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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board (the “**Board**”) of directors (the “**Directors**”) of Bisu Technology Group International Limited (the “**Company**”) hereby announces the consolidated financial results of the Company and its subsidiaries (collectively refer to as the “**Group**”) for the year ended 31 December 2020, together with comparative figures for the year ended 31 December 2019.

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000
Revenue	478,321	459,109
Gross profit/(loss)	8,096	(52,556)
Gross profit/(loss) margin	1.7%	(11.4%)
Profit/(loss) attributable to owners of the parent	302,029	(905,423)
Total assets	255,821	439,095
Total liabilities	934,750	1,413,850
Net liabilities	(678,929)	(974,755)
Gearing ratio	N/A*	N/A*

* The gearing ratios as at 31 December 2019 and 2020 are not available because the Group reported negative equity attributable to owners of the parent as at 31 December 2019 and 2020.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

Year ended 31 December 2020

	<i>Notes</i>	2020 HK\$'000	2019 <i>HK\$'000</i>
REVENUE	<i>5</i>	478,321	459,109
Cost of sales		<u>(470,225)</u>	<u>(511,665)</u>
Gross profit/(loss)		8,096	(52,556)
Other income and gains	<i>5</i>	603,348	4,985
Administrative expenses		(45,375)	(79,309)
Research and development costs		–	(842)
Finance costs	<i>7</i>	(66,213)	(82,065)
Impairment of property, plant and equipment		(28,416)	–
Impairment of financial and contract assets, net		(152,958)	(348,844)
Impairment of goodwill	<i>11</i>	(16,338)	(275,821)
Impairment of intangible assets		<u>–</u>	<u>(88,042)</u>
PROFIT/(LOSS) BEFORE TAX	<i>6</i>	302,144	(922,494)
Income tax (expense)/credit	<i>8</i>	(115)	16,249
PROFIT/(LOSS) FOR THE YEAR		<u>302,029</u>	<u>(906,245)</u>
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(14,664)</u>	<u>(5,094)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>287,365</u>	<u>(911,339)</u>
Profit/(loss) for the year attributable to:			
Owners of the parent		302,029	(905,423)
Non-controlling interests		<u>–</u>	<u>(822)</u>
		<u>302,029</u>	<u>(906,245)</u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		287,365	(910,517)
Non-controlling interests		<u>–</u>	<u>(822)</u>
		<u>287,365</u>	<u>(911,339)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	<i>10</i>		
Basic		<u>HK151.0 cents</u>	<u>HK(452.7) cents</u>
Diluted		<u>HK84.1 cents</u>	<u>HK(452.7) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 HK\$'000	2019 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		512	32,120
Right-of-use assets		1,887	3,252
Goodwill	11	–	16,557
Total non-current assets		<u>2,399</u>	<u>51,929</u>
CURRENT ASSETS			
Inventories		–	9,895
Contract assets		90,721	60,623
Accounts receivable	12	95,024	207,206
Prepayments, deposits and other receivables		17,928	44,665
Cash and cash equivalents		<u>49,749</u>	<u>64,777</u>
Total current assets		<u>253,422</u>	<u>387,166</u>
CURRENT LIABILITIES			
Accounts payable	13	340,438	313,300
Tax payable		97	92
Other payables and accruals		86,843	55,686
Interest-bearing bank and other borrowings		38,000	57,980
Lease liabilities		2,565	552
Convertible bonds	14	–	386,333
Promissory notes	15	18,564	553,985
Total current liabilities		<u>486,507</u>	<u>1,367,928</u>
NET CURRENT LIABILITIES		<u>(233,085)</u>	<u>(980,762)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(230,686)</u>	<u>(928,833)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*As at 31 December 2020*

	<i>Notes</i>	2020 HK\$'000	2019 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Other payables and accruals		43,224	29,752
Interest-bearing other borrowing		6,000	–
Lease liabilities		108	2,820
Convertible bonds	<i>14</i>	114,189	–
Promissory notes	<i>15</i>	271,319	–
Deferred tax liabilities		13,403	13,350
		<hr/>	<hr/>
Total non-current liabilities		448,243	45,922
		<hr/>	<hr/>
Net liabilities		(678,929)	(974,755)
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital		2,000	2,000
Equity component of convertible bonds		384,037	375,576
Reserves		(1,064,966)	(1,352,331)
		<hr/>	<hr/>
Deficiency in assets		(678,929)	(974,755)
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL RESULTS

31 December 2020

1. CORPORATE AND GROUP INFORMATION

Bisu Technology Group International Limited (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 1001, 10/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

During the reporting year, the Group was principally engaged in the following principal activities:

- Civil engineering works and building construction and maintenance works (the “**Civil Engineering and Construction Business**”); and
- Development, production and sale of the automotive engines (the “**Automotive Engines Business**”).

In the opinion of the directors, the immediate holding company and the ultimate holding company is Youth Force Asia Ltd., a company incorporated in the British Virgin Islands.

2. BASIS OF PRESENTATION

Despite the Group had net current liabilities and net liabilities of HK\$233,085,000 and HK\$678,929,000, respectively as at 31 December 2020, in the opinion of the directors, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering a period up to 31 March 2022 and after taking into consideration the following:

- (i) On 27 January 2021, Future Marvel Limited (a wholly-owned subsidiary of the Company), as the vendor, entered into a sale and purchase agreement with Mr. Liu Chang, as the purchaser, for a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group to Future Marvel Limited, which represented the whole Automotive Engines Business of the Group. The total consideration for the disposal was HK\$41,500,000, which was settled by the purchaser in the way of (i) HK\$500,000 by cash; and (b) the balance of HK\$41,000,000 by way of waiver of the interests of the promissory notes held by Power Expert Global Limited (“**Power Expert**”). The disposal was completed on 29 January 2021;

As of 31 December 2020, the Automotive Engines Business reported a net current liabilities and net liabilities of HK\$256,171,000 and HK\$269,520,000, respectively. The disposal of which would significantly improve the financial position of the Group;

- (ii) A major shareholder of the Company has agreed to provide additional funding by way of shareholder’s loan for not less than HK\$45,000,000 from 1 January 2021 to 30 June 2022 to the Group as and when required, and not to demand for repayment of the amount due by the Group until it is in the position to repay without impairing its liquidity and financial position. As of the reporting date, the shareholder’s loan of HK\$1,252,000 was drawn down by the Group; and
- (iii) On 7 March 2021, the Company entered into two subscription agreements with two subscribers, namely Mao Yuan Capital Limited and Mr. Zhang Yaxun, in respect of the subscriptions of an aggregate of 40,000,000 subscription shares at the subscription price of HK\$4.80 per share. The issue of the 40,000,000 subscription shares will not be required to the approval by the shareholders and the subscription shares will be issued under the general mandate granted to the Directors at the 2020 annual general meeting held on 19 June 2020. The gross proceeds from the subscriptions will be approximately HK\$192,000,000, which are expected to improve the liquidity of the Group.

