

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 2019

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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 2019 (the “Period”) was approximately RMB1,527.96 million, representing an increase of approximately 47.27% as compared to the corresponding period in the previous fiscal year.
- The Group recorded a profit attributable to owners of approximately RMB155.66 million for the Period.
- The Group recorded a total comprehensive income attributable to owners approximately RMB156.29 million for the Period.
- Basic profit per share of the Group was approximately RMB0.044 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 2019

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 2019, together with the unaudited comparative figures for the corresponding periods in 2018, as follows:

(Unless otherwise stated, all financial figures presented in this quarterly financial report 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	
		2019	2018	2019	2018
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2	1,527,960	1,037,551	829,949	467,312
Cost of goods sold and services provided		(1,077,830)	(737,827)	(589,336)	(337,975)
Gross profit		450,130	299,724	240,613	129,337
Other income and gain		13,297	9,674	6,794	2,898
Share of profit of associates		10,171	10,208	2,770	5,777
Selling and distribution expenses		(49,450)	(16,116)	(35,208)	(10,877)
Administrative and other operating expenses		(110,611)	(57,653)	(72,258)	(23,966)
Other gain and loss					
Gain on bargain purchase		–	992	–	–
Gain/(loss) on disposal of a subsidiary	6	984	(680)	–	–
Operating profit		314,521	246,149	142,711	103,169
Finance costs		(3,850)	(2,116)	(1,932)	(761)
Profit before income tax		310,671	244,033	140,779	102,408
Income tax	3	(40,935)	(28,545)	(22,370)	(12,152)

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		Nine months ended		Three months ended	
		31 December		31 December	
		2019	2018	2019	2018
		RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
Profit for the period		269,736	215,488	118,409	90,256
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from					
– translation of foreign operations		732	1,341	(2,275)	2,318
– reclassification relating to disposal of a subsidiary		(96)	680	–	–
Total comprehensive income for the period		270,372	217,509	116,134	92,574
Profit attributable to:					
Owners of the Company		155,660	130,646	66,361	54,970
Non-controlling interests		114,076	84,842	52,048	35,286
		269,736	215,488	118,409	90,256
Total comprehensive income attributable to:					
Owners of the Company		156,296	132,114	64,086	57,532
Non-controlling interests		114,076	85,395	52,048	35,042
		270,372	217,509	116,134	92,574
		RMB	<i>RMB</i>	RMB	<i>RMB</i>
Earnings per share					
Basic and diluted	5	0.044	0.037	0.019	0.016

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited quarterly report 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 2019.

The quarterly report 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	
	2019	2018	2019	2018
	RMB’000	RMB’000	RMB’000	RMB’000
Sale of explosives	560,235	248,374	382,723	109,322
Provision of blasting operations	966,619	789,177	446,931	357,990
Sale of commodity goods	1,106	–	295	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total turnover	1,527,960	1,037,551	829,949	467,312
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. INCOME TAX

No provision for profits tax in the Cayman Islands, the British Virgin Islands (“BVI”) or Hong Kong has been made as the Group has no assessable profit in these jurisdictions.

Two subsidiaries which are incorporated in Tajikistan are subject to a corporate income tax rate of 23% (for activities other than goods production) and 13% (for activity of goods production) respectively. One of the subsidiaries of the Group has signed an agreement with the Tajikistan government for a five-year exemption from corporate income tax. Enterprise Income Tax in the PRC (“EIT”) is calculated at the applicable EIT rate of 25%, except that:

- (i) two PRC subsidiaries which have obtained the New and Hi-tech Enterprise recognition are entitled to enjoy preferential EIT rate. One of the subsidiaries is entitled to preferential tax rate of 15% for a period of 3 years from 29 August 2014 and such period is further extended for 3 years to 24 August 2020 after the review by the tax authority on 25 August 2017. Another subsidiary is entitled to preferential tax rate of 15% for a period of 3 years from 29 November 2016.
- (ii) a branch which is located in the Tibet Autonomous Region of the PRC is entitled to preferential tax rate of 9%.

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2019	2018	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax for the period				
– EIT	40,805	24,292	22,370	10,639
– Tajikistan corporate income tax	130	3,454	–	1,513
Deferred tax for the period	–	799	–	–
	<u>40,935</u>	<u>28,545</u>	<u>22,370</u>	<u>12,152</u>

4. DIVIDENDS

The Board does not recommend payment of any dividend for the nine months ended 31 December 2019 (Nine months ended 31 December 2018: Nil).

