



JIMU GROUP LIMITED

積木集團有限公司

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

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**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 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.*

RESULTS

The board (the “**Board**”) of directors (“**Directors**”) of Jimu Group Limited (the “**Company**”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months and three months ended 30 June 2021, together with the comparative unaudited figures of the corresponding periods in 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Three months ended 30 June		Six months ended 30 June	
	NOTES	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue from goods and services	4	3,016	27,474	5,294	35,181
Other income	5	65	5,486	170	5,891
Other gains and losses	6	332	1,261	332	1,225
Purchases and changes in inventories		(1,557)	(14,853)	(1,557)	(14,853)
Employee benefits expenses		(4,000)	(8,518)	(10,248)	(25,864)
Other operating expenses		(3,130)	(2,746)	(5,728)	(7,417)
Finance costs		(26)	(128)	(71)	(287)
(Loss) profit before taxation		(5,300)	7,976	(11,808)	(6,124)
Income tax credit (expenses)	7	852	(1,042)	1,822	1,238
(Loss) profit for the period	8	(4,448)	6,934	(9,986)	(4,886)
Other comprehensive income (expense):					
<i>Item that will not be reclassified to profit or loss:</i>					
Exchange differences on translation from functional currency to presentation currency		32	(86)	47	(124)
Total comprehensive (expense) income for the period		(4,416)	6,848	(9,939)	(5,010)
(Loss) earnings per share	10				
Basic (HK cents)		(0.89)	1.44	(1.99)	(1.02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

	<i>NOTES</i>	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	<i>11</i>	78	306
Rental deposits	<i>14</i>	76	76
Contract assets	<i>12B</i>	51	91
Deferred tax assets	<i>21</i>	379	–
		584	473
Current assets			
Trade receivables	<i>12A</i>	2,324	877
Other receivables, prepayment and deposits	<i>14</i>	1,866	3,263
Contract assets	<i>12B</i>	1,667	2,315
Bank balances and cash		3,497	26,831
		9,354	33,286
Current liabilities			
Trade payables	<i>15</i>	953	953
Other payables and accruals	<i>16</i>	6,157	8,506
Amount due to a former director/director	<i>17</i>	38	440
Tax payable		1,641	1,902
Lease liabilities		287	675
Contract liabilities	<i>18</i>	900	1,389
Refund liabilities	<i>19</i>	379	1,540
		10,355	15,405
Net current (liabilities) assets		(1,001)	17,881
Total assets less current liabilities		(417)	18,354

	<i>NOTES</i>	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current liabilities			
Loan from a fellow subsidiary	20	–	6,998
Lease liabilities		688	925
Contract liabilities	18	265	418
Refund liabilities	19	–	6
Deferred tax liabilities	21	–	1,438
		<u>953</u>	<u>9,785</u>
Net (liabilities) assets		<u>(1,370)</u>	<u>8,569</u>
Capital and reserves			
Share capital	22	5,016	5,016
Reserves and accumulated losses		<u>(6,386)</u>	<u>3,553</u>
Total equity		<u>(1,370)</u>	<u>8,569</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 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 2021 (Audited)	5,016	55,784	148	4,950	1,630	(58,959)	8,569
Loss for the period	-	-	-	-	-	(9,986)	(9,986)
Exchange differences on translation from functional currency to presentation currency	-	-	47	-	-	-	47
Total comprehensive income (expense) for the period	-	-	47	-	-	(9,986)	(9,939)
At 30 June 2021 (Unaudited)	5,016	55,784	195	4,950	1,630	(68,945)	(1,370)
At 1 January 2020 (Audited)	4,800	46,917	(177)	(67)	-	(48,624)	2,849
Loss for the period	-	-	-	-	-	(4,886)	(4,886)
Deemed contribution from a director (Note 17)	-	-	-	4,360	-	-	4,360
Exchange differences on translation from functional currency to presentation currency	-	-	(124)	-	-	-	(124)
Total comprehensive (expense) income for the period	-	-	(124)	4,360	-	(4,886)	(650)
At 30 June 2020 (Unaudited)	4,800	46,917	(301)	4,293	-	(53,510)	2,199

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/director, pursuant to the deed of waiver agreement entered into between the former director/director and Ever Smart International Enterprise Limited, a wholly owned subsidiary of the Group.
- (b) According to the relevant rules and regulations in the People’s Republic of China (the “**PRC**”), each of the Company’s PRC subsidiaries shall transfer 10% of their net income after taxation, based on the subsidiary’s PRC statutory accounts, 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	<u>(15,491)</u>	<u>(20,170)</u>
Investing activities		
Interest received	70	98
Proceeds from disposal of property, plant and equipment	<u>58</u>	<u>–</u>
Net cash from investing activities	<u>128</u>	<u>98</u>
Financing activities		
Loan from a related party	–	44,224
Advance from a director	–	1,010
Repayment of loan from a related party	(6,998)	(44,224)
Repayment to a former director/director	(402)	(3,000)
Repayment of lease liabilities	(316)	(2,294)
Other financing cash flows	<u>(58)</u>	<u>(287)</u>
Net cash used in financing activities	<u>(7,774)</u>	<u>(4,571)</u>
Net decrease in cash and cash equivalents	(23,137)	(24,643)
Cash and cash equivalents at beginning of the period	26,831	33,584
Effect of foreign exchange rate changes	<u>(197)</u>	<u>(257)</u>
Cash and cash equivalents at end of the period, represented by bank balances and cash	<u>3,497</u>	<u>8,684</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. 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 six months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) *Interim Financial Reporting* 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**”).

