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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)

**LETTER OF INTENT IN RELATION TO THE POSSIBLE
ACQUISITION OF NEW ENERGY VEHICLES AND PARTS BUSINESS**

The Board announces that on 18 January 2019 (after trading hours), the Company as prospective purchaser entered into the Letter of Intent with the Prospective Vendors and the Target Company in relation to the Possible Acquisition.

Pursuant to the Letter of Intent, the Company intends to acquire part of the equity interest in the Target Company.

The Target Company is principally engaged in production, research and development, and sales of new energy vehicles and parts.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Prospective Vendors and the Company as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

The Board announces that on 18 January 2019 (after trading hours), the Company as prospective purchaser entered into the Letter of Intent with the Prospective Vendors and the Target Company in relation to the Possible Acquisition.

LETTER OF INTENT

Date: 18 January 2019 (after trading hours)

Parties: the Company;
the Prospective Vendors; and
the Target Company.

Subject matter

The major terms of the Letter of Intent are as follows:

- (i) the valuation of the Target Company to be not more than 20 times of the estimated profit after taxation for the financial year 2019 of the Target Group (subject to the results of the due diligence review conducted by the Company and the valuation report issued by an independent professional valuer approved by the Company);
- (ii) the Company intends to acquire part of the equity interest in the Target Company;
- (iii) the Company intends to allot and issue not more than 40,000,000 new Shares at the issue price of HK\$2.5 per Share for the payment of the consideration of the Possible Acquisition under general mandate subject to the compliance with the Listing Rules;
- (iv) the Company agrees to use its reasonable endeavours to issue debt securities in the amount of not more than HK\$300,000,000 within one month after completion of the Possible Acquisition. The net proceeds from the issue of the debt securities shall be injected to the Target Company for supporting the development and operation of the Target Company by way of increase of share capital or shareholder's loan.

The Possible Acquisition will be subject to the following conditions:

- (i) the Prospective Vendors and the Company having entered into the Formal Agreement and other legal documents (if any) which are generally prepared under the transactions similar to the Possible Acquisition;
- (ii) the Prospective Vendors, the Target Company and/or the Target Group having completed all the necessary reorganisation of the Target Group and having obtained/completed all necessary approvals, consents, authorisations, registrations and filings from the PRC government and regulatory authorities in respect of the reorganisation;
- (iii) the Company having obtained a legal opinion in respect of the Target Company and the Possible Acquisition issued by a firm of lawyers appointed by the Company, in such form and substance satisfactory to the Company;

- (iv) the Prospective Vendors, the Target Company and/or the Target Group having obtained/completed all necessary approvals, consents, authorisations, registrations and filings from the PRC government and regulatory authorities;
- (v) the Company having satisfied with the results of the due diligence review on the operation and management of the Target Group; and
- (vi) the Company having obtained all necessary approval in respect of the Possible Acquisition, including any approval from the listing authorities (if required), the approval from the Board and the Shareholders (if applicable) and the Company having complied to the applicable laws and regulations.

Formal Agreement

Pursuant to the Letter of Intent, the Company, the Prospective Vendors and the Target Company intend to enter into the Formal Agreement within three months after the date of the Letter of Intent.

Due Diligence

The Company shall and shall procure its representatives and/or advisers shall, forthwith upon the signing of the Letter of Intent and with the consent from the Prospective Vendors and the Target Company, conduct due diligence review on the financial, legal and other aspects of the Target Group and the Prospective Vendors and the Target Company shall provide assistance in respect of the due diligence review, including but not limited to providing required information, documents and reply to the Company and/or its representatives and/or advisers. The Company shall use its reasonable endeavours to complete the due diligence review and feasible studies within three months upon the signing of the Letter of Intent (the “Term”).

Exclusivity

Pursuant to the Letter of Intent, within the Term, unless upon the Company’s written notice to the Prospective Vendors and the Target Company to terminate the negotiation in respect of the Possible Acquisition, the Prospective Vendors and the Target Company will not initiate cooperation discussion or referral in any form or enter into any agreement or letter of intent with any third parties with respect to the Possible Acquisition.

INFORMATION OF THE TARGET GROUP

The Target Company was established in the PRC with limited liability and approximately 90.91% equity interest in which are owned by the Prospective Vendors as at the date of this announcement. The Target Company is principally engaged in production, research and development, and sales of new energy vehicles and parts. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Prospective Vendors is an Independent Third Party.

REASONS FOR THE POSSIBLE ACQUISITION

The Group is principally engaged in civil engineering works as well as building construction and maintenance in Hong Kong and the development, production and sales of automotive engines.

The Board believes that the Possible Acquisition is in line with the Company's strategy to expand in the automotive business and would allow the Company to further broaden the automotive business from the traditional gasoline vehicles sector to the new energy sector, as well as from parts supply to whole vehicle production. The awareness of environmental protection and energy conservation has gradually shifted the demand of customers and the focus of government, and the constant developments and improvements on the technology of new energy vehicles contributed to its emerging recognition. The Directors expect that there will be a growing popularity of new energy vehicles and the prospect of the Target Group could be promising. The Company therefore enter into the Letter of Intent to further evaluate the Target Group and the Possible Acquisition.

In consideration of the above, the Directors are of the view that the terms of the Letter of Intent are fair and reasonable and the Possible Acquisition is in the interests of the Company and Shareholders as a whole.

GENERAL

The Letter of Intent is non-legally binding save for the provisions relating to the issue price of the consideration Shares, due diligence review, exclusivity, confidentiality, costs, amendments, governing law and jurisdiction and third party rights of the Letter of Intent which are legally binding. The Possible Acquisition is subject to, among others, the execution and completion of the Formal Agreement.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Prospective Vendors and the Company as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Bisu Technology Group International Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into among the Company, the Prospective Vendors and the Target Company in relation to the Possible Acquisition
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Letter of Intent”	the letter of intent dated 18 January 2019 and entered into among the Prospective Vendors, the Target Company and the Company setting out the preliminary understanding in relation to the Possible Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition by the Company of part of the equity interest in the Target Company as contemplated under the Letter of Intent
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospective Vendors”	吳小蘭 and 劉寶
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	廣東曉蘭客車有限公司 (Guangdong Xiaolan Keche Company Limited*), a company established in the PRC with limited liability, approximately 90.91% equity interest of which are owned by the Prospective Vendors as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“%”	per cent

* *for identification purpose only*

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

Hong Kong, 18 January 2019

As at the date of this announcement, the executive Directors are Mr. Xing Bin and Mr. Lam Wah; the non-executive Director is Mr. Wong Hin Shek; and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Chan Kai Wing and Mr. Leung Tsz Wing.