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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)

PROPOSED AMENDMENTS TO THE CONVERTIBLE BONDS AND PROMISSORY NOTES

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The Board is pleased to announce that on 8 November 2019 (after trading hours), the Company and Power Expert entered into the Amendment Agreement, pursuant to which it is agreed that, subject to the fulfilment of the conditions precedent:

- (i) the maturity date of the Convertible Bonds shall be extended for 5 years to 4 February 2025 according to the terms of the 2nd Amendment Deed; and
- (ii) the term of the Promissory Notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, payable annually and the interest accrued on or before 4 February 2020 shall be payable on 4 February 2025.

Save for the aforesaid, all other terms of the Convertible Bonds and the Promissory Notes will remain unchanged.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. An application for the said approval will be made by the Company to the Stock Exchange. An application will also be made to the Stock Exchange for granting the listing of and permission to deal in the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds (as amended by the 2nd Amendment Deed).

GENERAL

The Amendment Agreement and the transactions contemplated thereunder (including but not limited to the 2nd Amendment Deed and the transactions contemplated thereunder, the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights attached to the amended Convertible Bonds and the amendments to the Promissory Notes according to the terms of the Amendment Agreement) and the grant of the Specific Mandate are subject to, inter alia, the approval of the Shareholders at the EGM. Specific Mandate for the allotment and issue of the Conversion Shares will be sought in the EGM.

A circular containing, among other matters, (i) further details of the Amendment Agreement and the transactions contemplated thereunder; and (ii) a notice of the EGM is expected to be despatched to the Shareholders on or before 29 November 2019 in accordance of the Listing Rules.

Shareholders and investors should note that the Proposed Amendments are subject to various conditions as stated in the section headed “Conditions precedent”. Potential investors and Shareholders are therefore urged to exercise caution when dealing in the Shares.

Reference is made to the circulars of the Company dated 19 January 2016 and 20 March 2018 in relation to, among others, the acquisition of the entire equity interest in Well Surplus Enterprises Limited, the issue of the Convertible Bonds and Promissory Notes and the first amendments to the terms of the Convertible Bonds and Promissory Notes.

As at the date of this announcement, (i) the Company has not made any early redemption on any part of the outstanding Convertible Bonds and the Promissory Notes; (ii) none of the conversion rights attached to the Convertible Bonds has been exercised by Power Expert; (iii) the total outstanding principal amount of the Convertible Bonds is HK\$390,000,000 and that of the Promissory Notes is HK\$410,000,000; and (iv) all the outstanding Convertible Bonds and Promissory Notes are held by Power Expert.

PROPOSED AMENDMENTS TO THE CONVERTIBLE BONDS AND PROMISSORY NOTES

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Save for the aforesaid, all other terms of the Convertible Bonds and the Promissory Notes will remain unchanged.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Power Expert and its ultimate beneficial owner, Mr. Liu Chang are Independent Third Parties.

Conditions precedent

Completion shall be conditional upon the satisfaction of all of the following conditions:

- (1) all necessary consents and approvals in relation to the Amendment Agreement and the transactions contemplated thereunder having been obtained by Power Expert;
- (2) all necessary consents and approvals in relation to the Amendment Agreement and the transactions contemplated thereunder having been obtained by the Company;
- (3) the Stock Exchange having approved the second amendment to the terms of the Convertible Bonds in accordance with the Listing Rules and the Listing Committee having granted approval for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds (as amended); and
- (4) the Shareholders having approved the Amendment Agreement and the transactions contemplated thereunder (including but not limited to the approval of the 2nd Amendment Deed and the transactions contemplated thereunder, the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds (as amended) and the amendments to the terms of the Promissory Notes according to terms of the Amendment Agreement) by way of passing of necessary resolution(s) at the EGM in accordance with the Listing Rules.