2. BASIS OF PRESENTATION (CONTINUED)

The directors of the Company believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing or support be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, and to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

Changes in accounting policies and disclosure

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The adoption of the above revised HKFRSs has had no significant financial effect on the consolidated financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and service and has two reportable operating segments as follows:

- Civil engineering and construction segment – civil engineering works and building construction and maintenance works
- Automotive engines segment – development, production and sale of automotive engines

4. SEGMENT INFORMATION (continued)

	Civil engineering and construction		Automotive engines		Total	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Segment revenue	<u>475,269</u>	<u>377,816</u>	<u>3,052</u>	<u>81,293</u>	<u>478,321</u>	<u>459,109</u>
Segment results	<u>2,586</u>	<u>(38,838)</u>	<u>(209,768)</u>	<u>(761,942)</u>	<u>(207,182)</u>	<u>(800,780)</u>
Gain on extinguishment of convertible bonds, net					293,712	—
Gain on modification of promissory notes					294,577	—
Gain on disposal of subsidiaries					—	1,682
Corporate and unallocated income					833	—
Corporate and unallocated expenses					(13,889)	(41,735)
Finance costs (other than interest on lease liabilities)					<u>(65,907)</u>	<u>(81,661)</u>
Profit/(loss) before tax					<u>302,144</u>	<u>(922,494)</u>
Segment assets	<u>207,962</u>	<u>198,394</u>	<u>45,218</u>	<u>237,097</u>	<u>253,180</u>	<u>435,491</u>
Corporate and other unallocated assets					<u>2,641</u>	<u>3,604</u>
Total assets					<u>255,821</u>	<u>439,095</u>
Segment liabilities	<u>97,999</u>	<u>90,840</u>	<u>314,738</u>	<u>282,180</u>	<u>412,737</u>	<u>373,020</u>
Corporate and other unallocated liabilities					<u>522,013</u>	<u>1,040,830</u>
Total liabilities					<u>934,750</u>	<u>1,413,850</u>
Other segment information:						
Bank interest income	—	1	3	4	3	5
Impairment of goodwill	—	—	(16,338)	(275,821)	(16,338)	(275,821)
Impairment of intangible assets	—	—	—	(88,042)	—	(88,042)
(Impairment)/reversal of impairment of accounts receivable	(791)	212	(152,123)	(349,368)	(152,914)	(349,156)
(Impairment)/reversal of impairment of contract assets	(44)	312	—	—	(44)	312
Impairment of property, plant and equipment	—	—	(28,416)	—	(28,416)	—
Provision for inventories	—	—	(6,748)	(33,140)	(6,748)	(33,140)
Depreciation of property, plant and equipment	(171)	(266)	(2,610)	(5,684)	(2,781)	(5,950)
Depreciation of right-of-use assets	(2,357)	(1,457)	(525)	(1,060)	(2,882)	(2,517)
Amortisation of intangible assets	—	—	—	(1,236)	—	(1,236)
Capital expenditure*	<u>(2,402)</u>	<u>(26)</u>	<u>—</u>	<u>(127)</u>	<u>(2,402)</u>	<u>(153)</u>

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

4. SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	475,269	377,816
PRC	3,052	81,293
	<u>478,321</u>	<u>459,109</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	2,399	3,407
PRC	—	48,522
	<u>2,399</u>	<u>51,929</u>

The non-current asset information above is based on the locations of assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year, is set out below:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Customer A [#]	N/A	82,068
Customer B [*]	159,575	160,740
Customer C [*]	82,489	83,442
Customer D [*]	87,882	N/A
Customer E [*]	97,199	N/A

[#] This customer is under the automotive engines segment.

^{*} These customers are under the civil engineering and construction segment.

Except for the aforesaid, no revenue from a single external customer accounted for 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue		
Sales of goods	3,052	81,293
Civil engineering and construction services	475,269	377,816
	<u>478,321</u>	<u>459,109</u>
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other income and gain		
Interest income	3	5
Consultancy fee income	1,227	480
Government subsidies	12,735	1,225
Gain on disposal of items of property, plant and equipment	—	92
Gain on disposal of subsidiaries	—	1,682
Gain on extinguishment of convertible bonds, net	293,712	—
Gain on modification of promissory notes	294,577	—
Sundry income	1,094	1,501
	<u>603,348</u>	<u>4,985</u>

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of sales:		
Cost of inventories sold	3,084	79,283
Provision for inventories	6,748	33,140
Amortisation of intangible assets	—	1,236
Contract costs	460,393	398,006
	<u>470,225</u>	<u>511,665</u>
Impairment of accounts receivable	152,914	349,156
Impairment/(reversal of impairment) of contract assets	44	(312)
Depreciation of property, plant and equipment*	2,898	6,223
Depreciation of right-of-use assets	3,648	3,161
Auditor's remuneration	1,348	1,311
Employee benefit expense#	76,527	64,588
Equity-settled share option expense (including directors' and chief executives' remuneration)	—	28,721
Lease payments not included in the measurement of lease liabilities	568	—
	<u>152,914</u>	<u>349,156</u>

* The depreciation of property, plant and equipment of nil (2019: HK\$1,339,000) for the year included in "cost of inventories sold" provided above.

The employee benefit expense of HK\$43,237,000 (2019: HK\$37,643,000) for the year included in "cost of sales" provided above.

7. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on lease liabilities	306	404
Interest on bank and other borrowings	5,403	6,141
Interest on promissory notes	30,475	41,598
Imputed interest on convertible bonds	30,029	33,922
	<u>66,213</u>	<u>82,065</u>

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Chongqing Bisu Yunbo Motor Technology Limited (“**Bisu Yunbo**”), a wholly-owned subsidiary of the Group in the PRC, is subject to a preferential corporate income tax rate of 15% (2019: 15%).

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Underprovision in prior years — Hong Kong	63	—
Overprovision in prior years — PRC	—	(3,511)
Deferred	52	(12,738)
	<hr/>	<hr/>
Total tax charge/(credit) for the year	115	(16,249)
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year (2019: Nil).

