2021. This is mainly due to the recognition of gain on termination of lease liabilities of approximately HK\$1.0 million and the exchange loss of HK\$0.6 million due to depreciation of Renminbi and Canadian dollars during the nine months ended 30 September 2022 (2021: HK\$Nil).

### *Employee benefits expenses*

Employee benefits expenses decreased to approximately HK\$2.1 million for the nine months ended 30 September 2022 from approximately HK\$11.9 million for the nine months ended 30 September 2021, which was mainly due to the further cost-cutting and restructuring plan related to loan facilitation and credit assessment businesses implemented in 2021.

### *Administrative expenses*

Administrative expenses decreased to approximately HK\$3.0 million for the nine months ended 30 September 2022 from approximately HK\$6.6 million for the nine months ended 30 September 2021, which was mainly a result of the further cost-cutting and restructuring plan related to loan facilitation and credit assessment businesses implemented in 2021.

### *Finance costs*

The increase of finance costs by 597.2% to approximately HK\$495,000 for the nine months ended 30 September 2022 from approximately HK\$71,000 for the nine months ended 30 September 2021, which was mainly due to the interest charged for the HK\$8.0 million loan (bearing interest at 8% per annum) obtained in December 2021.



### *Income tax credit*

Income tax credit decreased to approximately HK\$53,000 for the nine months ended 30 September 2022 from approximately HK\$2.2 million for the nine months ended 30 September 2021, which was mainly representing the recognition of deferred tax credit for the nine months ended 30 September 2021 arising from the timing differences between the revenue recognised and the collection of service fees from loan facilitation services.

### *Loss for the period*

As a result of foregoing, loss for the period decreased to approximately HK\$3.8 million for the nine months ended 30 September 2022 from approximately HK\$11.0 million for the nine months ended 30 September 2021.

Loss before tax for the footwear and apparel businesses segment increased to profit of approximately HK\$0.5 million for the nine months ended 30 September 2022 from loss of approximately HK\$3.8 million for the nine months ended 30 September 2021. This was mainly due to the start of the footwear and apparel businesses in Hong Kong and Canada since early 2022.

Loss before tax for the loan facilitation and credit assessment segment increased to profit of approximately HK\$0.2 million for the nine months ended 30 September 2022 from loss of approximately HK\$6.8 million for the nine months ended 30 September 2021. This was mainly due to the further cost-cutting and restructuring plan implemented in 2021 and the existence of gain on termination of lease liabilities of approximately HK\$1.0 million during the nine months ended 30 September 2022 (2021: HK\$Nil).





## OTHER INFORMATION

### Dividend

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2022 (2021: HK\$Nil).

### Liquidity, Financial and Capital Structure

As at 30 September 2022, the total borrowings of the Group amounted to approximately HK\$8.4 million (31 December 2021: approximately HK\$9.3 million) which comprised interest-bearing borrowings and lease liabilities.

As at 30 September 2022, the gearing ratio of the Group was 43.2% (31 December 2021: 43.0%). Gearing ratio is calculated based on total borrowings divided by total assets at the end of the relevant period.

As at 30 September 2022, the Group's net current assets amounted to approximately HK\$0.3 million (31 December 2021: net current liabilities amounted to approximately HK\$6.2 million). The current ratio of the Group was approximately 1.0 times (31 December 2021: approximately 0.8 times). Current ratio is calculated based on total current assets divided by total current liabilities at the end of the relevant period.

The Group's operations are financed principally by revenue generated from its business operation, available bank balances and cash as well as interest-bearing borrowings. The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity position to ensure that the Group is well positioned to achieve its business objectives and strategies.

### Pledge of Assets

As at 30 September 2022, the Group had no asset pledged (31 December 2021: HK\$Nil) to secure the Group's other 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 30 September 2022, the Group did not use any financial instrument for hedging the foreign exchange risk.

## Significant Investments Held

During the nine months ended 30 September 2022, there was no significant investment held by the Group.

## Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

### *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 "SSA Announcement"), 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 at 17 January 2022.

As disclosed in the Company's announcement dated 30 June 2022, as some conditions precedent to the SSA as disclosed in the SSA Announcement have not been fully satisfied (or waived) by the long stop date, following further negotiation and discussion, the Company and Stay Fresh decided not to proceed with the share subscription, and the SSA shall cease and determine and none of the parties thereto shall have any obligations and liabilities towards each other.

Saved as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the nine months ended 30 September 2022.

## Future Plans for Material Investments and Capital Assets

During the nine months ended 30 September 2022, the Group currently has no other plan for material investments.

## Contingent Liabilities

As at 30 September 2022, the Group did not have any significant contingent liabilities (31 December 2021: HK\$Nil).

## Capital Commitments

As at 30 September 2022, the Group had no significant capital commitments (31 December 2021: HK\$Nil).



## Employees and Emolument Policies

As at 30 September 2022, the total employees in mainland China and Hong Kong has decreased from 12 in 31 December 2021 to 11 in 30 September 2022. 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 recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group.

## Compliance with the Corporate Governance Code

The Company is committed to achieve high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code"). During the nine months ended 30 September 2022, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

## Code of Conduct Regarding Securities Transactions by Directors

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 period under review.

## Interests in Competing Business

For the nine months ended 30 September 2022, 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 report, no share options have been granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

The Share Option Scheme enables the Company to grant options to eligible persons, which mean among others, any full-time or part-time employee of the Company or any member of the Group, including any executive Directors, non-executive Directors and independent non-executive Directors, advisors, consultants of our Company or any of the subsidiaries as incentives or rewards for their contributions to our Group.

## Directors’ and Chief Executives’ Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September 2022, 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			Approximate percentage of interest in the Company
		Ordinary shares	Share options	Total	
Mr. Shum Tsz Yeung	Beneficial owner	135,000	–	135,000	0.02%

Save as disclosed above, as at 30 September 2022, none of the Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was 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.



## Substantial Shareholders' and Other Persons' Interests and/or Short Positions in Shares and Underlying Shares of the Company

As at 30 September 2022, 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 nine months ended 30 September 2022, 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.

## Audit Committee

The Company established the Audit Committee on 11 May 2016 with written terms of reference in compliance with the code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors; review financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company. The Audit Committee currently consists of three members, namely Mr. Choi Ho Yan (Chairman), Mr. Hung Wai Che and Mr. Yiu Yu Hong John, all being independent non-executive Directors.

The Audit Committee has reviewed the Group's quarterly results for the nine months ended 30 September 2022. The Audit Committee is of the view that the unaudited condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements.

The unaudited condensed consolidated financial results for the nine months ended 30 September 2022 have not been audited or reviewed by the Company's auditors.

## Event after Review Period

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2022 and up to the date of this report.



**Publication of Quarterly Results and Quarterly Report on the Websites of the Stock Exchange and the Company**

The unaudited quarterly results announcement of the Company for the nine months ended 30 September 2022 has been published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.jimugroup8187.com](http://www.jimugroup8187.com). This quarterly report will be dispatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 7 November 2022

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