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Pizu Group Holdings Limited

比優集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8053)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE QUARTER ENDED 31 DECEMBER 2022

CHARACTERISTICS OF 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.

This announcement, for which the directors of Pizu Group Holdings Limited 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 for the purpose of giving information with regard to Pizu Group Holdings Limited. 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 in this announcement or this announcement misleading.

HIGHLIGHTS

- Revenue of the Group for the nine months ended 31 December 2022 (the “Period”) was approximately RMB1,295.42 million, representing an increase of approximately 4.91% as compared to the corresponding period in the previous fiscal year.
- The Group recorded a profit attributable to owners of approximately RMB123.01 million for the Period.
- The Group recorded a total comprehensive income attributable to owners approximately RMB125.09 million for the Period.
- Basic profit per share of the Group was approximately RMB0.035 for the Period.
- The Board does not recommend the payment of any dividend for the Period.

UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

The board of directors (the “Board”) of Pizu Group Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2022, together with the unaudited comparative figures for the corresponding periods in 2021, as follows:

(Unless otherwise stated, all financial figures presented in this quarterly financial announcement are denominated in Renminbi (“RMB”) thousand dollars)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited)		(Unaudited)	
		Nine months ended		Three months ended	
		31 December		31 December	
		2022	2021	2022	2021
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2	1,295,419	1,234,819	534,783	449,829
Cost of goods sold and services provided		(940,898)	(851,879)	(441,102)	(351,805)
Gross profit		354,521	382,940	93,681	98,024
Other income and gain		17,630	9,574	4,865	3,841
Share of profit of associates		11,364	11,669	6,833	6,103
Selling and distribution expenses		(4,969)	(39,188)	(3,045)	(9,480)
Administrative and other operating expenses		(114,238)	(111,941)	(44,156)	(31,684)
Operating profit		264,308	253,054	58,178	66,804
Finance costs		(11,752)	(9,736)	(3,555)	(4,105)
Profit before income tax		252,556	243,318	54,623	62,699
Income tax	3	(23,507)	(29,220)	(5,071)	(5,362)

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		Nine months ended		Three months ended	
		31 December		31 December	
		2022	2021	2022	2021
		RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
Profit for the period		229,049	214,098	49,552	57,337
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from					
– translation of foreign operations		191	2,201	(6,912)	1,782
Total comprehensive income for the period		229,240	216,299	42,640	59,119
Profit attributable to:					
Owners of the Company		123,006	117,917	26,575	32,383
Non-controlling interests		106,043	96,181	22,977	24,955
		229,049	214,098	49,552	57,338
Total comprehensive income attributable to:					
Owners of the Company		125,090	121,072	27,115	34,682
Non-controlling interests		104,150	95,227	15,525	24,437
		229,240	216,299	42,640	59,119
		RMB	<i>RMB</i>	RMB	<i>RMB</i>
Earnings per share					
Basic and diluted	5	0.035	0.033	0.008	0.009

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited quarterly announcement has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2022.

The quarterly announcement is unaudited, but has been reviewed by the audit committee of the Company.

The Group principally operates in the People’s Republic of China (the “PRC”) with its business activities principally transacted in RMB, the results of the Group are therefore prepared in RMB.

2. REVENUE

An analysis of the revenue from the Group’s principal activities is follows:

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RMB’000	RMB’000	RMB’000	RMB’000
Sale of explosives	545,951	315,080	209,011	48,504
Provision of blasting operations and mining engineering	453,913	765,353	227,497	312,282
Sales of mineral concentrates	295,555	154,386	98,275	89,043
Total turnover	1,295,419	1,234,819	534,783	449,829

3. INCOME TAX

No provision for Hong Kong profits tax is made for current year and prior year as there is no assessable profits arising in Hong Kong for both years. Tajikistan Corporate Income Tax rate is calculated at applicable rates of 23% (for activities other than goods production) and 13% (for activity of goods production); whereas EIT is calculated at the applicable rate of 25%, except that:

- (i) The Tajikistan subsidiary of the Company is exempted from Tajikistan Corporate Income Tax for 5 years until March 2022 pursuant to the investment agreement between the subsidiary and the Tajikistan government. The subsidiary is still applying for continued exemption from Tajikistan Corporate Income Tax.
- (ii) Three PRC subsidiaries of the Company which have obtained the New and Hi-tech Enterprise recognition are entitled to enjoy preferential EIT rate of 15% for a period of 3 years from 4 September 2020, 1 December 2021 and 13 November 2019 respectively.
- (iii) Two branches and a subsidiary of the Company which are located in the Tibet Autonomous Region of the PRC are entitled to preferential tax rate. Based on the tax ruling announced by the PRC central tax authorities, the EIT rate of Lhasa is 9% for the subsidiary. The EIT rate resumed to 15% for other two branches.