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit for the year attributable to owners of the parent of HK\$302,029,000 (2019: loss for the year of HK\$905,423,000) and the weighted average number of ordinary shares in issue during the reporting period.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to the owners of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Earnings/(loss)		
Profit/(loss) attributable to owners of the parent, used in basic loss per share calculation	302,029	(905,423)
Interest on convertible bonds	30,029	33,922
	<hr/>	<hr/>
Profit/(loss) attributable to owners of the parent before interest on convertible bonds	332,058	(871,501)
	<hr/> <hr/>	<hr/> <hr/>

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (continued)

The calculations of basic and diluted earnings/(loss) per share are based on:

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	<u>200,000,000</u>	<u>200,000,000</u>
Effect of dilution – weighted average number of ordinary shares: Convertible bonds	<u>195,000,000</u>	<u>–</u>
Weighted average number of ordinary shares in issue during the year used in diluted earnings/(loss) per share calculation	<u><u>395,000,000</u></u>	<u><u>200,000,000</u></u>

The computation of diluted loss per share for the year ended 31 December 2019 did not assume the impact of the convertible bonds outstanding since their assumed conversion would result in a decrease in loss per share.

11. GOODWILL

Goodwill acquired through a business combination is allocated to the cash-generating unit of the Automotive Engines Business (the “**Automotive Engines CGU**”) for impairment testing.

Impairment test of the Automotive Engines CGU

The full resumption of production of the automotive engines business customers encountered further delay during 2019 and 2020 due to the shortage in supply due to the suppliers’ concern on the payment ability of the automotive engines business customers. The automotive engines business customers need to undergo further financial and operational restructuring to address the suppliers’ concern but such restructuring is still in progress as of the reporting date. Based on discussion with the automotive engines business customers, only the restructuring of one of the automotive engines business customers, namely 北汽銀翔汽車有限公司 (“**Baic Yinxiang**”) is making progress but the result of the restructuring is still uncertain. Moreover, it is expected the COVID-19 outbreak will further delay the restructuring negotiation and progress.

The resumption progress of the key automotive engines business customers remained un-promising throughout the year. The restructuring of BAIC Yinxiang is still in progress and the result remained uncertain. The resumption target, plan or schedule of BAIC Yinxiang remained unknown to the Group. Due to the unsatisfactory progress of the customers’ resumption, together with the heavy impact of the COVID-19 outbreak, the Automotive Engines Business of the Group recorded a minimal operation during the year. Moreover, based on discussion with BAIC Yinxiang, a new engine production line may be injected into BAIC Yinxiang after the restructuring which may reduce their orders to the Automotive Engines Business of the Group in the future.

11. GOODWILL (continued)

In view of the above situations, the Board performed an impairment assessment as at 30 June 2020 (“**2020 Interim Valuation**”) and recognised impairment losses of HK\$16,338,000 (31 December 2019: HK\$275,821,000) and HK\$28,416,000 (31 December 2019: Nil) in connection with goodwill allocated to Automotive Engines CGU and the property, plant and equipment related to Automotive Engines Business (the “**Automotive Engines Assets**”) respectively. The impairment losses are made based on the results of impairment tests for the Automotive Engines Business using their value in use calculation with reference to a valuation performed by Moore Transaction Services Limited (“**Moore**”), an independent professionally qualified valuer.

The following describes each key assumption on which management has based, to undertake impairment testing of the Automotive Engines Assets:

- (a) the cash flow projections from 1 July 2020 to 30 June 2025 (the “**Forecast Period**”) on management expectation of future business performance and prospects of the Automotive Engines CGU;
- (b) since only the restructuring on BAIC Yinxiang is making progress, the uncertainty about the resumption of the operations of other automotive engines business customers is very high. It is therefore assumed only BAIC Yinxiang can resume its operations during the Forecast Period. Therefore, only potential cashflow from the purchase plan of BAIC Yinxiang is considered in the projected cashflow during the Forecast Period;
- (c) given the restructuring of BAIC Yinxiang is still in progress, it is assumed BAIC Yinxiang can only resume its operations and execute its purchasing plan from 2021 onwards;
- (d) downward adjustments of 77% on the quantity from the purchasing plan of BAIC Yinxiang were made by the management considering the historical difference between the actual purchase from BAIC Yinxiang and the past purchase plans, the uncertainty of the success of the restructuring as well as the potential impact from the possible new engines production line to be injected into BAIC Yinxiang. The forecasted revenue generated was estimated at approximately HK\$463,465,000 during the Forecast Period;
- (e) the net (loss)/profit margin ranged from (12.7%) to 1.6% throughout the Forecast Period were estimated by the management based on the historical gross profit margin and fixed overheads with downward adjustments considering higher marketing expenses in the future. The forecasted loss of each period ranges from net loss of HK\$8,081,000 to net profit of HK\$1,937,000 during Forecast Period;
- (f) the pre-tax discount rate of 20.29% are used with reference to the current market data for relevant industry and comparable companies; and
- (g) the growth rate beyond Forecast Period was 2.5% which did not exceed the long-term average growth rate of the industry and the economy.

The significant changes of the inputs and assumptions used in the 2020 Interim Valuation from those previously adopted in 2019 is the downward adjustment from the purchase plan of BAIC Yinxiang increased from 70% in 2019 to 77% in 2020 due to the increased uncertainty of the future orders for BAIC Yinxiang given the possible new production line to be injected.

Based on the 2020 Interim Valuation, the Board estimated that the automotive engines business customers would generate to the Group an aggregate revenue of HK\$463,465,000 during the Forecast Period and an aggregate net loss before any impairment loss of Automotive Engines Assets of HK\$16,762,000 during the Forecast Period. Accordingly, full provision for impairment of the Group’s Automotive Engines Assets were made as at 31 December 2020.

12. ACCOUNTS RECEIVABLE

	2020 HK\$'000	2019 <i>HK\$'000</i>
Accounts receivable	777,880	698,306
Impairment	<u>(682,856)</u>	<u>(491,100)</u>
	<u>95,024</u>	<u>207,206</u>

The ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice or delivery dates and net of loss allowance, is as follows:

	2020 HK\$'000	2019 <i>HK\$'000</i>
Within 3 months	51,035	32,218
4 to 6 months	2,485	117
Over 6 months	<u>41,504</u>	<u>174,871</u>
	<u>95,024</u>	<u>207,206</u>

13. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of each reporting period, based on the invoice date, is as follows:

	2020 HK\$'000	2019 <i>HK\$'000</i>
Within 3 months	43,205	47,144
4 to 6 months	213	359
Over 6 months	<u>297,020</u>	<u>265,797</u>
	<u>340,438</u>	<u>313,300</u>

At 31 December 2020, retention payable included in accounts payable amounted to HK\$7,617,000 (2019: HK\$8,444,000) and are normally settled on terms ranging from two to three years.