The Company shall use its best endeavours to procure the fulfilment of the conditions (2), (3) and (4) above. Power Expert shall use its best endeavours to procure the fulfilment of the condition (1) above. None of the conditions above can be waived. If any of the conditions set out above have not been fulfilled on or before the Long Stop Date, the Amendment Agreement shall cease and determine and no parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place within ten Business Days after the satisfaction of the conditions precedent to the Amendment Agreement (or such later date as agreed by the Company and Power Expert in writing). At Completion, (i) the 2nd Amendment Deed will be executed by the Company to amend the terms and conditions of the Convertible Bonds to extend the maturity date from 4 February 2020 to 4 February 2025; and (ii) the existing Promissory Notes will be amended pursuant to the terms of the Amendment Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS AS AMENDED BY THE 2ND AMENDMENT DEED

Save and except the amendment to the maturity date pursuant to the 2nd Amendment Deed, all the terms and conditions of the Convertible Bond remain unchanged, valid and in full force.

The principal terms of the Convertible Bonds as amended pursuant to the 2nd Amendment Deed are summarised as follows:

Issuer	:	the Company
Maturity Date	:	the 9th anniversary of the issue date of the Convertible Bonds (i.e. 4 February 2025)
Interest:	:	the Convertible Bonds shall not bear any interest
Conversion period	:	the period commencing on the date of issue of the Convertible Bonds and ending on the maturity date
Conversion price	:	HK\$2.00 per Conversion Share (subject to adjustments) (the “ Conversion Price ”)
Aggregate principal amount	:	HK\$390,000,000
Transferability	:	the Convertible Bonds cannot be transferred without the prior written consent of the Company, save where transfer is made to a wholly-owned subsidiary of the holder of the Convertible Bonds (the “ Bondholder ”), or the holding company of such Bondholder owning the entire issued share capital of such Bondholder, provided that the Convertible Bonds will be re-transferred to such Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of such Bondholder or a holding company of the Bondholder who owns the entire issued share capital of such Bondholder, in which case no prior written consent from the Company shall be required

Conversion : holder(s) of the Convertible Bonds shall have the right at any time from date of issue of the Convertible Bonds up to 4:00 p.m. on the maturity date to convert in whole or in part the outstanding principal amount of the Convertible Bonds in whole multiples of HK\$1,000,000 into Conversion Shares, save that if at any time the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted, provided that any conversion of the Convertible Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion rights, representing more than 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; and (ii) does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares

Adjustments to Conversion Price : the Conversion Price is subject to adjustments upon the occurrence of the following events:

- (i) an alteration of the nominal amount of the Shares by reason of consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution (as such term is defined in the conditions of the Convertible Bonds) to Shareholders (whether on a reduction of capital or otherwise);
- (iv) an issue of Shares to Shareholders by way of rights, or grant to Shareholders any options or warrants to subscribe for new Shares, at a price less than 80% of the market price of the Shares;

- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, at a consideration per Share which is less than 80% of the market price of the Shares, or the conversion, exchange or subscription rights of any such securities (other than in accordance with the terms applicable thereto) are altered or modified so that the consideration per Share is less than 80% of the market price of the Shares; and
- (vi) an issue of Shares being made wholly for cash at a price less than 80% of the market price of the Shares.

- Early redemption : the Company may at any time before the maturity date by serving at least ten (10) days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Convertible Bonds (in whole or in part) at 100% of the principal amount of such Convertible Bonds
- Voting rights : holder(s) of the Convertible Bonds shall not be entitled to attend or vote at any general meeting of the Company
- Security : Unsecured
- Listing: : the Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds (as amended)

PRINCIPAL TERMS OF THE PROMISSORY NOTES (AS AMENDED)

The principal terms of the Promissory Notes as amended pursuant to the Amendment Agreement are summarised as follows:

Issuer : the Company

Maturity Date : Perpetual

Interest: : 10% from 4 February 2016 to 4 February 2018
8% from 5 February 2018 to 4 February 2020
5% from 5 February 2020 onwards

The interest accrued on or before 4 February 2020 shall be payable on 4 February 2025 and the interest accrued as from 5 February 2020 shall be payable annually.