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax for the period				
– EIT	23,507	28,254	5,071	5,362
Deferred tax for the period	–	966	–	–
	23,507	29,220	5,071	5,362

4. DIVIDENDS

The Board does not recommend payment of any dividend for the nine months ended 31 December 2022 (Nine months ended 31 December 2021: Nil).

5. EARNINGS PER SHARE

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

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period attributable to owners of the Company	123,006	117,917	26,575	32,383

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2022	2021	2022	2021
	Number of	Number of	Number of	Number of
	shares	shares	shares	shares
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,529,880	3,558,724	3,529,880	3,558,724

For the calculation of diluted earning per share, no adjustment has been made to basic earnings per share for the nine months and three months ended 31 December 2022 and 2021 as there was no dilutive potential ordinary shares in existence for the nine months and three months ended 31 December 2022 and 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue of the Group for the nine months ended 31 December 2022 increased by 4.91% as compared with the same period in 2021. In particular, the sales of concentrates increased by more than 91.44% when compared with the same period of the previous year. The reason for the increase was that Anhui Jinding Mining Co., Ltd. (“Anhui Jinding”) was officially put into full operation in the second quarter of the previous financial year. Since then, the production of mineral concentrates by mining and processing have become our regular business. However, due to the reasons of the mine owners, the indirect shutdown of infrastructure projects resulted in a decrease of revenue of about 40.69% in blasting business when compared with the same period of previous years.

During the nine months ended 31 December 2022, the Group’s selling and distribution expenses decreased by approximately 87.32% as compared to the same period last year. Such decrease was primarily attributable to the Group’s inclusion of the shipping cost related to the sale of explosives into the cost of sales since the current year.

Liquidity and Financial Resources

As at 31 December 2022, the net assets of the Group amounted to approximately RMB1,818.08 million (31 March 2022: net assets of RMB1,436.60 million). Current assets amounted to approximately RMB1,622.52 million (31 March 2022: RMB1,493.58 million) of which approximately RMB710.71 million (31 March 2022: RMB623.40 million) were cash and bank balances and approximately RMB262.33 million (31 March 2022: RMB242.68 million) were other receivables, prepayments and deposits. The Group’s current liabilities amounted to approximately RMB1,175.20 million (31 March 2022: RMB1,267.99 million).

Capital Structure

Capital structure of the Group comprises equity plus debts raised by the Group net with cash and cash equivalents. There is no movement in share capital for the nine months ended 31 December 2022.

Significant Investments

During the nine months ended 31 December 2022, the Group did not have any Significant investment.

Material Acquisition

During the nine months ended 31 December 2022, save as disclosed below the Group did not have any material acquisition.

Reference is made to the announcement of the Company dated 11 November 2022 in relation to a discloseable transaction. On 30 December 2021, Tibet Fudeyuan Trading Limited* (西藏福德圓實業集團有限公司) (“Tibet Fudeyuan”), an indirect wholly-owned subsidiary of the Company, acquired 27% equity interest in Tibet Tianren Mining Co., Ltd.* (西藏天仁礦業有限公司) (“Tibet Tianren Mining”), a company established in the PRC with limited liability, and since then Tibet Tianren Mining is owned as to 27%, 46% and 27% by Tibet Fudeyuan, Sichuan Hongda Co., Ltd.* (四川宏達(集團)有限公司) (“Sichuan Hongda”) and an independent third party, respectively. On 11 November 2022, Tibet Fudeyuan entered into an acting in concert agreement with Sichuan Hongda in relation to their acting in concert arrangement in Tibet Tianren Mining. As the Group has obtained control over the composition of the majority of the board of directors of Tibet Tianren Mining pursuant to the acting in concert agreement, and therefore the Group has (i) the power over Tibet Tianren Mining; (ii) exposure or rights to variable returns from its involvement with Tibet Tianren Mining; and (iii) the ability to use its power over Tibet Tianren Mining to affect the amount of the Group’s returns, Tibet Tianren Mining is regarded as a subsidiary of the Group. Accordingly, the assets, liabilities, revenue and expenses of Tibet Tianren Mining have been consolidated into the financial statements of the Company since 11 November 2022. The 27% equity interest owned by Tibet Fudeyuan is recognised as the owner’s equity, while the remaining 46% and 27% equity interest owned by Sichuan Hongda and an independent third party, respectively, are recognised as non-controlling interests.