In preparing the unaudited condensed consolidated financial statements for the six months ended 30 June 2021, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that as at 30 June 2021, the Group’s net current liabilities and net liabilities were approximately HK\$1,001,000 and HK\$1,370,000 respectively (31 December 2020: net current assets and net assets were approximately HK\$17,881,000 and HK\$8,569,000 respectively).

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group’s financial position which include, but are not limited to, the following:

- (a) The revolving loan facility for unsecured loan of an aggregate maximum amount of HK\$30,000,000 for a period of 36 months were granted from its ultimate holding company to the Group in December 2020 which remains unutilised at the date of approval of the unaudited condensed consolidated financial statements; and
- (b) The Group will also continue actively seek other alternative financing, including borrowings, to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The Directors, having taken into account the abovementioned plans and measures, consider that the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of the unaudited condensed consolidated financial statements for the six months ended 30 June 2021. Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited condensed consolidated financial statements for the six months ended 30 June 2021 on a going concern basis of accounting.

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 2020.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and the methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the Group's audited consolidated financial statements for the year ended 31 December 2020.

For the six months ended 30 June 2021, the Group has applied the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The application of these amendments to HKFRSs during the six months ended 30 June 2021 had no material impact on the Group's financial performance and positions for the six months ended 30 June 2021 and 2020 and/or on the disclosure set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Chief Executive Officer 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. The Group is currently organised into two operating divisions. These operating divisions are the basis upon which the information that is regularly reviewed by the CODM is prepared and are analysed under HKFRS 8 *Operating Segments* as follows:

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

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

3. SEGMENT INFORMATION – continued

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

Six months ended 30 June 2021 (Unaudited)

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,640</u>	<u>3,654</u>	<u>5,294</u>
Segment results	<u>(2,836)</u>	<u>(6,570)</u>	<u>(9,406)</u>
Unallocated expenses			<u>(2,402)</u>
Loss before taxation			<u><u>(11,808)</u></u>

Six months ended 30 June 2020 (Unaudited)

	Footwear and apparel businesses <i>HK\$'000</i>	Loan facilitation and credit assessment services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>21,546</u>	<u>13,635</u>	<u>35,181</u>
Segment results	<u>5,650</u>	<u>(7,485)</u>	<u>(1,835)</u>
Unallocated expenses			<u>(4,331)</u>
Unallocated income			<u>42</u>
Loss before taxation			<u><u>(6,124)</u></u>

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

3. SEGMENT INFORMATION – continued

Segment assets and liabilities

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

Segment assets

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Footwear and apparel businesses	4,275	7,809
Loan facilitation and credit assessment services	<u>4,611</u>	<u>10,376</u>
 Total segment assets	 8,886	 18,185
Unallocated assets		
– Bank balances and cash	919	15,368
– Others	<u>133</u>	<u>206</u>
 Consolidated assets	 <u><u>9,938</u></u>	 <u><u>33,759</u></u>

Segment liabilities

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Footwear and apparel businesses	4,639	5,510
Loan facilitation and credit assessment services	<u>5,586</u>	<u>10,153</u>
 Total segment liabilities	 10,225	 15,663
Unallocated liabilities		
– Others	<u>1,083</u>	<u>9,527</u>
 Consolidated liabilities	 <u><u>11,308</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 and loan from a fellow subsidiary.

4. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers:

Segments	Three months ended 30 June 2021			Six months ended 30 June 2021		
	Footwear and apparel businesses <i>HK\$'000</i> (unaudited)	Loan facilitation and credit assessment services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)	Footwear and apparel businesses <i>HK\$'000</i> (unaudited)	Loan facilitation and credit assessment services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Types of goods or services						
Trading of apparel						
Men's apparel	–	–	–	–	–	–
Women's apparel	1,640	–	1,640	1,640	–	1,640
	<u>1,640</u>	<u>–</u>	<u>1,640</u>	<u>1,640</u>	<u>–</u>	<u>1,640</u>
Provision of loan facilitation services						
Pre-loan facilitation services	–	1,098	1,098	–	1,267	1,267
Post-loan facilitation services	–	45	45	–	1,344	1,344
	<u>–</u>	<u>1,143</u>	<u>1,143</u>	<u>–</u>	<u>2,611</u>	<u>2,611</u>
Provision of credit assessment services						
	<u>–</u>	<u>233</u>	<u>233</u>	<u>–</u>	<u>1,043</u>	<u>1,043</u>
Total	<u>1,640</u>	<u>1,376</u>	<u>3,016</u>	<u>1,640</u>	<u>3,654</u>	<u>5,294</u>
Geographical markets						
The PRC	–	1,376	1,376	–	3,654	3,654
Others	1,640	–	1,640	1,640	–	1,640
	<u>1,640</u>	<u>1,376</u>	<u>3,016</u>	<u>1,640</u>	<u>3,654</u>	<u>5,294</u>
Timing of revenue recognition						
At a point in time	1,640	1,180	2,820	1,640	2,159	3,799
Over time	–	196	196	–	1,495	1,495
	<u>1,640</u>	<u>1,376</u>	<u>3,016</u>	<u>1,640</u>	<u>3,654</u>	<u>5,294</u>

