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比速科技集團國際有限公司

Bisu Technology Group International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1372)

PROFIT WARNING

This announcement is made by Bisu Technology Group International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcements of the Company dated 4 June 2019 and 26 July 2019 (the “**Announcements**”) in relation to business update. Unless otherwise defined, capitalised terms used herein shall have the same meanings ascribed to them in the Announcements.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited financial information currently available to the Board, the Group is expected to record a substantial loss for the six months ended 30 June 2019. The Group’s results for the six months ended 30 June 2019 have been adversely affected by, among other factors, the following:

- (1) there was a substantial reduction of revenue generated from the Automotive Engines Business from approximately HK\$272 million for the six months ended 30 June 2018 to approximately HK\$70 million for the same period in 2019. Such decrease was mainly attributable to the fact that there was a substantial decline in the sales of engines by the Group to the Automotive Engines Business Customers of the Group for the six months ended 30 June 2019. As disclosed in the Announcements, since the Automotive Engines Business Customers have shortage in supply due to the suppliers’ concern on their payment ability, the full resumption of production will be further delayed;

- (2) there was an impairment loss in the fair value of the Group's intangible assets of approximately HK\$51 million in relation to the acquisition of the Automotive Engines Business. Such impairment loss is primarily attributable to the further delay in the full resumption of production of the Automotive Engines Business Customers as disclosed in the Announcements. The Board would like to emphasize that the impairment loss in the fair value of the Group's intangible assets is a non-cash item and has no effect on the Group's daily operations and cash flow;
- (3) additional expected credit loss of approximately HK\$113 million was made to the accounts and bills receivables due from the Automotive Engines Business Customers for the six months ended 30 June 2019, which is attributable to the increased uncertainty on the repayment of the accounts and bills receivables due to the further delay in the full resumption of production of the Automobile Engines Business Customers;
- (4) a provision of impairment loss of approximately HK\$25 million for the Group's inventory of the Automotive Engines Business. Such impairment loss is primarily attributable to the increased uncertainty on the realizability of the inventory due to the further delay in the full resumption of production of the Automobile Engines Business Customers; and
- (5) the increase in administrative expenses in respect of the equity-settled share option expense (which was non-cash in nature) of approximately HK\$29 million being recognized in this period.

The Company is still in the process of finalising the consolidated financial information of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the latest available unaudited financial and other information, and the information has not been reviewed by or discussed with the auditor of the Company. Such information is subject to finalization and necessary adjustments, if any. Further details on the financial results are expected to be disclosed by the end of August 2019 when the Group publishes its unaudited interim results for the six months ended 30 June 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Bisu Technology Group International Limited
Lam Wah
Executive Director

Hong Kong, 14 August 2019

As at the date of this announcement, the executive Directors are Mr. Xing Bin and Mr. Lam Wah; and the independent non-executive Directors are Mr. Leung Tsz Wing, Mr. Zhang Guozhi and Mr. Ip Mei Shun.