The remaining accounts payable is non-interest-bearing and is normally settled between 7 to 120 days terms.

14. CONVERTIBLE BONDS

	Liability component <i>HK\$'000</i>	Equity component <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2019	352,411	375,576	727,987
Interest expense	33,922	–	33,922
At 31 December 2019 and 1 January 2020	386,333	375,576	761,909
Interest expense	30,029	–	30,029
(Gain)/loss on extinguishment of convertible bonds, net	(302,173)	8,461	(293,712)
At 31 December 2020	114,189	384,037	498,226

On 13 March 2018, the Company has executed the extension of the maturity date of the convertible bonds for 2 years from 4 February 2018 to 4 February 2020. On 8 November 2019, the Company and the then holder of the convertible bonds, Power Expert, entered into an amendment agreement, pursuant to which (i) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025. This proposed amendment took effect on 14 January 2020 (“**CB Extension**”). As a result of CB Extension, the liability and equity components were extinguished by net gain of HK\$293,712,000 based on revaluation upon the date of execution, i.e. 14 January 2020. The revaluation was carried out by Moore. On the other hand, the carrying amount has been charged with imputed interest.

On 3 February 2020, the Company received a duly-executed transfer notice from Power Expert notifying the Company that Power Expert has agreed to transfer the convertible bonds to LE Group Holdings Pte. Ltd. (“**LEGH**”). The Company has given its consent on the transfer and issued new certificates of the convertible bonds to LEGH.

On 7 October 2020, the Company received a transfer notice from LEGH notifying the Company that LEGH has agreed to transfer the convertible bonds back to Power Expert. The Company has given its consent on the transfer and issued new certificates of the convertible bonds to Power Expert.

As at 31 December 2020, the convertible bonds had a carrying amount of HK\$498,226,000 (2019: HK\$761,909,000), in which HK\$384,037,000 (2019: HK\$375,576,000) was recognised as equity and HK\$114,189,000 was recognised as non-current liabilities (2019: HK\$386,333,000 was recognised as current liabilities).

At 31 December 2019 and 2020, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390,000,000.

Subsequent to the reporting period on 19 March 2021, Power Expert issued a conversion notice to the Company in respect of the exercise of the conversion rights attached to the convertible bonds to the extent of HK\$40,000,000 and accordingly request the Company to issue 20,000,000 conversion shares of the Company. As all conditions for the conversion which were stipulated in the terms of the convertible bonds were fulfilled, the Company has given its consent on the conversion, and will issue 20,000,000 conversion shares to Power Expert. On 26 March 2021, the partial conversion of the convertible bonds has completed, and 20,000,000 conversion shares has been issued and allotted to Power Expert.

15. PROMISSORY NOTES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
First Note	123,200	235,372
Second Note	166,683	318,613
	<u>289,883</u>	<u>553,985</u>

On 4 February 2016, the Company issued two promissory notes with face values of HK\$174,250,000 (the “**First Note**”) and HK\$235,750,000 (the “**Second Note**”) in favour of Power Expert as part of the consideration for the acquisition of the Automotive Engines Business. Both the First Note and Second Note carry interest at a rate of 10% per annum. The outstanding principal amounts plus any accrued interest will be repayable on the maturity date falling on the second anniversary of the date of the First Note and Second Note, i.e. 4 February 2018.

On 31 December 2017, the Company has extended the maturity date of the First Note and Second Note for 2 years from 4 February 2018 to 4 February 2020 and the interest rate was adjusted downwards from 10% to 8% per annum, all accrued and outstanding interest shall be repaid on the extended maturity date of 4 February 2020.

On 8 November 2019, the Company and Power Expert entered into an amendment agreement, pursuant to which 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 (“**PN Extension**”). Further details of the amendment are set out in the Company’s announcement dated 8 November 2019 and the Company’s circular dated 19 December 2019. This proposed amendment took effect on 14 January 2020. As a result of PN Extension, the gain on modification of promissory notes amounted to HK\$294,577,000 was recognised based on revaluation upon the date of execution, i.e. 14 January 2020. The revaluation was carried out by Moore.

On 3 February 2020, the Company received an assignment notice from Power Expert notifying the Company that Power Expert has agreed to assign the promissory notes to LEGH. The Company has given its consent on the transfer and issued new certificates of the promissory notes to LEGH.

On 12 October 2020, the Company received an assignment notice from LEGH notifying the Company that LEGH has agreed to assign the promissory notes back to Power Expert. The Company has given its consent on the transfer and issued new certificates of the promissory notes to Power Expert.

As at 31 December 2020, the promissory notes had a carrying amount of HK\$271,319,000 (2019: Nil) and HK\$18,564,000 (2019: HK\$553,985,000) recognised as non-current liabilities and current liabilities, respectively.

Subsequent to the reporting period on 27 January 2021, Future Marvel Limited (a wholly-owned subsidiary of the Company), as the vendor, entered into a sale and purchase agreement with Mr. Liu Chang, as the purchaser, for a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group to Future Marvel Limited, which represented the whole Automotive Engines Business of the Group. The total consideration for the disposal was HK\$41,500,000, which was settled by the purchaser in the way of (i) HK\$500,000 by cash; and (b) the balance of HK\$41,000,000 by way of waiver of the interests of the promissory notes held by Power Expert. The disposal and the waiver of the interest of the promissory notes have been completed on 29 January 2021.

The carrying amounts of the First Note and Second Note at year end were computed by discounting the face values of the notes by the effective interest rate and the outstanding interest payable.

