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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**

#### **FORMATION OF JV COMPANY**

The Board is pleased to announce that, on 8 October 2021, Bayannur Shengan (a subsidiary of the Company) and Zhongtai Explosives (an independent third party) entered into the Investment Agreement, pursuant to which the parties agreed to establish the JV Company to principally engage in the production, package and sale of ANFO explosives.

The registered capital of the JV Company will be RMB1,000,000, and will be contributed as to 70% and 30% by Bayannur Shengan and Zhongtai Explosives, respectively.

As each of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the establishment of the JV Company is below 5%, the establishment of the JV Company under the Investment Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules and this announcement is made by the Company on a voluntary basis.

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#### **ESTABLISHMENT OF JV COMPANY**

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The principal terms of the Joint Venture Agreement are set out below:

Date: 8 October 2021

Parties: (1) Bayannur Shengan, a 60%-owned subsidiary of the Company and is principally engaged in manufacture and sale of civil explosives

(2) Zhongtai Explosives, its scope of business activities include contracting work in mine engineering.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Zhongtai Explosives and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Proposed name: Urad Qianqi Shengan Chemical Ltd. (subject to the final decision of Administration for Market Regulation in the PRC)

Shareholding and registered capital: The registered capital of the JV Company will be RMB1,000,000 out of which Bayannur Shengan has agreed to contribute RMB700,000 (70% equity interest) and Zhongtai Explosives has agreed to contribute RMB300,000 (30% equity interest).

Scope of business: production, package and sale of ANFO explosives (subject to the final decision of Administration for Market Regulation in the PRC)

Board of director: One director to be appointed by Bayannur Shengan.

Conditions precedent: The parties should use their best endeavours to procure:

(i) the obtaining of the required internal approval of the parties; and

(ii) the obtaining of the approval and consent of the necessary governmental authorities.

## **REASONS AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT**

The establishment of the JV Company will leverage on the strength, resources and expertise of both parties, which will strengthen the existing distribution channel in civil explosives and will acquire better market in the future.

The Directors (including the independent non-executive Directors) consider that the establishment of the JV Company was conducted under normal commercial terms, the terms of which are fair and reasonable. The entering into of the Investment Agreement is in the interests of the Company and the shareholders of the Company as a whole.

## **GENERAL**

As each of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the establishment of the JV Company is under 5%, the establishment of the JV Company under the Investment Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules and this announcement is made by the Company on a voluntary basis.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Bayannur Shengan”	Bayannur Shengan Chemical Limited* (巴彥淖爾盛安化工有限責任公司), a company established in the PRC with limited liability and a 60%-owned subsidiary of the 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)
“connected person(s)”	has the meaning given to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Investment Agreement”	the investment agreement dated 8 October 2021 between Bayannur Shengan and Zhongtai Explosives for the establishment of the JV Company

“JV Company”	the limited liabilities company to be established in the Inner Mongolia, PRC under the Investment Agreement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongtai Explosives”	Inner Mongolia Zhongtai Explosives Co., Ltd* (內蒙古眾泰爆破有限責任公司), a limited liability company established in the PRC
“%”	per cent.

*Note:*

- \* English translation of certain Chinese names or words in this announcement is included for information purpose only and should not be regarded as official English translation.

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

Hong Kong, 12 October 2021

*As at the date of this announcement, the Board comprises nine Directors. The executive Directors are Mr. Xiong Zeke (Chairman), Mr. Ma Tianyi (Chief Executive Officer), Mr. Liu Fali (Chief Operating Officer), Mr. Ma Gangling, 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](http://www.hkgem.com) for at least seven days from the date of its publication and on the Company’s website at [www.pizugroup.com](http://www.pizugroup.com).*