Aggregate principal amount : HK\$410,000,000

Transferability : The Promissory Notes are transferrable (except to the connected person(s) of the Company)

Early redemption : The Promissory Notes are redeemable early by the Company for any principal amount of not less than HK\$10,000,000 (or all the outstanding principal amount if such amount is less than HK\$10,000,000) together with the outstanding interest accrued on the redemption amount by not less than 10 Business Days' written notice to the holder of the Promissory Notes.

Security : Unsecured

REASONS FOR THE AMENDMENT AGREEMENT

The Group is principally engaged in two business segments, which are (i) development production and sale of automotive engines; and (ii) civil engineering works and building construction and maintenance works. Power Expert is principally engaged in investment holding.

The terms of the Amendment Agreement were arrived at after arm's length negotiations between the Company and Power Expert. The Convertible Bonds and the Promissory Notes will, but for the Proposed Amendments, mature on 4 February 2020 upon which the Company would be required to have sufficient cash reserves to redeem the Convertible Bonds and the Promissory Notes. The Proposed Amendments in effect allow the Company to refinance its debts under the Convertible Bonds and the Promissory Notes on normal commercial terms, and lower the interest rate of the Promissory Notes. It will provide

flexibility to the Company's working capital management. Accordingly, the Directors consider that the terms of the Amendment Agreement are fair and reasonable and that the Proposed Amendments are in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. An application for the said approval will be made by the Company to the Stock Exchange. An application will also be made to the Stock Exchange for granting the listing of and permission to deal in the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds (as amended by the 2nd Amendment Deed).

GENERAL

The Amendment Agreement and the transactions contemplated thereunder (including but not limited to the 2nd Amendment Deed and the transactions contemplated thereunder, the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights attached to the amended Convertible Bonds and the amendments to the Promissory Notes according to the terms of the Amendment Agreement) and the grant of the Specific Mandate are subject to, inter alia, the approval of the Shareholders at the EGM. Specific Mandate for the allotment and issue of the Conversion Shares will be sought in the EGM.

A circular containing, among other matters, (i) further details of the Amendment Agreement and the transactions contemplated thereunder; and (ii) a notice of the EGM is expected to be despatched to the Shareholders on or before 29 November 2019 in accordance of the Listing Rules.

Shareholders and investors should note that the Proposed Amendments are subject to various conditions as stated in the section headed "Conditions precedent". Potential investors and Shareholders are therefore urged to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the contents otherwise requires, the following expressions have the following meanings in this announcement:

- "2nd Amendment Deed" the second deed of amendment to amend the maturity date of the Convertible Bonds to 4 February 2025 to be executed by the Company on the date of Completion
- "Amendment Agreement" the amendment agreement dated 8 November 2019 entered into between the Company and Power Expert in relation to the Proposed Amendments

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“Company”	Bisu Technology Group International Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1372)
“Completion”	completion of the Proposed Amendments
“connected person”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the zero coupon convertible bonds in the principal amount of HK\$390,000,000 issued by the Company on 4 February 2016
“Conversion Shares”	the new Shares to be allotted and issued to the holder of the Convertible Bonds by the Company upon exercise of the conversion rights attached to the Convertible Bonds (as amended by the 2nd Amendment Deed)
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if though fit, approve the Amendment Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of the Group and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 January 2020 or such other date as the Company and Power Expert may agree in writing
“Power Expert”	Power Expert Global Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Liu Chang

“Promissory Notes”	interest bearing promissory notes issued by the Company on 4 February 2016 in the aggregate principal amount of HK\$410,000,000
“Proposed Amendments”	proposed amendments to the terms of the Convertible Bonds and the Promissory Notes according to the Amendment Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each of the Company
“Shareholders”	holders of issued Shares
“Specific Mandate”	specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Bisu Technology Group International Limited
Liu Wengang
Executive Director

Hong Kong, 8 November 2019

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