16. EVENTS AFTEER THE REPORTING PERIOD

- (a) On 27 January 2021, Future Marvel Limited (a wholly-owned subsidiary of the Company), as the vendor, entered into a sale and purchase agreement with Mr. Liu Chang, as the purchaser, for a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group to Future Marvel Limited, which represented the whole Automotive Engines Business of the Group. The total consideration for the disposal was HK\$41,500,000, which was settled by the purchaser in the way of (i) HK\$500,000 by cash; and (b) the balance of HK\$41,000,000 by way of waiver of the interests of the promissory notes held by Power Expert. The disposal and the waiver of the interest of the promissory notes have been completed on 29 January 2021.
- (b) On 7 March 2021, the Company entered into two subscription agreements with two subscribers, namely Mao Yuan Capital Limited and Mr. Zhang Yaxun, in respect of the subscriptions of an aggregate of 40,000,000 subscription shares at the subscription price of HK\$4.80 per share. The issue of the 40,000,000 subscription shares will not be subject to the approval by the shareholders and the subscription shares will be issued under the general mandate granted to the Directors at the 2020 annual general meeting held on 19 June 2020. The gross proceeds from the subscriptions will be approximately HK\$192,000,000, which are expected to improve the liquidity of the Group.
- (c) On 19 March 2021, Power Expert issued a conversion notice to the Company in respect of the exercise of the conversion rights attached to the convertible bonds to the extent of HK\$40,000,000 and accordingly request the Company to issue 20,000,000 conversion shares of the Company. As all conditions for the conversion which were stipulated in the terms of the convertible bonds were fulfilled, the Company has given its consent on the conversion, and will issue 20,000,000 conversion shares to Power Expert. On 26 March 2021, the partial conversion of the convertible bonds has completed, and 20,000,000 conversion shares has been issued and allotted to Power Expert.

17. CONTINGENT LIABILITIES

- (a) As at 31 December 2020, the guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK\$18,649,000 (2019: HK\$8,635,000).
- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.
- (c) The Group has been subject to a number of claims for interest charge from the suppliers of the Automotive Engines Business due to late settlement of the relevant accounts payable. The amount of claims are amounted to HK\$3,247,000 (2019: HK\$1,902,000) and the directors are of the opinion that since i) there is no evidence that such claims would not likely to materialise; and ii) the Group has completed the disposal of the Automotive Engines Business on 29 January 2021 and any potential claims would be borne by the purchaser of the Automotive Engines Business, such claims would not result in any material adverse impact on the financial position or results and operations of the Group.

18. COMPARATIVE AMOUNTS

Certain comparative amounts have been represented to conform to the presentation of current year.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

The following is an extract of the independent auditor’s report on the Company’s consolidated financial statements for the year ended 31 December 2020:

Opinion

“In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2 in the consolidated financial statements, which indicates that as of 31 December 2020, the Group had net current liabilities of HK\$233,085,000 and net liabilities of HK\$678,929,000. These conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL REVIEW

For the year ended 31 December 2020, the Group was principally engaged in two business segments, which were (i) civil engineering works and building construction and maintenance works (the “**Civil Engineering and Construction Business**”); and (ii) development, production and sale of automotive engines (the “**Automotive Engines Business**”).

Since late 2019, the Group has witnessed a significant increase in the hardness of the business environment. From an inside perspective, the COVID-19 pandemic has caused a significant challenge to maintain a smooth and effective operation of the Group. From the perspective of the overall environment, the pandemic has significantly decreased and handicapped the economic activities. On the other hand, the China-US trade war, together with the uncertainty in governments’ policies on trades and business, remains as a doom for small or mid-size businesses in Hong Kong and mainland China. Given such challenges and uncertainties, the Civil Engineering and Construction Business has managed to record a stable performance for the year ended 31 December 2020, while the Automotive Engines Business has encountered practical difficulty to achieve any improvements.

In January 2021, the Group proceeded and completed the disposal of the Automotive Engines Business, mainly because that it failed to make any progress, not mentioning a turnaround, in its business or financial performances and the slow progress of the restructuring of some key customers of the Automotive Engines Business. Following the disposal, the Group has ceased to be engaged in the Automotive Engines Business.

Then in March 2021, the Company decided to start investing in the global carbon neutral business (the “**Carbon Neutral Business**”), including the acquisition of global forest rights and related carbon rights, as well as the investment in clean energy (including solar energy, wind energy, energy storage and carbon capture and storage) and carbon credit trading and the development of digital assets of clean energy, to actively echo the major commitment made by the top Chinese leader in the General Assembly of the United Nation, which states that China will strive to achieve the goals of carbon peak in 2030 and carbon neutral in 2060 and contribute to the objective of responding to global climate change. The management was positive on the prospects of the Carbon Neutral Business, and was of the view that it can bring in a long-term profitability to the Group.

The abovementioned disposal of the Automotive Engines Business and the tapping into the Carbon Neutral Business are expected to make an improvement on the Group’s business and financial performance, but are not reflected in the financial statements of the Group for the year ended 31 December 2020.

For the year ended 31 December 2020, the Group recorded a consolidated revenue of approximately HK\$478 million (2019: approximately HK\$459 million). The Group recorded a profit attributable to owners of the parent of approximately HK\$302 million (2019: loss of approximately HK\$905 million). The turnaround from loss to profit is mainly due to:

- (i) a turnaround from the gross loss of approximately HK\$53 million for the year ended 31 December 2019 to the gross profit of approximately HK\$8 million for the year ended 31 December 2020. Such gross profit was mainly attributable to the Civil Engineering and Construction Business which managed to achieve a stable performance for the year ended 31 December 2020.
- (ii) a gain from fair value change of approximately HK\$293 million and HK\$294 million on the convertible bonds and promissory notes of the Company respectively, whose terms have been amended to the favour of the Company in January 2020.
- (iii) for the year ended 31 December 2019, the Company recorded a significant amount of impairment on the inventories, intangible assets, goodwill and accounts receivables which are related to the Automotive Engines Business. Such impairments in the aggregated amount of approximately HK\$746 million for the year ended 31 December 2019 have significantly decreased to approximately HK\$203 million for the year ended 31 December 2020. The impairment losses for the year ended 31 December 2020 mainly include impairment losses on inventories, accounts receivables, property, plant and equipment and goodwill of approximately HK\$7 million, HK\$152 million, HK\$28 million and HK\$16 million respectively.

Basic and diluted earnings per share for the year ended 31 December 2020 were approximately HK\$151.0 cents and HK\$84.1 cents respectively (2019: basic and diluted loss per share of approximately HK\$452.7 cents).

Civil Engineering and Construction Business

For the year ended 31 December 2020, the Civil Engineering and Construction Business managed to record a stable performance, despite of the grave challenges from the COVID-19 outbreak and the economic downslope in Hong Kong.

As a main contractor of the contracts awarded to the Group, the Civil Engineering and Construction Business offers high value-added services that encompass works from the procurement of materials and equipment, selection of sub-contractors to on-site supervision, work progress monitoring and overall co-ordination of the day-to-day work of projects. All of the Civil Engineering and Construction Business' contracts undertaken for both civil and building construction business were for customers which are independent third parties, including certain departments of the Government of Hong Kong, public utilities companies and private organizations in Hong Kong.