4. REVENUE FROM GOODS AND SERVICES – continued

Segments	Three months ended 30 June 2020			Six months ended 30 June 2020		
	Footwear and apparel businesses	Loan facilitation and credit assessment services	Total	Footwear and apparel businesses	Loan facilitation and credit assessment services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Types of goods or services						
Trading of footwear						
Men's footwear	11,948	–	11,948	11,948	–	11,948
Women's footwear	9,598	–	9,598	9,598	–	9,598
	<u>21,546</u>	<u>–</u>	<u>21,546</u>	<u>21,546</u>	<u>–</u>	<u>21,546</u>
Provision of loan facilitation services						
Pre-loan facilitation services	–	2,434	2,434	–	6,284	6,284
Post-loan facilitation services	–	3,494	3,494	–	7,351	7,351
	<u>–</u>	<u>5,928</u>	<u>5,928</u>	<u>–</u>	<u>13,635</u>	<u>13,635</u>
Total	<u>21,546</u>	<u>5,928</u>	<u>27,474</u>	<u>21,546</u>	<u>13,635</u>	<u>35,181</u>
Geographical markets						
The PRC	21,546	5,928	27,474	21,546	13,635	35,181
Total	<u>21,546</u>	<u>5,928</u>	<u>27,474</u>	<u>21,546</u>	<u>13,635</u>	<u>35,181</u>
Timing of revenue recognition						
At a point in time	21,546	2,400	23,946	21,546	6,250	27,796
Over time	–	3,528	3,528	–	7,385	7,385
Total	21,546	5,928	27,474	21,546	13,635	35,181

5. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Consultancy income (<i>Note 1</i>)	–	5,309	–	5,309
Commission income (<i>Note 1</i>)	–	37	–	37
Government grant (<i>Note 2</i>)	–	10	–	365
Interest income	28	75	70	124
Miscellaneous income	37	55	100	56
	<u>65</u>	<u>5,486</u>	<u>170</u>	<u>5,891</u>

Notes:

- (1) The Group provided consultancy services and insurance brokerage referral service to financial institutions in the capacity of an agent. Consultancy income or commission income are recognised according to respective agreed terms when the relevant service is provided and the relevant transaction has been entered between the ultimate individual customer and the financial institutions. The normal credit term granted to the customers is ranging from 1 to 9 days.
- (2) The government grant represented financial supports granted by the local government. There were no specific conditions attached to the grant and the amounts were recognised in profit or loss when the grant was received.

6. OTHER GAINS AND LOSSES

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gain on derecognition of right-of-use assets, net	378	1,647	378	1,647
Impairment loss recognised on right-of-use assets	–	(220)	–	(220)
Impairment losses (recognised) reversed on				
– trade receivables	–	(458)	–	(576)
– contract assets	–	374	–	374
– other receivables	–	–	–	82
Loss on disposal of property, plant and equipment, net	(46)	(82)	(46)	(82)
	<u>332</u>	<u>1,261</u>	<u>332</u>	<u>1,225</u>

7. INCOME TAX (CREDIT) EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax (“EIT”)				
– Current tax	–	1,773	–	1,773
Deferred tax	(852)	(731)	(1,822)	(3,011)
	<u>(852)</u>	<u>1,042</u>	<u>(1,822)</u>	<u>(1,238)</u>

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 six months periods ended 30 June 2021 and 2020.

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% for the six months ended 30 June 2021 and 2020.

8. (LOSS) PROFIT FOR THE PERIOD

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit for the period has been arrived at after charging:				
Directors' remuneration	395	431	863	884
Other staff costs (excluding directors' remuneration)				
– Salaries, allowances and benefits in kind	2,773	6,882	7,481	20,940
– Retirement benefit scheme contributions	832	1,205	1,904	4,040
Total staff costs	4,000	8,518	10,248	25,864
Depreciation of property, plant and equipment	62	58	127	135
Depreciation of right-of-use assets	–	206	–	589
Total depreciation	62	264	127	724
Expenses relating to short-term leases	134	550	544	769

9. DIVIDENDS

No dividends were paid, declared or proposed during the current and prior interim periods. The Directors determined that no dividend will be paid in respect of the interim period.

