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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)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE IN RELATION TO FORMATION OF A JOINT VENTURE IN TIBET AUTONOMOUS REGION

The board (the “**Board**”) of directors (the “**Directors**”) of the Pizu Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 10 May 2018, 西藏福德圓工貿有限公司 (Tibet Fudeyuan Trading Limited) (“**Tibet Fudeyuan**”), an indirectly wholly owned subsidiary of the Company, entered into an investment agreement (“**Investment Agreement**”) with 貴州新聯爆破工程集團有限公司 (Guizhou Xinlian Blasting Engineering Group Co., Ltd) (“**Xinlian Blasting**”) in relation to, among others, to the proposed formation of a joint venture company (“**Joint Venture**”) in Lhasa, Tibet Autonomous Region, the PRC for the manufacturing of civil explosives and the provision of blasting operation (including mine blasting operation) and the establishment of mixed explosive ground station in the Tibet Autonomous Region (the “**Business**”), and for the investment in companies incorporated in the Tibet Autonomous Region, the PRC which are principally engaged in the provision of blasting operation.

According to the information provided by Xinlian Blasting, it is principally engaged in the provision of blasting operations in the PRC. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Xinlian Blasting and its ultimate beneficial owners are third parties independent of the Company and the connected persons (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange).

Under the Investment Agreement, the total registered capital of the Joint Venture will be RMB100 million, which will be contributed in cash as to 60% by Xinlian Blasting and as to 40% by Tibet Fudeyuan, respectively, which will be contributed by the parties on pro rata basis according to the working capital requirement of the Joint Venture from time to time. The parties agree that the board of directors of the Joint Venture shall comprise of five directors, three of whom will be nominated by Xinlian Blasting and two of whom will be nominated by Tibet Fudeyuan. It is expected that the Joint Venture will be accounted for as an associated company of the Company.

Under the Investment Agreement, each of Xinlian Blasting and Tibet Fudeyuan has agreed to refer all business opportunities solicited by it in relation to the Business in the Tibet Autonomous Region to the Joint Venture and/or its subsidiaries, and each of them will not solicit the Business either on its own or in collaboration with any third party, or refer or subcontract the Business to any third party.

REASONS AND BENEFITS OF THE INVESTMENT AGREEMENT

The Directors consider that the entering into the Investment Agreement would enable the Group to expand its blasting operation business into a new geographical region. The formation of the JV can also enable the Group to enter into the upstream and downstream process of the blasting operation business in the Tibet Autonomous Region. As such, the Directors consider that it is in the interest of the Company to enter into the Investment Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As none of the applicable percentage ratios for the transactions contemplated under the Investment Agreement exceeds 5%, the transactions contemplated thereunder do not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

Hong Kong, 10 May 2018

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 (Assistant to the Chairman); 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 “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