For the year ended 31 December 2020, revenue generated from the Civil Engineering and Construction Business was approximately HK\$475 million (2019: approximately HK\$378 million), represented approximately 99.4% of the total revenue of the Group (2019: approximately 82.3%). For the year ended 31 December 2020, the gross profit of the Civil Engineering and Construction Business was approximately HK\$15 million (2019: gross loss of approximately HK\$20 million), representing a gross profit margin of approximately 3.1% (2019: gross loss margin of approximately 5.3%).

As of 31 December 2020, the Group had 12 significant projects in progress. 3 of them were building construction and maintenance projects while the remaining were civil engineering construction projects. As of 31 December 2020, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$536.6 million and HK\$197.4 million respectively (2019: approximately HK\$566.1 million and HK\$300.1 million respectively).

Despite the tough operating environment in Hong Kong, including the down-sloping local economy and the difficulty to maintain a continuous and effective operation under the safety concerns on the workers under the COVID-19 pandemic, the Civil Engineering and Construction Business maintained its competitive advantages, which is to provide high-quality services of a wide scope and to maintain a cordial client relationship, and the progress in obtaining new contracts managed to record a stable performance for the year ended 31 December 2020. The Group has been awarded 5 new substantial contracts for the year ended 31 December 2020:

- 3 contracts from Hongkong Telecommunication Limited for Provision of Intergrated Field Works & Civil Work
- Civil and Building Works for North Point 132kV GIS improvement
- Improvement Works for Elevated Cable Trough at Deep Water Bay

Automotive Engines Business

For the year ended 31 December 2020, the Automotive Engines Business witnesses a stagnancy with very minimal operation recorded.

For the year ended 31 December 2020, revenue generated from the Automotive Engines Business was approximately HK\$3 million (2019: approximately HK\$81 million), represented approximately 0.6% of the total revenue of the Group (2019: approximately 17.7%). For the year ended 31 December 2020, the gross loss of the Automotive Engines Business was approximately HK\$6 million (2019: approximately HK\$32 million).

As the final products of the Automotive Engines Business are specifically designed for only a few customers (the “**Automotive Engines Business Customers**”) in the PRC, operation status of each of such customers will have a crucial impact on the performance of this business segment. In the past few years, as a result of the reduction of excessive production capacity policy and the de-leveraging policy in the PRC since 2018, business performance of most of the Automotive Engines Business Customers are unsatisfactory, and they are facing financial difficulties with their operations materially affected. Among these Automotive Engines Business Customers, the Company became aware in 2020 that a key customer (the “**Key Customer**”) was undergoing corporate restructuring in order to improve its financial position and resume normal operation. Further, the management of the Group was given to understand that a new engine production line may be injected into the Key Customer following its business restructuring and such injection will materially reduce its planned orders with the Automotive Engines Business in the future.

In 2020, the operation of the Automotive Engines Business has shrunk significantly with no new orders placed by its customers and no new products manufactured. Its revenue dropped significantly for the year ended 31 December 2020, with the minimal revenue attributable to this segment mainly consisting of delivering inventory manufactured in 2019 and providing replacement parts. Full impairment losses were made on the property, plant and equipment and goodwill of the Automotive Engines Business during 2020.

In light of the above, the Company was in the view that the business prospect of the Automotive Engines Business was highly uncertain and not promising. Then in January 2021, the Group proceeded and completed the disposal of the Automotive Engines Business.

PROSPECTS

Despite the hardness in the year 2020, the management remains positive about the prospects of the Group.

For the Civil Engineering and Construction Business, although the operating environment in Hong Kong is expected to remain tough in the coming years such as continuously rising wages and cost of construction materials and shortage of skilled labor, the Company is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works. The Group will continue to adopt a prudent approach when submitting new tenders.

Deploying the Group’s resources into the Carbon Neutral Business constitutes a milestone in the history of the Company. After studying the business environment, especially the highly-supportive policies of the Chinese government, the management is of the view that this business is a valuable opportunity which can create returns to the Company and its shareholders. According to the forecast in the report issued by The Investment Association of China regulated by the National Development and Reform Commission of the People’s Republic of China on 8 November 2020, China will unfold over RMB70 trillion of investment opportunities in green industry in the future, creating a huge market.

Mentionable measures conducted by the Group to explore the Carbon Neutral Business include (i) a proposed change of the Company name from “Bisu Technology Group International Limited” to “China Carbon Neutral Development Group Limited”; (ii) entering into a strategic cooperation agreement on carbon neutral development with China Eco Development Association; and (iii) engaging expertise and professional persons in relevant areas to form a management team.

PROPOSED CHANGE OF COMPANY NAME

To cope with the needs of entering into the Carbon Neutral Business, the Board proposed on 2 March 2021 to change the name of the Company from “Bisu Technology Group International Limited” to “China Carbon Neutral Development Group Limited”, and adopt the Chinese name of “中國碳中和發展集團有限公司” as the dual foreign name of the Company to replace its existing Chinese name of “比速科技集團國際有限公司” (the “**Proposed Change of Company Name**”).

The Board considers that the Proposed Change of Company Name will better reflect the new business plans of the Company and its direction of future business development (i.e. the Carbon Neutral Business). The proposed new name will provide the Company with a new corporate image which will enable the Group to better identify itself and capture potential business opportunities for its future development.

On 8 April 2021, an extraordinary general meeting of the Company will be convened for the shareholders to consider and approve the Proposed Change of Company Name. As at the date of this announcement, the Proposed Change of Company Name has not become effective.

COOPERATION WITH CEDA

On 10 March 2021, the Company has entered into a strategic cooperation agreement on the Carbon Neutral Business with China Eco Development Association (“**CEDA**”, the association is a national first-class association approved by the State Council of the PRC and supervised by the National Forestry and Grassland Administration) to achieve the strategic goal of “China’s commitment to peak its carbon emissions by 2030 and become carbon neutral by 2060” by Chinese leader made before the UN General Assembly.

The cooperation targets at a wide spectrum of the Carbon Neutral Business, including but not limited to (i) increasing carbon sink forest in China; (ii) building a national forest carbon sink sharing platform; (iii) establishing a carbon credit identification and certification institution; (iv) building a carbon credit trading platform; and (v) promoting the application and promotion of high and new technology achievements in the field of carbon neutral.

The CEDA is national first-class association approved by the State Council of the PRC and supervised by the National Forestry and Grassland Administration, whose business scope includes ecological conservation, afforestation, desertification prevention and control, wetland and wildlife protection, ecotourism, forest carbon sink, forest food, ecological fund, etc. The CEDA is also an important social organization of China’s carbon neutral projects.