Charge of Assets

As at 31 December 2022, the Group’s borrowings are secured by the pledge of certain contract assets and trade receivables, right-of-use assets and property, plant and equipment amounting to RMBNil (31 March 2022: RMB193,778,000) and RMB5,328,000 (31 March 2022: RMB11,009,000) respectively, mining right of RMB106,833,000 (31 March 2022: RMB145,743,000), guarantees provided by certain shareholders, an affiliate of shareholders, directors and a related party of a subsidiary.

The former executive director and chairman of the Company, Mr. Ma Qiang also provided personal guarantee for the Group’s borrowings.

Capital Commitment

The following is the detail of capital expenditure contracted for but not provided as at 31 December:

	(Unaudited) 31 December 2022 RMB'000	(Audited) 31 March 2022 <i>RMB'000</i>
Commitment for acquisition of property, plant and equipment	39,023	157

Foreign Exchange Exposure and Hedging Policy

Since most of the income and expenses as well as assets and liabilities of the Group are denominated in Renminbi and Tajikistani somoni, the Board considers that the Group has no material foreign exchange exposure and no hedging policy has been taken.

Contingent Liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities (31 March 2022: nil).

Human Resources

As at 31 December 2022, the Group had 1,355 full time employees (31 March 2022: 1,343) in the PRC, Hong Kong and Tajikistan. Staff remuneration packages are determined by reference to prevailing market rates. Staff benefits include mandatory provident fund, personal insurance and discretionary bonus which are based on their performance and contribution to the Group. The Company has adopted the Share Award Scheme. One of the purpose is to recognise and reward staff who have contributed to the operation and development of the Group.

BUSINESS REVIEW AND PROSPECTS

Business review

The nine-month period ended 31 December 2022, the Group's business continued to grow steadily. The impact of rising raw material prices on the Group's gross profit still exists, but the revenue generated from the sale of explosives has increased significantly compared with the same period of the previous year. The blasting business of the Group recovered somewhat in the third quarter, but there was still a significant gap compared with the same period of the previous year.

The concentrate sales business of Anhui Jinding, a subsidiary of the Group, is still growing. The company will continue to optimize its management system, improve its processes and techniques, and further increase its revenue.

Business Outlook

The Group will continue to operate the production and sales of civil explosives, provide blasting operations and mining engineering, and sell concentrates as its main business. At the same time, it will steadily promote the business and cooperation related to Tibet Tianren Mining Co., Ltd. to open a new breakthrough for the business growth of the Group and development platform, enhance the group's ability to resist the economic environment and market instability, and further create benefits for shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, the interests or short positions of the Directors (the "Directors") and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have under such provisions of the SFO), or which were required, to be entered in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

The Company – interests in Shares and underlying Shares

Name of Director	Capacity/nature of interest	Number and class of securities held (Note 1)	Approximate percentage of shareholding (Note 2)
Mr. Ma Tianyi	Interest of a controlled corporation (Note 4)	5,480,000 ordinary shares (L)	0.15%
	Beneficial owner	2,000,000 ordinary shares (L)	0.06%
Mr. Liu Fali	Beneficial owner	242,415,854 ordinary shares (L)	6.81%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,659,687,368 ordinary shares (L) (Note 3)	46.64%

Name of Director	Capacity/nature of interest	Number and class of securities held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 2)</i>
Ms. Qin Chunhong	Interest of a controlled corporation <i>(Note 5)</i>	34,024,908 ordinary shares (L)	0.96%
	Beneficial owner	2,540,000 ordinary shares (L)	0.07%
Mr. Xiong Zeke	Interest of a controlled corporation <i>(Note 6)</i>	80,811,927 ordinary shares (L)	2.27%
	Beneficial owner	16,613,333 ordinary shares (L)	0.47%
Ms. Ma Ye	Beneficial owner	126,005,000 ordinary shares (L)	3.54%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and section 318 of the SFO	1,776,098,222 ordinary shares (L) <i>(Note 3)</i>	49.91%
Mr. Ma Gangling	Beneficial owner	36,024,908 ordinary shares (L)	1.01%

Notes:

1. The letter “L” denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.
2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 December 2022.

3. By virtue of the SFO and the Irrevocable Undertaking given by Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Liu Fali in favour of Mr. Ma Qiang, (1) Mr. Ma Suocheng was deemed to be interested in all the Shares in which Ms. Ma Xia, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (2) Ms. Ma Xia was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; and (3) Ms. Ma Ye was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Mr. Liu Fali and Mr. Ma Qiang were interested; and (4) Mr. Liu Fali was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Ma Qiang were interested.
4. These shares represented the interests of Pin On Everest Asset Holdings Ltd in 5,480,000 shares of the Company. As the entire issued share capital of Pin On Everest Asset Holdings Ltd was owned by Mr. Ma Tianyi, he was deemed to be interested in all the shares in which Pin On Everest Asset Holdings Ltd was interested by virtue of the SFO.
5. These shares includes the interests of Crystal Sky Development Inc. in 34,024,908 shares of the Company which is equally owned by Ms. Qin and her husband. Ms. Qin was deemed to be interested in all the Shares by the virtue of the SFO.
6. These shares represented the interests of Fabulous Seeker Holdings Limited in 80,811,927 shares of the Company. As the entire issued share capital of Fabulous Seeker Holdings Limited was owned by Mr. Xiong Zeke, he was deemed to be interested in all the shares in which Fabulous Seeker Holdings Limited was interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2022, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the minimum standards of dealing by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES UNDER SFO