10. (LOSS) EARNINGS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) earnings:				
(Loss) earnings for the purpose of basic (loss) earnings per share	(4,448)	6,934	(9,986)	(4,886)

10. (LOSS) EARNINGS PER SHARE – continued

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of shares:				
Number of ordinary shares for the purpose of basic (loss) earnings per share	<u>501,600</u>	<u>480,000</u>	<u>501,600</u>	<u>480,000</u>

No diluted (loss) earnings per share is presented for both periods as there were no potential ordinary shares in issue for both periods.

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The items of property, plant and equipment are depreciated, after taking into account of their estimated residual values, on a straight-line basis as follows:

Leasehold improvement	Over the shorter of the relevant lease or 5 years
Motor vehicles	20% per annum
Furniture and office equipment	10-50% per annum

Impairment assessment for property, plant and equipment and right-of-use assets

As a result of the impact to the current economic environment related of the Covid-19 pandemic, the Group is experiencing decline in financial performance including branch premises closures of loan facilitation business and decreased in loan facilitation transactions since 2020. The Group regards each individual branch premise as a separately identifiable cash generating unit. The Group estimates the recoverable amount of each several branch premises to which the assets belong as it is not possible to estimate their recoverable amount individually

The Group estimates the recoverable amount of each several branch premises to which the assets belong as it is not possible to estimate their recoverable amount individually. The recoverable amount of each branch premises have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining tenure of the lease within 5 years as at 30 June 2021 (30 June 2020: within 5 years), and a discount rate of 12% (30 June 2020: 12%). Key assumptions for the value in use calculations related to the estimation of cash inflows/outflows include gross budgeted loan facilitation service revenue and gross margin with a zero growth rate. Such estimation was based on the management's expectations for the market development as of 30 June 2021 and 2020.

Based on the result of the assessment, management of the Group determined that the recoverable amounts of several branch premises are lower than the carrying amounts. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment losses have been recognised against the carrying amounts of property, plant and equipment and right-of-use assets are both Nil during the current period. (30 June 2020: property, plant and equipment and right-of-use assets of Nil and HK\$220,000, respectively).

12A. TRADE RECEIVABLES

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Trade receivables from contracts with customers	2,324	883
Less: allowance for credit losses	—	(6)
	<u>2,324</u>	<u>877</u>

The Group allows credit period ranging from 30 days to 60 days (2020: 30 days to 60 days) to its trade debtors in relation to trading of footwear.

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

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
0 to 30 days	<u>2,324</u>	<u>877</u>

12B. CONTRACT ASSETS

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Loan facilitation services	<u>1,718</u>	<u>2,406</u>
Current	1,667	2,315
Non-current	<u>51</u>	<u>91</u>
	<u>1,718</u>	<u>2,406</u>

Contract assets primarily relate to the Group's right to consideration for loan facilitation service completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

13. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Impairment loss (recognised)				
reversed on:				
– trade receivables	–	(458)	–	(576)
– contract assets	–	374	–	374
– other receivables	–	–	–	82
	<u>–</u>	<u>(84)</u>	<u>–</u>	<u>(120)</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020.

14. OTHER RECEIVABLES, PREPAYMENT AND DEPOSITS

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Other receivables (<i>Note</i>)	1,181	1,356
Rental deposits	297	1,028
Prepayment	376	790
Other deposits	88	165
	<u>1,942</u>	<u>3,339</u>
Less: Rental deposits shown under non-current assets	<u>(76)</u>	<u>(76)</u>
	<u>1,866</u>	<u>3,263</u>

Note: As at 30 June 2021, other receivables include loan facilitation service fee receivables which the Group is entitled but held by Online Information Intermediary Service Platform (the “**Online Platform**”) on behalf of the Group.

15. TRADE PAYABLES

The credit period on purchase of goods is 60 days (2020: 20 days to 45 days). The following is an analysis of the trade payables presented based on the invoice date:

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Over 90 days	<u>953</u>	<u>953</u>

16. OTHER PAYABLES AND ACCRUALS

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Accrued staff salaries	2,424	3,246
Accrued expenses	914	2,363
Other tax payables	1,404	1,964
Others	<u>1,415</u>	<u>933</u>
	<u>6,157</u>	<u>8,506</u>

17. AMOUNT DUE TO A FORMER DIRECTOR/DIRECTOR

The amount was unsecured, interest-free and repayable on demand. As at year ended 31 December 2020, pursuant to the deed of waiver agreement entered into between the former director/director, who was resigned on 18 September 2020 and is also one of the major shareholders of the Company, and Ever Smart International Enterprise Limited, the wholly owned subsidiary of the Group, of which an amount of HK\$5,017,000 was waived and recognised as deemed capital contribution. The balance of HK\$440,000 has been settled in January 2021.

