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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE QUARTER ENDED 31 DECEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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 2023 (the “Period”) was approximately RMB1,007.80 million, representing a decrease of approximately 22.2% as compared to the corresponding period in the previous fiscal year.
- The Group recorded a profit attributable to owners of approximately RMB144.50 million for the Period.
- The Group recorded a total comprehensive income attributable to owners approximately RMB139.13 million for the Period.
- Basic profit per share of the Group was approximately RMB0.041 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 2023

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 2023, together with the unaudited comparative figures for the corresponding periods in 2022, as follows:

(Unless otherwise stated, all financial figures presented in this quarterly financial announcement are denominated in Renminbi (“RMB”) thousand dollars)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited) Nine months ended 31 December		(Unaudited) Three months ended 31 December	
		2023	2022	2023	2022
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2	1,007,797	1,295,419	368,602	534,783
Cost of goods sold and services provided		(578,921)	(940,898)	(199,158)	(441,102)
Gross profit		428,876	354,521	169,444	93,681
Other income and gain		15,719	17,630	3,689	4,865
Share of profit of associates		9,242	11,364	1,050	6,833
Selling and distribution expenses		(9,416)	(4,969)	(5,374)	(3,045)
Administrative and other operating expenses		(129,210)	(114,238)	(64,700)	(44,156)
Operating profit		315,211	264,308	104,109	58,178
Finance costs		(6,772)	(11,752)	(2,586)	(3,555)
Profit before income tax		308,439	252,556	101,523	54,623
Income tax	3	(28,232)	(23,507)	(9,354)	(5,071)

		(Unaudited) Nine months ended 31 December		(Unaudited) Three months ended 31 December	
		2023	2022	2023	2022
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	Profit for the period	280,207	229,049	92,169	49,552
	Other comprehensive income for the period				
	Items that may be reclassified subsequently to profit or loss				
	Exchange differences arising from – translation of foreign operations	<u>(3,385)</u>	<u>191</u>	<u>(3,232)</u>	<u>(6,912)</u>
	Total comprehensive income for the period	<u>276,822</u>	<u>229,240</u>	<u>88,937</u>	<u>42,640</u>
	Profit attributable to:				
	Owners of the Company	<u>144,498</u>	123,006	<u>45,743</u>	26,575
	Non-controlling interests	<u>135,709</u>	<u>106,043</u>	<u>46,426</u>	<u>22,977</u>
		<u>280,207</u>	<u>229,049</u>	<u>92,169</u>	<u>49,552</u>
	Total comprehensive income attributable to:				
	Owners of the Company	<u>139,126</u>	125,090	<u>43,014</u>	27,115
	Non-controlling interests	<u>137,696</u>	<u>104,150</u>	<u>45,923</u>	<u>15,525</u>
		<u>276,822</u>	<u>229,240</u>	<u>88,937</u>	<u>42,640</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	Earnings per share				
	Basic and diluted	<u>0.041</u>	<u>0.035</u>	<u>0.013</u>	<u>0.008</u>
		5			

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited quarterly announcement 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 2023.

The quarterly announcement 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	
	2023	2022	2023	2022
	RMB’000	RMB’000	RMB’000	RMB’000
Sale of explosives	542,877	545,951	183,461	209,011
Provision of blasting operations and mining engineering	111,595	453,913	47,972	227,497
Non-ferrous metal mining and dressing industry income	353,325	295,555	137,169	98,275
Total turnover	1,007,797	1,295,419	368,602	534,783

3. INCOME TAX

No provision for Hong Kong profits tax and Mongolia corporate income tax is made for current period and prior period as there is no assessable profits arising in Hong Kong or Mongolia for both years. Tajikistan Corporate Income Tax rate is calculated at applicable rates of 18% (for activities other than goods production) and 13% (for activity of goods production); whereas EIT is calculated at the applicable rate of 25%, except that:

- (i) The Tajikistan subsidiary of the Company is exempted from Tajikistan Corporate Income Tax for 5 years until June 2022 pursuant to the investment agreement entered into between the subsidiary and the Tajikistan government. During the year ended 31 March 2023, the Tajikistan government extended the exemption period to November 2022. The Tajikistan subsidiary is subject to the applicable rates as set out above since December 2022.
- (ii) Three PRC subsidiaries of the Company which have obtained the New and Hi-tech Enterprise recognition are entitled to enjoy preferential EIT rate of 15% for a period of 3 years from 4 September 2020, 1 December 2021 and 14 December 2022 respectively.
- (iii) Two branches and a subsidiary of the Company which are located in the Tibet Autonomous Region of the PRC are entitled to preferential tax rate. Based on the tax ruling announced by the PRC central tax authorities, the EIT rate of Lhasa is 9% for the subsidiary from years 2015 to 2025. For another two branches, the EIT rate is 15%.

