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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)

VOLUNTARY ANNOUNCEMENT POTENTIAL IMPACT OF THE NOVEL CORONAVIRUS DISEASE OUTBREAK ON BUSINESS

This announcement is made by Jimu Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company informed on the potential impact of the Novel Coronavirus Disease outbreak on the business operations of the Group.

The Group is engaged in the footwear business and the loan facilitation business. The procurement function of the footwear business and the principal base of the loan facilitation business are located in the People’s Republic of China (the “**PRC**”).

Since the outbreak of the disease named “**COVID-19**” by the World Health Organization, which is a respiratory disease caused by a novel coronavirus first detected in Wuhan in late 2019 (the “**Novel Coronavirus Disease**”), a number of provinces and municipalities (including Beijing and Shanghai) in the PRC have taken emergency public health measures and actions to prevent the spread of the Novel Coronavirus Disease. The government of the PRC has also issued notices which extended the period of Lunar New Year holiday in the PRC.

As part of the Group’s efforts to facilitate the prevention and control of the Novel Coronavirus Disease and to ensure the health and safety of the Group’s employees in the PRC, the Group implemented special working arrangements for the loan facilitation business in the PRC after Lunar New Year holiday, whereby business consulting and credit assessment services had been temporarily suspended. The Group has resumed normal operations since 2 March 2020.

IMPACT ON FOOTWEAR BUSINESS

The spread of the Novel Coronavirus Disease has spooked global markets and threatened prospects for economic growth. The footwear business had operated in adverse market conditions in the past year, and the global footwear industry may further worsen due to the Novel Coronavirus Disease.

The Company has continued to adopt certain cost-cutting measures and slowed down certain business plan for the footwear business.

IMPACT ON LOAN FACILITATION BUSINESS

The Group implemented special working arrangements in the PRC, including but not limited to work-from-home arrangements and reduced business meetings with clients. These measures, together with the impact of Novel Coronavirus Disease on the PRC economy, have a significant impact on customer demand on our loan facilitation service.

Meanwhile, the Novel Coronavirus Disease had also significantly affected lenders and intermediary service platforms (collectively, the “**Funding Sources**”). These Funding Sources have become less willing to lend or may have even changed their business plans amid such economic condition. Given there are difficulties in obtaining the financing from existing funding sources, the Group is actively seeking other funding sources include but not limited to banks, asset management companies, trusts and small loan companies.

POTENTIAL IMPACT ON THE BUSINESS OPERATIONS OF THE GROUP

The Board foresees that the recent operating conditions in the PRC may cause a significant decline in (1) revenue from loan facilitation services and (2) revenue from footwear business in the near future.

The Company will closely monitor the development of the Novel Coronavirus Disease outbreak and assess its impact on the business operations and financial performance of the Group. The Company will make further announcement(s) as and when necessary.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
JIMU GROUP LIMITED
Dong Jun
Chairman

Hong Kong, 6 March 2020

As at the date of this announcement, the executive Directors are Mr. Dong Jun (Chairman), Mr. Ho Kin Wai (Chief Executive Officer), Mr. Peng Shaoxin and Mr. Yan Taotao; the non-executive Directors are Mr. Wen Cyrus Jun-ming and Mr. Lau Kai Pong; and the independent non-executive Directors are Mr. Guo Zhongyong, Mr. Hon Ping Cho Terence and Mr. Li Tixin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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:– (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 Company Announcements” 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>.