18. CONTRACT LIABILITIES

The following is an analysis of the Group's contract liabilities:

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Footwear and apparel businesses	441	441
Loan facilitation services	157	656
Credit assessment service	567	710
	<u>1,165</u>	<u>1,807</u>
Current	900	1,389
Non-current	265	418
	<u>1,165</u>	<u>1,807</u>

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

19. REFUND LIABILITIES

The following is an analysis of the Group's refund liabilities:

	30 June 2021 <i>HK\$'000</i> (Unaudited)	31 December 2020 <i>HK\$'000</i> (Audited)
Refund liabilities arising from refund of loan facilitation and credit assessment service fees due to early repayment	<u>379</u>	<u>1,546</u>
Current	379	1,540
Non-current	–	6
	<u>379</u>	<u>1,546</u>

20. LOAN FROM A FELLOW SUBSIDIARY

In December 2020, 通泉財富(寧夏)科技有限公司(“通泉財富”), a subsidiary of the ultimate holding company, 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 has been settled in January 2021.

21. DEFERRED TAX

The followings are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior periods:

	Tax losses <i>HK\$'000</i>	Timing differences on revenue recognition <i>HK\$'000</i> <i>(Note)</i>	Refund liabilities <i>HK\$'000</i>	Total deferred tax liabilities/ (assets) <i>HK\$'000</i>
At 1 January 2019 (audited)	(9,270)	17,931	(3,210)	5,451
Charge (credit) to profit or loss	9,429	(16,755)	3,018	(4,308)
Exchange realignments	(487)	977	(195)	295
At 31 December 2020 and 1 January 2021 (audited)	(328)	2,153	(387)	1,438
(Credit) charge to profit or loss	(617)	(1,481)	276	(1,822)
Exchange realignments	(8)	16	(3)	5
At 30 June 2021 (unaudited)	(953)	688	(114)	(379)

Note: The amount represented the timing difference between the revenue recognised and the collection of service fees from loan facilitation service.

22. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Authorised ordinary shares at HK\$0.01 per share:				
At the beginning and end of the period/year	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>10,000</u>	<u>10,000</u>
Issued and fully paid shares at HK\$0.01 per share:				
At the beginning of the period/year	<u>501,600,000</u>	<u>480,000,000</u>	<u>5,016</u>	<u>4,800</u>
Placement of new shares (<i>Note</i>)	<u>–</u>	<u>21,600,000</u>	<u>–</u>	<u>216</u>
At the end of the period/year	<u>501,600,000</u>	<u>501,600,000</u>	<u>5,016</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.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of these financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

24. RELATED PARTY DISCLOSURES

Most of the Group's loan facilitation business are related to provision of pre-loan facilitation service and post-loan facilitation service to external individual customers ("Ultimate Customers") to obtain financing from various financial institution or investors through the Online Platform. Substantially all of the abovementioned business is deriving from Ultimate Customers obtaining the financing from the related party of the Company who have registered on the online information intermediary service platform operated by a related party of the Company.

The Group had entered into the following significant transactions with related parties during the reporting periods:

During the current interim period, the Group provides loan facilitation services to a related party of the Company in conducting credit assessment of its individual borrowers:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Provision of loan facilitation services	<u>590</u>	<u>71</u>	<u>1,769</u>	<u>71</u>

Compensation of the Directors and key management personnel

The remuneration of the Directors and other members of key management during the periods was as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other allowances	395	427	863	857
Retirement benefit scheme contributions	<u>–</u>	<u>4</u>	<u>–</u>	<u>27</u>
	<u>395</u>	<u>431</u>	<u>863</u>	<u>884</u>

The remuneration of Directors and key management personnel are determined having regard to the performance of individuals.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is engaged in the loan facilitation and credit assessment businesses and the footwear and apparel businesses.

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.

Our branch offices provide customer care services to these customers even after the relevant loans are disbursed. Such services include repayment reminders, and financial health check-ups.

There is a significant downturn in the loan facilitation business for the six months ended 30 June 2021. There are two main reasons for the significant decline.

First, the loan facilitation and credit assessment businesses were still significantly affected by Covid-19. The PRC Government imposed a number of policies across the PRC. The Group also, implemented special working arrangements in the PRC, including but not limited to work-from home arrangements and reduced business meetings with clients. These measures had caused the loan facilitation service to drop drastically. Second, Covid-19 had also significantly affected lenders and intermediary service platforms (collectively, the “**Funding Sources**”). These Funding Sources had become less willing to lend or may have even changed their business plans amid such economic condition.

The Group provides credit assessment services by granting an automobile sales service shop the rights to access a system for credit assessment services for its customers since 2020. The Group has tailored-made a credit assessment system for the shop and facilitated the shop to assess credit rating of the client. The Group would explore more business opportunities by cooperating with different kind of business sector in the second half of 2021.

The management expects the impact of Covid-19 to persist in 2021 and the management anticipates a hard time ahead. The management had reviewed plans to reduce costs related to closure of the branches and layoff under-performing staffs.