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax for the period				
– EIT	28,232	23,507	9,354	5,071
Deferred tax for the period	–	–	–	–
	28,232	23,507	9,354	5,071

4. DIVIDENDS

The Board does not recommend payment of any dividend for the nine months ended 31 December 2023 (Nine months ended 31 December 2022: Nil).

5. EARNINGS PER SHARE

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

	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period attributable to owners of the Company	<u>144,498</u>	<u>123,006</u>	<u>45,743</u>	<u>26,575</u>
	(Unaudited)		(Unaudited)	
	Nine months ended		Three months ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
	<i>of shares</i>	<i>of shares</i>	<i>of shares</i>	<i>of shares</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>3,496,414</u>	<u>3,529,880</u>	<u>3,496,414</u>	<u>3,529,880</u>

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 2023 and 2022 as there was no dilutive potential ordinary shares in existence for the nine months and three months ended 31 December 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The turnover of the Group for the Quarterly Period decreased by approximately 22.2% as compared with the corresponding period in 2022. The Group maintained a stable sales volume as last year by adjusting the price of explosives for civil use. However, in terms of income from blasting operations, there was a significant decline due to the governance of the downstream coal industry and the termination of some blasting and mining project in Tibet due to the mine owner's reason. The Group is confident in maintaining a stable business scale, but there is considerable resistance in seeking further development in this industry. Besides, because the Group is conducting construction projects to extract gold and iron components from sulfur concentrate, the project was completed at the end of September. Therefore, revenue from the income of non-ferrous metal mining and dressing industry increased by 19.6% compared with the same period last year.

Liquidity and Financial Resources

As at 31 December 2023, the net assets of the Group amounted to approximately RMB1,796.46 million (31 March 2023: net assets of RMB1,645.81 million). Current assets amounted to approximately RMB1,045.93 million (31 March 2023: RMB1,332.21 million) of which approximately RMB262.11 million (31 March 2023: RMB586.63 million) were cash and bank balances and approximately RMB234.25 million (31 March 2023: RMB150.81 million) were other receivables, prepayments and deposits. The Group's current liabilities amounted to approximately RMB1,762.52 million (31 March 2023: RMB2,226.33 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 2023.

Significant Investments

During the nine months ended 31 December 2023, the Group did not have any Significant investment.

Material Acquisition and disposal

On 19 April 2023, Pizu (Tibet) Resources Development and Utilisation Co., Ltd., an indirect and non-wholly owned subsidiary of the Company (as the purchaser), and Yue Hua, the beneficial owner of the sale equity (as the vendor), entered into an equity transfer agreement, pursuant to which, the purchaser agreed to further acquire 27% equity interests in the target company, Tibet Tianren Mining Co., Ltd. ("Tibet Tianren"), a non-wholly owned subsidiary of the Company, for an aggregate consideration of RMB54,000,000 (equivalent to approximately HK\$61,560,000). Upon the completion of the acquisition, the Group's interest in Tibet Tianren had increased to 54%.

As the highest of the applicable percentage ratios in respect of the acquisition exceeds 5% and is lower than 25% and the vendor is a connected person of the Company at the subsidiary level, the acquisition constitutes a connected and discloseable transaction of the Company under Chapters 19 and 20 of the GEM Listing Rules.

Reference is made to the Company's announcement dated 11 November 2022 in relation to the deemed acquisition of Tibet Tianren pursuant to the acting in concert agreement, and the Company's announcement dated 19 April 2023 on the equity transfer agreement.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries, associates and joint ventures during the nine months ended 31 December 2023.

Charge of Assets

The Group's borrowings are secured by mining right of approximately RMB242,323,000 (31 March 2023: RMB149,295,000), guarantees provided by certain shareholders, an affiliate of shareholders, directors and a related party of a subsidiary and personal guarantee from Mr. Ma Qiang, the former executive Director and chairman of the Company.

Capital Commitment

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

	(Unaudited)	(Audited)
	31 December	31 March
	2023	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Commitment for acquisition of property, plant and equipment	4,467	514

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 2023, the Group did not have any material contingent liabilities (31 March 2023: nil).

Human Resources

As at 31 December 2023, the Group had 1,041 full time employees (31 March 2023: 1,253) in the PRC, Hong Kong and Tajikistan. 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. The Company has adopted the Share Award Scheme. One of the purpose is to recognise and reward staff who have contributed to the operation and development of the Group.

