

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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF TARGET COMPANY

THE DISPOSAL

The Board is pleased to announce that, on 24 July 2019 (after trading hours of the Stock Exchange), the Company, as vendor, and the Purchaser, as purchaser, entered into the Disposal Agreement, pursuant to which, the Purchaser has agreed to purchase and the Company has agreed to sell the Sale Shares at a consideration of US\$3,850,000.

IMPLICATIONS OF GEM LISTING RULES

As the highest of the applicable percentage ratios in respect of the Disposal exceeds 5% and is lower than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

On 24 July 2019 (after trading hours of the Stock Exchange), the Company, as vendor, and the Purchaser, as purchaser, entered into the Disposal Agreement, pursuant to which, the Purchaser has agreed to purchase and the Company has agreed to sell the Sale Shares at a consideration of US\$3,850,000.

THE DISPOSAL AGREEMENT

Date: 24 July 2019 (after trading hours of the Stock Exchange)

Parties: (1) The Company

(2) The Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is a third party independent of the Group and connected persons of the Company.

Assets to be disposed of

50,000 Sale Shares in the Target Company, representing 100% of the total issued share capital of the Target Company. For details of information on the Target Company, please refer to the paragraph headed "Information about the Target Group" below.

Consideration

The consideration for the Sale Shares shall be US\$3,850,000 (the "**Consideration**"), which the Purchaser shall pay the Consideration to the Company (or its designated person) upon Completion

The Consideration was determined on an arm's length basis and normal commercial terms with reference to (i) the audited net asset value of the Target Company as at 31 March 2019; (ii) the historical financial performance of the Target Company; and (iii) the business prospect of the Target Company.

Completion

Completion shall take place on the Completion Date.

INFORMATION ABOUT THE TARGET GROUP

The Target Company was incorporated in the British Virgin Islands and is principally engaged in investment holding. The Company wholly owns the Target Company. B. U was incorporated in the Republic of Tajikistan and is 99.90% owned by the Target Company. It is principally engaged in the business of mining.

The audited total consolidated assets and net consolidated assets of the Target Group as at 31 March 2019 were approximately RMB145,382,000 and RMB24,241,000 respectively. Set out below is the audited financial information of the Target Group for the two financial years ended 31 March 2019 and 31 March 2018:

	For the year ended	
	31 March	31 March
	2019	2018
	<i>RMB ('000)</i>	<i>RMB ('000)</i>
Revenue	386,103	310,135
Profit before taxation	19,392	15,739
Profit after taxation	11,802	12,887

Upon completion of the Disposal, the Company will not own any interest in the members of the Target Group.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Based on the preliminary assessment on the unaudited combined financial information, the Group will record a gain of approximately RMB800,000 as a result of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company.

The net proceeds from the Disposal are intended to be used for the Group's business development and general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in bulk mineral trade, manufacturing and sale of explosives and provision of blasting operations and related services.

As B. U has not successfully renewed contract on sub-contacting of mining projects in 2019 which would maintain the profit making ability of B. U, B. U's earnings have fallen sharply recently. The Board is of the view that such situation will not change in the foreseeable future.

As such, the Directors consider that the terms of the Disposal Agreement have been entered into on normal commercial terms, and that such terms are fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF GEM LISTING RULES

As the highest of the applicable percentage ratios in respect of the Disposal exceeds 5% and is lower than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“B. U”	LLC B. U Tojikiston, a company incorporated in the Republic of Tajikistan and 99.90% owned by the Target Company
“Company”	Pizu Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (stock code: 8053)

“Completion”	the completion of the sale and purchase of the sales Shares under the Disposal Agreement
“Completion Date”	the date on which the Completion will take place and is scheduled to be 15 August 2019 or any other day that the Purchaser and the Company may agree
“connected person(s)”	has the meaning given to it under the Listing Rules
“Consideration”	the sum of US\$3,850,000 which is the consideration payable by the Purchaser under the Disposal Agreement
“Directors”	directors of the Company
“Disposal”	the disposal of Sale Shares under the Disposal Agreement
“Disposal Agreement”	the share transfer agreement dated 24 July 2019 between the Company, as vendor and the Purchaser, as vendor in relation to disposal of Sale Shares
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Mr. Zeng Hua
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	50,000 ordinary shares of HK\$1.00 each of the Target Company, representing 100% of the issued share capital of the Target Company
“Shareholders”	holders of ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Ample Ocean International Limited, a company incorporated in the British Virgin Islands
“Target Group”	Target Company and its subsidiary
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board
Pizu Group Holdings Limited
Mr. Xiong Zeke
Chairman

Hong Kong, 24 July 2019

As at the date of this announcement, the Board comprises nine Directors. The executive Directors are Mr. Xiong Zeke (Chairman), Mr. Ma Tianyi (Vice Chairman), Mr. Liu Fali (Chief Executive Officer), Mr. Ma Gangling (Chief Operating Officer), Ms. Qin Chunhong and Ms. Ma Ye; and the independent non-executive Directors are 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.