On the other hand, given there are difficulties in obtaining 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.

Footwear and Apparel Businesses

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 and/or licensees of formal and casual footwear. In 2020, the Group further expanded its customer portfolio to include branded wholesalers and retailers in the PRC. Also, the Group seized the opportunity for extending to apparel business in 2020 as the potential market for apparel business is massive in the PRC.

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.

Financial Review

Revenue

The Group recorded revenue of approximately HK\$5.3 million for the six months ended 30 June 2021, a decrease of approximately 85.0% compared with that of approximately HK\$35.2 million for the six months ended 30 June 2020. Set out below is the revenue breakdown by segment for the six months ended 30 June 2020 and 2021:

	For the six months ended 30 June			
	2021		2020	
	HK\$'000	%	HK\$'000	%
Trading of footwear				
Men's footwear	–	–	11,948	33.9
Women's footwear	–	–	9,598	27.3
	–	–	21,546	61.2
Trading of apparel				
Women's apparel	1,640	31.0	–	–
	1,640	31.0	–	–
Provision of loan facilitation services				
Pre-loan facilitation services	1,267	23.9	6,284	17.9
Post-loan facilitation services	1,344	25.4	7,351	20.9
	2,611	49.3	13,635	38.8
Provision of credit assessment services	1,043	19.7	–	–
Total	5,294	100.0	35,181	100.0

Footwear and Apparel Businesses

Revenue from the footwear and apparel businesses segment decreased by 92.4% from approximately HK\$21.5 million for the six months ended 30 June 2020 to approximately HK\$1.6 million for the six months ended 30 June 2021. This is mainly due to the decrease in sales to overseas customers amid various uncertainties clouding the global economy and the impact of Covid-19.

Loan Facilitation and Credit Assessment Businesses

Revenue from the loan facilitation segment decreased by 73.2% from approximately HK\$13.6 million for the six months ended 30 June 2020 to approximately HK\$3.7 million for the six months ended 30 June 2021. The revenue dropped significantly mainly due to the impact of Covid-19 during the period.

Purchases and changes in inventories

The Group's purchases and changes in inventories decreased by approximately 89.5% from approximately HK\$14.9 million for the six months ended 30 June 2020 to approximately HK\$1.6 million for the six months ended 30 June 2021. Purchase cost to sales ratio was approximately 94.9% for the six months ended 30 June 2021 comparing to approximately 68.9% for the six months ended 30 June 2020.

Other income

Other income decreased to approximately HK\$0.17 million for the six months ended 30 June 2021 from approximately HK\$5.9 million for the six months ended 30 June 2020. The decrease is mainly due to the decrease in business activities amid Covid-19 for the six months ended 30 June 2021, primarily attributable to decrease in consultancy income for the provision of consultation service in relation to loan facilitation business.

Other gains and losses

Other gains (net) amounted to approximately HK\$0.3 million for the six months ended 30 June 2021 as compared approximately HK\$1.2 million for the six months ended 30 June 2020. This is mainly due to the decrease in gain on derecognition of certain right-of-use assets from approximately HK\$1.6 million to HK\$0.4 million for six months ended 30 June 2021.

Employee benefits expenses

Employee benefits expenses decreased to approximately HK\$10.3 million for the six months ended 30 June 2021 from approximately HK\$25.9 million for the six months ended 30 June 2020, which was mainly due to cost-cutting and restructuring plan implemented during the period.

Other operating expenses

Other operating expenses decreased to approximately HK\$5.7 million for the six months ended 30 June 2021 from approximately HK\$7.4 million for the six months ended 30 June 2020, which was mainly due to the decrease in business activities amid Covid-19 and the cost-cutting and restructuring plan implemented for the six months ended 30 June 2021.

Finance costs

Finance costs decreased by approximately 75.3% to approximately HK\$0.07 million for the six months ended 30 June 2021 from approximately HK\$0.3 million for the six months ended 30 June 2020. Finance cost for the period represented interest on lease liabilities.

Income tax credit

Income tax credit increased from approximately HK\$1.2 million for the six months ended 30 June 2020 to HK\$1.8 million for the six months ended 30 June 2021, which was mainly representing the recognition of deferred tax credit for the period.

Loss for the period

As a result of foregoing, loss for the period amounted to approximately HK\$10.0 million for the six months ended 30 June 2021 as compared to loss for the period of approximately HK\$4.9 million for the six months ended 30 June 2020.

Loss before taxation for the footwear and apparel businesses segment amounted to approximately HK\$2.8 million for the six months ended 30 June 2021 as compared to profit before taxation of approximately HK\$5.7 million for the six months ended 30 June 2020, which was mainly due to deterioration of footwear and apparel businesses due to the impact of Covid-19.

Loss before taxation for the loan facilitation and credit assessment services segment amounted to approximately HK\$6.6 million for the six months ended 30 June 2021 as compared to loss before taxation of HK\$7.5 million for the six months ended 30 June 2020. This was mainly due to the further cost-cutting and restructuring plan implemented in 2021.