So far as is known to any Director or chief executive of the Company, as at 31 December 2022, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares

Name of shareholder	Capacity/nature of interest	Number and class of securities held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 2)</i>
Shiny Ocean	Beneficial owner	1,361,516,331 ordinary shares (L)	38.26%
Ma Family Holdings Co. Limited	Interest of a controlled corporation	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.26%
Equity Trustee Limited	Trustee (other than a bare trustee)	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.26%
Mr. Ma Suocheng	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1) (a) and section 318 of the SFO	1,902,103,222 ordinary shares (L) <i>(Note 4)</i>	53.45%
Ms. Ma Xia	Beneficial owner	172,166,037 ordinary shares (L)	4.84%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1) (a) and section 318 of the SFO	1,729,937,185 ordinary shares (L) <i>(Note 4)</i>	48.61%
Mr. Ma Qiang	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1) (a) and section 318 of the SFO	1,902,103,222 ordinary shares (L) <i>(Note 4)</i>	53.45%

Name of shareholder	Capacity/nature of interest	Number and class of securities held <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 2)</i>
Mr. Yang Tao	Beneficial owner	274,919,268 ordinary shares (L)	7.73%
Mr. Li Man	Beneficial owner	272,039,268 ordinary shares (L)	7.64%
Mr. Lyu Wenhua	Beneficial owner	240,696,854 ordinary shares (L)	6.76%

Notes:

1. The letter “L” denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.
2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 December 2022.
3. These shares were held by Shiny Ocean, which was wholly owned by Ma Family Holdings Co. Limited. The entire issued share capital of Ma Family Holdings Co. Limited was owned by Equity Trustee Limited as trustee of the Ma Family Trust of which Mr. Ma Suocheng and male lineal descendants of Mr. Ma Qiang are the discretionary beneficiaries.
4. By virtue of the SFO and the Irrevocable Undertaking given by Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Liu Fali in favour of Mr. Ma Qiang, (1) Mr. Ma Suocheng was deemed to be interested in all the Shares in which Ms. Ma Xia, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (2) Ms. Ma Xia was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested and (3) Ms. Ma Ye was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Mr. Liu Fali and Mr. Ma Qiang were interested and (4) Mr. Liu Fali was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Ma Qiang were interested.

Save as disclosed herein, as at 31 December 2022, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had a discloseable interest or short position in the shares and underlying shares as recorded in the register which was required to be kept under section 336 of the SFO concerning persons carrying rights to vote in all circumstances at general meetings of any other members of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the nine months ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (nine months ended 31 December 2021: nil).

COMPETING INTERESTS

For the nine months ended 31 December 2022, none of the Directors or the management shareholders or any of their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which causes or may cause any significant competition with the business of the Group.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and has complied with all the code provisions as set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 15 of the GEM Listing Rules during the nine months ended 31 December 2022.

SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 31 December 2022, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such code of conduct and required standard of dealings throughout the nine months ended 31 December 2022.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions D.3.1 to D.3.7 of the Code. The primary duties of the audit committee are, among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. The audit committee is composed of the three independent non-executive Directors of the Company, namely Ms. Zhang Jinghua, Mr. Ha Suoku and Ms. Yao Yunzhu.

The Group's draft unaudited financial statements for the nine months ended 31 December 2022 have been reviewed and commented by the members of the audit committee.

During the quarter ended 31 December 2022 and up to the date of this announcement, the Board comprises the following directors:

Executive directors:

Mr. Ma Tianyi (*Chairman and Chief Executive Officer*)

Mr. Liu Fali (*Chief Operating Officer*)

Ms. Qin Chunhong

Mr. Xiong Zeke

Mr. Ma Gangling

Ms. Ma Ye

Independent non-executive directors:

Ms. Zhang Jinghua

Mr. Ha Suoku

Ms. Yao Yunzhu

By order of the Board
Pizu Group Holdings Limited
Ma Tianyi
Chairman and Chief Executive Officer

PRC, 10 February 2023

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.pizugroup.com