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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE POSSIBLE DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF
AND THE SALE LOAN OWED BY THE TARGET COMPANY**

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE DISPOSAL

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board announces that on 20 January 2021 (after trading hours of the Stock Exchange), the Vendor (a wholly-owned subsidiary of the Company) entered into the non-legally binding MOU with the Purchaser in relation to the Possible Disposal.

The Board wishes to emphasise that no binding agreement in relation to the Possible Disposal has been entered into as at the date of this announcement. As such, the Possible Disposal may or may not proceed. If the Possible Disposal materialises, it may constitute a notifiable transaction on the part of the Company under the Listing Rules. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Disposal will be made by the Company as and when appropriate in accordance with the Listing Rules.

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The Board announces that on 20 January 2021 (after trading hours of the Stock Exchange), the Vendor (a wholly-owned subsidiary of the Company) entered into the non-legally binding MOU with the Purchaser in relation to the Possible Disposal. Principal terms of the MOU are set forth below:

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE DISPOSAL

Date: 20 January 2021 (after trading hours of the Stock Exchange)

Parties: (i) Vendor : Future Marvel Limited, a wholly-owned subsidiary of the Company
(ii) Purchaser : Mr. Liu Chang

The Purchaser is the ultimate beneficial owner of the entire issued share capital of the owner of the Convertible Bonds and the Promissory Notes.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made reasonable enquiries, the Purchaser and his associates are Independent Third Parties.

Major terms of the MOU

Assets to be disposed

Under the MOU, it is proposed that the Vendor will sell and the Purchaser will purchase the entire equity interest in the Target Company and all debts owing by the Target Group to the Vendor.

The Target Group is principally engaged in the development, production and sale of automotive engines and has limited operation as at the date of this announcement.

Consideration

The exact amount of the consideration for the Possible Disposal shall be determined by further negotiations between the Vendor and the Purchaser.

Earnest Money

Pursuant to the MOU, the Purchaser shall pay the Earnest Money in the amount of HK\$500,000 in cash to the Vendor upon the signing of the MOU. Such Earnest Money shall be applied for the settlement of part of the consideration at completion in the event that the Possible Disposal materialises.

In the event that the Formal Agreement is not entered into between the Vendor and the Purchaser on or before 31 January 2021 (or such later date as may be agreed between the parties to the MOU), the MOU shall lapse and be of no effect and the Vendor shall refund the Earnest Money (without interest) within five business days to the Purchaser.

Due Diligence Review

After the signing of the MOU, the Purchaser shall procure its advisers and agents to conduct due diligence on the Target Group in respect of its assets, liabilities, operation and affairs.

Formal Agreement

The Vendor and the Purchaser shall negotiate in good faith with the view of entering into the legally-binding Formal Agreement on or before 31 January 2021 (or such later date as may be agreed between the parties to the MOU).

Binding effect

Save for those provisions relating to the negotiations for the Formal Agreement in good faith, the Earnest Money, the due diligence review, confidentiality and other miscellaneous provisions, the MOU is non-legally binding.

REASONS FOR ENTERING INTO THE MOU

As disclosed in the 2020 interim report of the Company, the Target Group encountered an operational stagnancy with dimmer possibility of a turnaround. Under the pressure of the COVID-19 outbreak and the prolonged restructuring progress of the key customers, the Target Group recorded a minimal operation in the past. In order to improve the business portfolio of the Group and to create return for the Shareholders, the Company has been considering a disposal/downsizing of the Target Group. The MOU created an opportunity for the Company to negotiate on the Possible Disposal, but will not impose any material negative liability to the Group. Therefore, the Board is of the view that the terms of the MOU are fair and reasonable, and entering into the MOU is in the interests of the Company and the Shareholders as a whole.

The Board wishes to emphasise that no binding agreement in relation to the Possible Disposal has been entered into as at the date of this announcement. As such, the Possible Disposal may or may not proceed. If the Possible Disposal materialises, it may constitute a notifiable transaction on the part of the Company under the Listing Rules. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Disposal will be made by the Company as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors from time to time
“Company”	Bisu Technology Group International Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1372)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the zero coupon convertible bonds in the aggregate principal amount of HK\$390,000,000 issued by the Company on 4 February 2016
“Director(s)”	the director(s) of the Company from time to time
“Earnest Money”	the refundable earnest money in the amount of HK\$500,000 paid by the Purchaser to the Vendor upon signing of the MOU
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Disposal

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 20 January 2021 entered into between the Vendor and the Purchaser setting out the preliminary understanding in relation to the Possible Disposal
“Possible Disposal”	the possible disposal by the Vendor to the Purchaser of the entire equity interest in the Target Company and all debts owing by the Target Group to the Vendor as contemplated under the MOU
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Notes”	interest bearing promissory notes issued by the Company on 4 February 2016 (as amended on 31 December 2017 and 14 January 2020) in the aggregate principal amount of HK\$410,000,000
“Purchaser”	Mr. Liu Chang
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Well Surplus Enterprises Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Future Marvel Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars

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

Hong Kong, 20 January 2021

As at the date of this announcement, the executive Directors are Mr. Artem Matyushok, Mr. Brett Ashley Wight, Mr. Chin Chun Hin, Mr. Lam Wah and Mr. Xing Bin; and the independent non-executive Directors are Mr. Ip Mei Shun, Mr. Leung Tsz Wing and Mr. Yu Wai Chun.