BUSINESS REVIEW AND PROSPECTS

Business Review

During the nine months ended December 31, 2023, the Group's various businesses remained stable. Among them, the sales of civilian explosives were basically the same as the same period last year. The blasting operations and mining engineering business were still affected by the coal industry. The impact of governance and owner reasons has declined compared with previous years. The newly built gold extraction project of Anhui Jinding performed in line with expectations, significantly improving the efficiency of the Group's mineral development business. In addition, the Group's other new projects are progressing smoothly and will be put into use one after another, thus improving the performance of the Group's various businesses.

Business Outlook

The Group will further improve the mineral development business of Anhui Jinding and continue to improve the company's performance in terms of management, technology, equipment and other aspects. The construction of a new detonating tube production line in Tajikistan KM has begun. Once completed, it will significantly increase the Group's market share of civilian explosives in Central Asia. In addition, two new projects, Tibet Tianren Mining and Inner Mongolia's 100,000-ton on-site mixed explosives production system, are expected to start construction this year. While ensuring the stable operation of the existing business, the Group is also exploring business expansion opportunities in various aspects, maintaining growth while controlling risks, and continuing to bring benefits to shareholders.

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 2023, 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 <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Note 2)</i>
Mr. Ma Tianyi	Interest of a controlled corporation <i>(Note 4)</i>	58,980,000 ordinary shares (L)	1.66%
	Beneficial owner	2,000,000 ordinary shares (L)	0.06%
Mr. Liu Fali	Beneficial owner	242,415,854 ordinary shares (L)	6.81%
	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	1,659,687,368 ordinary shares (L) <i>(Note 3)</i>	46.64%
Ms. Qin Chunhong	Interest of a controlled corporation <i>(Note 5)</i>	34,024,908 ordinary shares (L)	0.96%
	Beneficial owner	2,540,000 ordinary shares (L)	0.07%
Ms. Ma Ye	Beneficial owner	126,005,000 ordinary shares (L)	3.54%
	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	1,776,098,222 ordinary shares (L) <i>(Note 3)</i>	49.91%
Mr. Ma Yong	Beneficial owner	169,000 ordinary shares (L)	0.005%

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 2023.
3. 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.
4. These shares represented the interests of Pin On Everest Asset Holdings Ltd in 58,980,000 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.
5. 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.

Save as disclosed above, as at 31 December 2023, 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 2023, 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)	38.26%
Ma Family Holdings Co. Limited	Interest of a controlled corporation	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.26%
Equity Trustee Limited	Trustee (other than a bare trustee)	1,361,516,331 ordinary shares (L) <i>(Note 3)</i>	38.26%
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	1,902,103,222 ordinary shares (L) <i>(Note 4)</i>	53.45%
Ms. Ma Xia	Beneficial owner	172,166,037 ordinary shares (L)	4.84%
	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	1,729,937,185 ordinary shares (L) <i>(Note 4)</i>	48.61%

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>
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	1,902,103,222 ordinary shares (L) <i>(Note 4)</i>	53.45%
Mr. Yang Tao	Beneficial owner	274,919,268 ordinary shares (L)	7.73%
Mr. Li Man	Beneficial owner	272,039,268 ordinary shares (L)	7.64%
Mr. Lyu Wenhua	Beneficial owner	240,696,854 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 2023.
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 2023, 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 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (nine months ended 31 December 2022: nil).

SHARE AWARD SCHEME

On 8 July 2019, the Company resolved to adopt a share award scheme (the "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 of the Group.

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of five (5) years commencing on the date of adoption of the Scheme. The Scheme will be expired in July 2024. No share awards have been granted under the Scheme for the nine months ended 31 December 2023.

COMPETING INTERESTS

For the nine months ended 31 December 2023, 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 during the nine months ended 31 December 2023.

SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 31 December 2023, 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 2023.

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 D.3.1 to D.3.7 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 Jinghua, Mr. Ha Suoku and Dr. Li Xu.

The Group's draft unaudited financial statements for the nine months ended 31 December 2023 have been reviewed and commented by the members of the audit committee.

During the quarter ended 31 December 2023 and up to the date of this announcement, the Board comprises the following directors:

Executive directors:

Mr. Ma Tianyi (*Chairman and Chief Executive Officer*)

Mr. Liu Fali (*Chief Operating Officer*)

Ms. Qin Chunhong

Ms. Ma Ye

Mr. Ma Yong

Independent non-executive directors:

Ms. Zhang Jinghua

Mr. Ha Suoku

Dr. Li Xu

By order of the Board
Pizu Group Holdings Limited
Ma Tianyi
Chairman and Chief Executive Officer

PRC, 2 February 2024

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