INTERIM DIVIDEND

The Directors do not recommend payment of interim dividend for the six months ended 30 June 2021.

LIQUIDITY, FINANCIAL AND CAPITAL STRUCTURE

As at 30 June 2021, the Group has no outstanding borrowings (31 December 2020: nil). As at 30 June 2021, the cash and cash equivalents and pledged bank deposit of the Group amounted to approximately HK\$3.5 million (31 December 2020: approximately HK\$26.8 million). As at 30 June 2021, the Group has no bank borrowings (31 December 2020: nil). Current ratio as at 30 June 2021 was approximately 0.9 times (31 December 2020: approximately 2.2 times).

The Group maintained sufficient working capital as at 30 June 2021 with bank balances and cash of approximately HK\$3.5 million (31 December 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 30 June 2021, the Group's net current liabilities amounted to approximately HK\$1.0 million (31 December 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, advances from a former director/director, loan from a fellow subsidiary and loan facility from the ultimate holding company.

CHARGES OVER ASSETS OF THE GROUP

As at 30 June 2021, the Group had no asset pledged to secure any borrowings of the Group.

EXCHANGE RATE EXPOSURE

Revenue, cost and expenses of the Group's footwear business segment and loan facilitation service segment for the six months ended 30 June 2021 are all denominated in Renminbi ("RMB"), as such the net exposure to fluctuation of HK\$ against RMB is 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 June 2021, the Group did not use any financial instrument for hedging the foreign exchange risk.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2021, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2021, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the six months ended 30 June 2021, the Group currently has no other plan for material investments.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any significant contingent liabilities (31 December 2020: nil).

CAPITAL COMMITMENTS

As at 30 June 2021, the Group had no significant capital commitments (31 December 2020: nil).

EMPLOYEES AND EMOLUMENT POLICIES

The total employees in the PRC and Hong Kong has decreased from approximately 180 as at 31 December 2020 to approximately 18 as at 30 June 2021, which was mainly a result of our-cost cutting measures. The business operation is significantly deteriorated as a result of the global outbreak of Covid-19. The management has closely monitored and reviewed the labour resources by timely basis in order to align with the change of size of operation. As per above, the revenue from the trading of business and apparel businesses decreased 92.4% when compared to the same period in last year, the significant decreased in number of labour during the current period is reasonable for cost savings purpose. 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.

CORPORATE GOVERNANCE CODE

The Company had complied with all applicable code provisions set out in the Corporate Governance Code (the “**Code**”) contained in Appendix 15 to the GEM Listing Rules, except for the deviation from code provision A.4.1 of the Code as described below.

Pursuant to code provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Mr. Wen Cyrus Jun-ming being non-executive Director and all the independent non-executive Directors were not appointed for a specific term as required under code provision A.4.1, but are subject to retirement by rotation and re-election at annual general meeting in accordance with the articles of association. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

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 six months ended 30 June 2021, none of the Directors, controlling shareholders or substantial shareholders of the Company 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.

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, 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.

FUND RAISING ACTIVITIES

The Group had below fund raising activity during the past twelve months immediately preceding 30 June 2021, as detailed below:

Date of announcement	Fund raising activities	Net proceeds	Intended use of proceeds	Actual use of proceeds
30 October 2020	Placing of 22,200,000 new ordinary shares of HK\$0.01 each under general mandate at the placing price of HK\$0.438 per share to not less than six places who are independent individual, corporate and/or other investors (closing price of the Share as quoted on the Stock Exchange on the date of the placing agreement is HK\$0.365)	Approximately HK\$9.2 million (net proceeds raised per share was approximately HK\$0.414)	Intended to be used for the corporate and administrative expense the Group	Fully utilised as intended

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 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			Approximate percentage of interest in the Company
		Ordinary shares	Share options	Total	
Mr. Ni Zhixing	beneficial owner	200,000 ordinary shares	–	200,000	0.04%

Long position in shares or underlying shares of associated corporation

Name of Director	Name of associated corporation	Capacity	No. share(s) held in each class	Approximate percentage of interest in the associated corporation in each class
Mr. Dong Jun (“Mr. Dong”)	Jimu Holdings Limited (formerly known as Pintec Holdings Limited) (“Jimu Holdings”) (Note 1)	Founder of discretionary trust	21,524,698 (ordinary shares)	29.90%
Mr. Wen Cyrus Jun-ming (“Mr. Wen”)	Jimu Holdings (Note 2)	Interest of controlled corporation	2,210,630 (series C preferred shares)	5.17%
Mr. Wen	Jimu Holdings (Note 3)	Interest of controlled corporation	235,000 (ordinary shares)	0.33%

Notes:

- Mr. Dong is the founder of a discretionary trust. Mr. Dong is deemed to be interested in the shares of Jimu Holdings in which the discretionary trust is interested has.
- These 2,210,630 series C preferred shares are held by Delight Treasure Holdings Limited. Mr. Wen beneficially owns 100% of the issued share capital of Delight Treasure Holdings Limited.
- These 235,000 ordinary shares are held by Delight Treasure Holdings Limited. Mr. Wen beneficially owns 100% of the issued share capital of Delight Treasure Holdings Limited.