The cooperation enables the Company to cooperate with national institutions with rich resources, provide the foundation for the implementation of the Company’s strategic objectives, and form the unique competitive advantages of the Company. The Company will promote cooperation with the CEDA in accordance with the cooperation agreement. Further announcement will be made when appropriate if there is any update.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations, financials and prospects are affected by risks and uncertainties. The risk factors listed below may directly or indirectly lead to significant differences in the Group's operating performances, financial positions and development prospects from its expected or past performances. These factors are not comprehensive, and there may be other risks and uncertainties that are not known by the Group or may not be noticeable at present, but may become significant in the future.

Business Risk

Performance of all business segments of the Group may be affected by fluctuations in market prices and market demands of the Group's final products and services. On the other hand, raw materials or outsourced services which are provided by the Group's suppliers are subject to price fluctuations. For example, the Civil Engineering and Construction Business requires a significant input of human resources which are impacted by many factors, such as local labor market, worker training, and worker protection practices. The Group does not enter into any contracts to hedge against such price fluctuations. Therefore, any increases in these raw materials, outsourced services or human resources will exert pressures on the Group's production costs, gross profits and final prices at which the Group in turn charges the customers. If the Group fails to adapt and respond successfully to the changing demands and supplies, it may adversely affect the business performance and development prospects. For the Carbon Neutral Business that the Group plans to tap into, the management expects that it is subject to the impact of similar business risks, such as the trading prices of the carbon credits, etc.

Industry Risk

All business segments of the Group are operated in industries which are highly competitive. Competition may intensify as the Group's competitors expand their product or service, lower their prices, or increase their qualities. There may be new competitors entering the Group's existing markets as well. If the Group does not compete successfully against existing and new competitors, the Group may not be able to maintain its existing business scale and operation performance.

Policy Risk

Some business segments of the Group must abide by various policies and regulations. For example, the Civil Engineering and Construction Business is subject to compliance requirements imposed by the Hong Kong government. The regulators may require the Group to apply for new licenses, and impose new rules, regulations or requirements. In year 2020, the Hong Kong government has placed rigid controls on the working environment to control the COVID-19 pandemic. Changes in such policies and regulations will affect the general operating flow or processing methods of the Group's business. If the Group cannot respond to the changes in an effective and efficient way, the operation results and therefore the financial results will be adversely impacted.

Credit Risk

All business segments of the Group allow a credit for their customers' payment. All trade and other receivables are accounted by their carrying amounts less expected credit loss. In the year 2020, the Group has experienced significant delay in the payment of the trade and other receivables, especially in the Automotive Engines Business, and therefore some credit loss has been recognized in the financial statements of the Group in accordance with the accounting standards. However, the impaired amounts of the trade and other receivables do not represent the Group's maximum exposure to credit risk. Recoverability of such receivables depends on a lot of factors, including the general economy, government policies, investor confidences, and most importantly, the business performances and financial positions of each debtor. In January 2021, the Group completed the disposal of the Automotive Engines Business, and therefore recorded a lesser amount of the trade and other receivables in its financial statements. But on the other hand, the increase in the economic fluctuations and uncertainties will lead to higher possibilities of the payment default. Therefore, the credit risk remains as an important decider on the financial performance of the Group.

Liquidity Risks

As at 31 December 2021, the Group recorded a net liability position, indicating that the Group was exposed to liquidity risk. Despite that the Group has conducted some measures to raise additional working capital to finance its operation, such as debt financing from the shareholders of the Company, or equity financing by issuing new shares, the Group has not reverted its net liability position to a net asset one. Therefore, there is always a risk that the Group cannot meet its financial obligations as they fall due.

Event Risks

Event risk refers to the risk of a negative impact on the Company's operational performance and financial position as a result of an unexpected event like a natural disaster or an industrial accident. These kinds of events may interrupt the Group's operations, increase prices of raw material and outsourced services, and deteriorate other risks and uncertainty that the Group are facing. All such events are outside control of the Group and there is no guarantee that the Group's responsive measures are sufficient. For the year ended 31 December 2020, the COVID-19 outbreak has caused a significant downslope in the local economies, and also increased the safety and hygiene regulations imposed by the governments which in turn put a high pressure to the Group. The management found that it was more difficult to maintain a smooth and effective operation flow when compared with before.

CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2020, the Group had cash and cash equivalents of approximately HK\$50 million (2019: approximately HK\$65 million). The Group had not pledged any bank deposits for the bank loans. The Group's cash and cash equivalents were denominated in HK\$ and RMB.

As at 31 December 2020, the total liabilities were approximately HK\$935 million (2019: approximately HK\$1,414 million). Among the liability of the Group as at 31 December 2020, there included (i) the promissory notes with a carrying amount of approximately HK\$290 million (2019: approximately HK\$554 million); and (ii) the convertible bonds with a carrying amount of approximately HK\$114 million (2019: approximately HK\$386 million).

On 8 November 2019, the Company and the then holder of the convertible bonds and the promissory notes, Power Expert Global Limited ("**Power Expert**"), entered into an amendment agreement, pursuant to which (i) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; 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. This proposed amendment took effect on 14 January 2020. Following the amendment, majority of the convertible bonds and the promissory notes were categorised as non-current liabilities, and accordingly, the repayment pressure on the Company has been significantly levitated.

Interest-bearing bank and other borrowings of the Group comprised (i) other loans from independent third parties of approximately HK\$44 million (2019: approximately HK\$54 million) with the contractual interest of 5.0% to 12.0% per annum; and (ii) bank loans of approximately HK\$Nil (2019: approximately HK\$4 million) with an interest rate of the Hong Kong Inter-Bank Offered Rate plus 2.5% per annum, of which a corporate guarantee was given by the Company on the bank loans. They are repayable within 1 to 3 year.

As at 31 December 2020, the Group had banking facilities of approximately HK\$45 million (2019: approximately HK\$42.8 million) of which approximately HK\$45 million was not utilized and was secured by corporate guarantees.

As at 31 December 2020, the Group held other borrowings of approximately HK\$49.6 million (2019: approximately HK\$29.7 million) which is owed to a controlling shareholder, Mr. Jiang Jianhui. Except for HK\$4.3 million is charged 1% interest per annum, the remaining amount of HK\$45.3 million (2019: HK\$25.4 million) was unsecured, interest-free and repayable within three years.

As at 31 December 2020, the net current liabilities were approximately HK\$233 million (2019: approximately HK\$981 million). Current ratio of the Group was approximately 0.5 as at 31 December 2020 (2019: approximately 0.3), which is calculated by dividing current assets by current liabilities.