5. EARNINGS PER SHARE

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

	(Unaudited) Nine months ended 31 December		(Unaudited) Three months ended 30 September	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period attributable to owners of the Company	155,660	130,646	66,361	54,970

	(Unaudited) Nine months ended 31 December		(Unaudited) Three months ended 30 September	
	2019	2018	2019	2018
	Number	Number	Number	Number
	of shares	of shares	of shares	of shares
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,558,724	3,558,724	3,558,724	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 2019 and 2018 as there was no dilutive potential ordinary shares in existence for the nine months and three months ended 31 December 2019 and 2018.

6. DISPOSAL OF A SUBSIDIARY

During the six months ended 31 December 2019 the Group disposed of its entire interest in Ample Ocean International Limited to an independent third party for the consideration of US\$3,850,000.

The net assets of the subsidiary at the date of disposal are set out below:

	(Unaudited) <i>RMB'000</i>
Cash and cash equivalents	26,495
Net assets disposed of	25,607
Exchange reserve reclassified upon disposal	(96)
	25,511
Gain on disposal of a subsidiary	984
	<u>26,495</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The revenue of the Group for the nine months ended 31 December 2019 increased by 47.27% as compared with the same period in 2018. The increase in turnover was mainly due to the Group has recently developed Tajikistan market and Tibet market which continue to contribute the enormous revenue.

Furthermore, due to the comprehensive environmental inspection in the Inner Mongolia region during the period from May to June last year, many mining customers of our group, especially coal mine customers, reduced production or even stopped production, resulting in a direct impact on the income of the Group's civil explosives in Inner Mongolia. However, there was no such situation this year.

The selling and distribution expenses for the nine months ended 31 December 2019 increased by approximately 2.07 times as compared with the same period in 2018. It was mainly because the sales of civil explosives have increased significantly, resulting in a significant increase in freight costs and the Tajikistan subsidiary has been put into operation.

Liquidity and Financial Resources

As at 31 December 2019, the net assets of the Group amounted to approximately RMB965.27 million (31 March 2019: net assets of RMB867.53 million). Current assets amounted to approximately RMB1,626.12 million (31 March 2019: RMB1,058.86 million) of which approximately RMB201.39 million (31 March 2019: RMB93.27 million) were cash and bank balances and approximately RMB537.99 million (31 March 2019: RMB215.59 million) were other receivables, prepayments and deposits. The Group's current liabilities amounted to approximately RMB947.50 million (31 March 2019: RMB516.84 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 2019.

Significant Investments

During the nine months ended 31 December 2019, the Group did not have any Significant investment.

Material Acquisition

As announced by the Company in the announcement dated 28 June 2019, a wholly-owned subsidiary entered into the Capital Injection and Cooperation Agreement with the major shareholders of the target company and the target company with a capital injection of RMB270 million. The Company will convene an EGM for the Shareholders to approve the transaction.

Material Disposal

On 24 July 2019, the Company as a vendor entered into an agreement with a purchaser to dispose of the entire issued share capital of Ample Ocean International Limited for consideration of US\$3,850,000. The transaction was completed on 15 August 2019.

Charge of Assets

As at 31 December 2019, certain property, plant and equipment amounted to RMB77,934,000 (31 March 2019: RMB97,017,000) were pledged to secure the Group's bank loans.

Capital Commitment

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

	(Unaudited) 31 December 2019 RMB'000	(Audited) 31 March 2019 RMB'000
Commitment for acquisition of property, plant and equipment	28,730	8,921
Capital Contribution to an investee Company	67,840	65,000

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 2019, the Group did not have any material contingent liabilities (31 March 2019: nil).

Human Resources

As at 31 December 2019, the Group had 652 full time employees (31 March 2019: 2,189) in the PRC, Hong Kong and Tajikistan. The decrease was due to the fact that one of the subsidiaries had been disposed during the period. 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.

