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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)

FURTHER UPDATE ON PROFIT WARNING AND BUSINESS UPDATE

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 and inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements (the “**Announcements**”) of the Company dated 7 December 2018 and 28 December 2018 in relation to the profit warning and business update. Unless otherwise defined, capitalised terms used herein shall have the same meanings ascribed to them in the Announcements.

As disclosed in the Announcements, the Group expected to record a substantial loss for the year ended 31 December 2018 as compared to a profit for the year ended 31 December 2017. The Company wishes to provide a further update on the major factors affecting the Group’s results for the year ended 31 December 2018 as follows:

1. there was a reduction of revenue generated from the Automotive Engines Business from approximately HK\$1,478 million for the year ended 31 December 2017 to approximately HK\$277 million for the year ended 31 December 2018. Such decrease was mainly attributable to the fact that there was a substantial decline in the sales of engines by the Group to the vehicle and vehicle parts manufacturing customers (the “**Customers**”) for the year ended 31 December 2018;
2. there were an impairment loss on goodwill of approximately HK\$175 million and an impairment loss in the fair value of the Group’s intangible assets of approximately HK\$431 million in relation to the acquisition of the Automotive Engines Business. Such impairment losses were primarily attributable to the fact that the financial performance of the Automotive Engines Business was less than expected for the year ended 31 December 2018; and

3. expected credit loss of HK\$144 million was made to the accounts and bills receivables due from the Customers. As at 31 December 2018, the gross accounts and bills receivables due from the Customers before the expected credit loss amounted to approximately HK\$593 million. The Customers have undertaken to repay such outstanding accounts and bills receivables by 12 monthly instalments commencing from July 2019.

The Company is still in the process of finalising the consolidated financial information of the Group for the year ended 31 December 2018. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited financial information of the Group and other information currently available to the Group. The unaudited financial information of the Group has not been audited nor reviewed by the independent auditor of the Company and has not been confirmed by the audit committee of the Company. The actual financial results of the Group for the year ended 31 December 2018 may be different from the information disclosed herein. The financial results of the Group for the year ended 31 December 2018 will be set out in the annual results announcement of the Company to be published by the end of March 2019.

Shareholders and potential investors of the Company 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, 13 March 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. Leung Tsz Wing and Mr. Zhang Guozhi.