

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

SUPPLEMENTAL ANNOUNCEMENT RELATING TO CONTINUING CONNECTED TRANSACTIONS SALE OF EMULSION EXPLOSIVES AND ANFO EXPLOSIVES TO ORDOS BEIAN UNDER NEW FRAMEWORK AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of Pizu Group Holdings Limited (the “**Company**” and together with its subsidiaries as the “**Group**”) dated 9 October 2017 in relation to the continuing connected transactions for sale of emulsion explosives and ANFO explosives by Shengan Chemical (Otog Banner) and Bayannur Shengan to Ordos Beian for the three years from 9 October 2017. Terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise. In addition to the information disclosed in the Announcement, the Board wishes to provide further information about the principal terms of the New Framework Agreement (other than the information about the annual caps) in this announcement.

Principal terms of the New Framework Agreement

Pursuant to the New Framework Agreement, the Suppliers agreed to sell and Ordos Beian agreed to purchase emulsion explosives and ANFO explosives subject to the terms and conditions of the New Framework Agreement and on such other terms (such as the category, volume, unit price of purchase, quality requirements, time and location of delivery of finished goods) to be further agreed by the parties by entering into separate purchase orders from time to time, provided that the terms of such purchase orders shall be on normal commercial terms or better, and shall not contravene the terms of and conditions of the New Framework Agreement.

As the pricing of sales of civil explosives is no longer subject to any laws or government regulations in the PRC, and there are no published reference price by any authority in the PRC, pursuant to the New Framework Agreement, the unit price for sale and purchase shall be from time to time agreed by the parties after arm's length negotiation and shall be determined with reference to the prevailing market price for comparable products, volume of purchase, transportation and delivery arrangement and such other special circumstances, provided that the unit price offered by the Suppliers shall not be more favourable than that offered by the Suppliers to their independent third party purchasers for purchase of comparable products and volume. As there is no minimum sale and purchase commitment by the Suppliers and Ordos Beian and exclusivity for sale of such civil explosives by the Suppliers under the New Framework Agreement, where the Suppliers can obtain better terms for sale of comparable products to independent purchasers, the Suppliers can sell comparable products to such independent purchasers.

The New Framework Agreement was entered into for a term of three years commencing from 9 October 2017, unless terminated earlier by mutual agreements or by a party serving a prior termination notice of not less than 30 days on the other parties thereof.

By order of the Board
Pizu Group Holdings Limited
Mr. Ma Qiang
Chairman

Hong Kong, 11 October 2017

As at the date of this announcement, the Board comprises ten Directors. The executive Directors are Mr. Ma Qiang (Chairman), Mr. Xiong Zeke (Chief Executive Officer), Mr. Liu Fali (Chief Operating Officer), Mr. Ding Baoshan, Ms. Qin Chunhong and Mr. Ma Tianyi, and the independent non-executive Directors are Mr. Enhe Bayaer, Ms. Zhang Lin, Ms. Liu Talin, and Ms. Yao Yunzhu.

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 GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.pizugroup.com.