Save as disclosed above, as at 30 June 2021, 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.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, so far as known to any Director or chief executive of the Company, the following persons had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares or underlying shares of the Company

Name of shareholder	Capacity	Number of shares or underlying shares held	Approximate percentage of interest in the Company
Jimu Group Holdings Limited	Beneficiary owner	350,400,000	69.86%
Huawen Industry Group Limited (formerly known as Jimu Times Limited)	Interest in a controlled corporation (<i>Note</i>)	350,400,000	69.86%
Jimu Holdings	Interest in a controlled corporation (<i>Note</i>)	350,400,000	69.86%

Note: Jimu Group Holdings Limited is a registered owner holding 69.86% shareholding interest in the Company. Jimu Group Holdings Limited is owned as to 85% by Huawen Industry Group Limited and Huawen Industry Group Limited is wholly-owned by Jimu Holdings. Under the SFO, Jimu Holdings and Huawen Industry Group Limited are deemed to be interested in 350,400,000 Shares.

On 28 June 2021, the Board was informed by Jimu Group Holdings Limited (the “Vendor”), the controlling shareholder (as defined in the GEM Listing Rules) of the Company, that it has entered into a placing agreement with Kingston Securities Limited (the “Placing Agent”) pursuant to which the Placing Agent has agreed to procure investor(s) (the “Placee(s)”) on a best efforts basis to purchase up to 350,400,000 existing shares of the Company (the “Placing Shares”) held by the Vendor at a price of HK\$0.157 each. Details of the above are set out in the Company’s announcements dated 28 June 2021, 8 July 2021, 15 July 2021 and 13 August 2021.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any other persons who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 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.

CHANGE OF DIRECTOR'S AND SUPERVISOR'S INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change of Director's and Supervisor's information is as follows:

Position held with the Company

Mr. Chen Chao resigned as an executive Director on 3 May 2021 and ceased to be a member of the risk management committee of the Board ("**Risk Management Committee**") on the same day.

Ms. Chen Xin resigned as an independent non-executive Director on 3 May 2021 and ceased to be a member of each of the audit committee of the Board ("**Audit Committee**") and the nomination committee of the Board ("**Nomination Committee**") and the chairlady of the remuneration committee of the Board ("**Remuneration Committee**") on the same day.

Mr. Chen Zuze was appointed as a member of the Risk Management Committee on 3 May 2021.

Mr. Ni Zhixing was appointed as a member of each of the Audit Committee and Nomination Committee and the chairman of the Remuneration Committee on 3 May 2021.

Mr. Lau Kai Pong resigned as a non-executive Director on 25 May 2021.

Mr. Guo Zhongyong resigned as an independent non-executive Director on 25 May 2021 and ceased to be a member of each of Audit Committee and Nomination Committee on the same day.

Mr. Hon Ping Cho Terence resigned as an independent non-executive Director on 25 May 2021 and ceased to be the chairman of Audit Committee and a member of Remuneration Committee of the Board on the same day.

Mr. Sheung Kwong Cho was appointed as an executive Director and the authorised representative on 25 May 2021.

Mr. Eric Todd was appointed as an independent non-executive Director on 25 May 2021 and appointed as a member of each of Audit Committee and Nomination Committee on the same day.

Mr. Lam Wai Hung was appointed as an independent non-executive Director on 25 May 2021 and appointed as the chairman of Audit Committee and a member of Remuneration Committee on the same day.

Mr. Chan Kwun Wah Derek resigned as a non-executive Director with effect from 30 June 2021.

Directorships held in listed companies

Mr. Eric Todd (“**Mr. Todd**”) resigned as an executive director of Tech Pro Technology Development Limited (stock code: 3823 and delisted from the main board of the Stock Exchange 2 March 2020) on 23 June 2021.

Mr. Todd was appointed as the Chairman of DeTai New Energy Group Limited 22 July 2021.

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 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 Lam Wai Hung (Chairman), Mr. Eric Todd and Mr. Ni Zhixing, all being independent non-executive Directors.

The Group’s interim results for the six months ended 30 June 2021 were unaudited. 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 unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021.

By order of the Board
Jimu Group Limited
Dong Jun
Chairman

Hong Kong, 13 August 2021

As at the date of this announcement, the executive Directors are Mr. Dong Jun, Mr. Huang Zexiong, Mr. Chen Zuze and Mr. Sheung Kwong Cho; the non-executive Director is Mr. Wen Cyrus Jun-ming; and the independent non-executive Directors are Mr. Ni Zhixing, Mr. Eric Todd and Mr. Lam Wai Hung.

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>.