BUSINESS REVIEW AND PROSPECTS

Business Review

For the period ended 31 December 2018, the primary income source of the Group mainly came from civil explosive manufacturing and service business. After reviewing the business operation in recent years, the Group will focus on civil explosive business due to the fact that this operation can generate substantial and sustainable profit for the Group. Also, the Group will continue to positively expand the provision of blasting operation.

On 8 July 2019, the Company has resolved to adopt the Share Award Scheme for the purpose of affirming and rewarding the contribution of the Eligible Participants to the growth and development of the Group and motivating eligible participants to retain them and continue to assist the Group's operations and development and attracting suitable personnel to promote further development of the Group.

On July 24, 2019, the Company and an independent buyer signed a sale agreement to sell a subsidiary that failed to renew the subcontracted mining project this year to ensure a healthier structure, and continue to create value for shareholders.

Business Outlook

The Group will continue to focus on the development of civil explosive business.

On June 29, 2019, a wholly-owned subsidiary of the Company entered into a Capital Injection and Cooperation Agreement with a company engaged in the mining and processing of pyrite, gold ore and copper ore and the sale of the above mineral products, and the relevant announcement was issued. The company hopes to take this opportunity to extend the industrial chain to non-ferrous metals and precious metals mining industries.

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 2019, 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. Xiong Zeke	Interest of a controlled corporation (Note 4)	80,811,927 ordinary shares (L)	2.27%
	Beneficial owner	11,573,333 ordinary shares (L)	0.33%
Ms. Qin Chunhong	Interest of a controlled corporation (Note 5)	34,024,908 ordinary shares (L)	0.96%
	Beneficial owner	540,000 ordinary shares (L)	0.02%
Mr. Liu Fali	Beneficial owner	240,415,854 ordinary shares (L)	6.76%
	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	1,657,687,368 ordinary shares (L) (Note 3)	46.57%

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>
Mr. Ma Tianyi	Interest of a controlled corporation <i>(Note 6)</i>	3,660,000 ordinary shares (L)	0.10%
Ms. Ma Ye	Beneficial owner	124,005,000 ordinary shares (L)	3.48%
	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	1,774,098,222 ordinary shares (L) <i>(Note 3)</i>	49.85%
Mr. Ma Gangling	Beneficial owner	34,024,908 ordinary shares (L)	0.96%

Notes:

- The letter “L” denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.
- The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 December 2019.
- 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.
- 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.
- 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.
- These shares represented the interests of Pin On Everest Asset Holdings Ltd in 3,660,000 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.

Save as disclosed above, as at 31 December 2019, 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 2019, 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)	38.25%
Ma Family Holdings Co. Limited	Interest of a controlled corporation	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.25%
Equity Trustee Limited	Trustee (other than a bare trustee)	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.25%
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	1,898,103,222 ordinary shares (L) <i>(Note 4)</i>	53.33%

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>
Ms. Ma Xia	Beneficial owner	172,166,037 ordinary shares (L)	4.83%
	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	1,725,937,185 ordinary shares (L) <i>(Note 4)</i>	48.50%
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	1,898,103,222 ordinary shares (L) <i>(Note 4)</i>	53.33%
Mr. Yang Tao	Beneficial owner	274,719,268 ordinary shares (L)	7.72%
Mr. Li Man	Beneficial owner	272,739,268 ordinary shares (L)	7.66%
Mr. Lyu Wenhua	Beneficial owner	240,415,854 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 2019.
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 2019, 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 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares (nine months ended 31 December 2018: nil).

COMPETING INTERESTS

For the nine months ended 31 December 2019, 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 throughout the period under review.

SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 31 December 2019, 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 2019.

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 C.3.1 to C.3.6 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 Lin, Ms. Liu Talin and Ms. Yao Yunzhu.

The Group's draft unaudited financial statements for the nine months ended 31 December 2019 have been reviewed and commented by the members of the audit committee.

During the quarter ended 31 December 2019 and up to the date of this report, the Board comprises the following directors:

Executive directors:

Mr. Xiong Zeke (*Chairman*)
Mr. Liu Fali (*Chief Executive Officer*)
Mr. Ma Gangling (*Chief Operating Officer*)
Mr. Ma Tianyi
Ms. Qin Chunhong
Ms. Ma Ye

Independent non-executive directors:

Ms. Zhang Lin
Ms. Liu Talin
Ms. Yao Yunzhu

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

PRC, 14 February 2020

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