Gearing ratio is calculated based on the amount of net cash and bank balances (interest-bearing borrowings, liability component of the convertible bonds and promissory notes less cash and cash equivalent) divided by the total equity. The gearing ratio as at 31 December 2020 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2020 (2019: not available).

CONVERTIBLE BONDS AND PROMISSORY NOTES

On 4 February 2016, the Company issued (i) zero coupon convertible bonds with an aggregate principal amount of approximately HK\$390.0 million and a conversion price of HK\$2.00 per conversion share; and (ii) promissory notes in the aggregate principal amount of approximately HK\$410.0 million to Power Expert as part of the consideration for the acquisition of 100% equity interest in Well Surplus Enterprises Limited and its subsidiaries which were principally engaged in the Automotive Engines Business.

On 8 November 2019, the Company and Power Expert entered into an amendment agreement, pursuant to which (i) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; 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.

On 3 February 2020, the Company received (i) a transfer notice from Power Expert notifying the Company that Power Expert has agreed to transfer the entire convertible bonds to LE Group Holdings Pte. Ltd. Later (“**LEGH**”); and (ii) an assignment notice from Power Expert notifying the Company that Power Expert has agreed to assign the entire promissory notes to LEGH. The Company has given its consent on the transfer and issued new certificates of the convertible bonds and the promissory notes to LEGH.

On 7 October 2020, the Company received a transfer notice from LEGH notifying the Company that LEGH has agreed to transfer the entire convertible bonds back to Power Expert. The Company has given its consent on the transfer and issued new certificates of the convertible bonds to Power Expert.

On 12 October 2020, the Company received an assignment notice from LEGH notifying the Company that LEGH has agreed to assign the entire promissory notes back to Power Expert. The Company has given its consent on the transfer and issued new certificates of the promissory notes to Power Expert.

PARTIAL CONVERSION OF THE CONVERTIBLE BONDS

On 19 March 2021, Power Expert issued a conversion notice to the Company in respect of the exercise of the conversion rights attached to the convertible bonds to the extent of HK\$40,000,000 and accordingly requested the Company to issue 20,000,000 new shares. As all conditions for the conversion which were stipulated in the terms of the convertible bonds were fulfilled, the Company gave its consent on the conversion, and agreed to issue 20,000,000 conversion shares to Power Expert. The conversion is expected to decrease the total amount of the liabilities of the Group, and increase the equity base of the Company.

On 26 March 2021, the partial conversion of the convertible bonds has completed, and 20,000,000 conversion shares has been issued and allotted to Power Expert.

SUBSCRIPTION OF NEW SHARES

On 7 March 2021, the Company (as issuer) entered into two subscription agreements with two subscribers, namely Mao Yuan Capital Limited and Mr. Zhang Yaxun, in respect of the subscriptions of an aggregate of 40,000,000 subscription shares at the subscription price of HK\$4.80 per share.

The subscription shares will be issued under the general mandate granted to the Directors at the 2020 annual general meeting held on 19 June 2020.

The gross proceeds of the subscriptions will be HK\$192,000,000. The net proceeds from the subscriptions (after deducting all applicable costs and expenses of the subscriptions) will be approximately HK\$192,000,000, of which HK\$60,000,000 are intended for the general working capital of the Group and/or the repayment of the debts of the Group, and the remaining HK\$132,000,000 are intended to develop the Carbon Neutral Business and/or the exploration of other possible new business. The subscriptions are expected to improve the liquidity of the Group, as well as increase the asset base and the equity base of the Company.

As at the date of this announcement, the subscriptions have not completed.

SHARE CAPITAL

As at 1 January 2020 and 31 December 2020, the Company has issued a total of 200,000,000 shares in the par value of HK\$0.01 each. There was no movement for the year ended 31 December 2020.

On 26 March 2021, the Company has completed a partial conversion of the convertible bonds to the extent of HK\$40,000,000 and at the conversion price of HK\$2.00 per share, and accordingly issued 20,000,000 conversion shares to Power Expert.

Following the abovementioned change and as at the date of this announcement, the Company has issued a total of 220,000,000 shares in the par value of HK\$0.01 each. All shares are fully paid and rank pari passu with each other in all respects.

GOING CONCERN

Given the net liability position of the Group and the challenging business environment, including but not limited to the uncertainty in the COVID-19 outbreak and the China/US relationship, the worrisome issue of going concern should be taken into consideration when assessing the prospects of the Group. Nevertheless, the management maintained the opinion that the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due in the foreseeable future, based on the following consideration:

- (i) On 27 January 2021, Future Marvel Limited (a wholly-owned subsidiary of the Company), as the vendor, entered into a sale and purchase agreement with Mr. Liu Chang, as the purchaser, for a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group to Future Marvel Limited, which represented the whole Automotive Engines Business of the Group. The total consideration for the disposal was HK\$41,500,000, which was settled by the purchaser in the way of (i) HK\$500,000 by cash; and (b) the balance of HK\$41,000,000 by way of waiver of the interests of the promissory notes held by Power Expert Global Limited (“**Power Expert**”). The disposal has completed on 29 January 2021.

As of 31 December 2020, the Automotive Engines Business reported a net current liabilities and net liabilities of HK\$256,171,000 and HK\$269,520,000, respectively. The disposal of which would significantly improve the financial position of the Group.

- (ii) A major shareholder of the Company has agreed to provide additional funding by way of shareholder's loan for not less than HK\$45,000,000 from 1 January 2021 to 30 June 2022 to the Group as and when required, and not to demand for repayment of the amount due by the Group until it is in the position to repay without impairing its liquidity and financial position. As of the reporting date, the shareholder's loan of HK\$1,252,000 was drawn down by the Group.
- (iii) On 7 March 2021, the Company entered into two subscription agreements with two subscribers, namely Mao Yuan Capital Limited and Mr. Zhang Yaxun, in respect of the subscriptions of an aggregate of 40,000,000 subscription shares at the subscription price of HK\$4.80 per share. The issue of the 40,000,000 subscription shares will not be subject to the approval by the shareholders and the subscription shares will be issued under the general mandate granted to the Directors at the 2020 annual general meeting held on 19 June 2020. The gross proceeds from the subscriptions will be approximately HK\$192,000,000, which are expected to improve the liquidity of the Group.

The Directors believe that, taking into account the above factors and based on the existing information available to the Group, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from 31 December 2020. However, should the above financing or support be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, and to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed, the Group did not have any material acquisition or disposals of subsidiaries, associates and joint venture for the year ended 31 December 2020 (2019: nil).

On 29 January 2021, Future Marvel Limited, a wholly owned subsidiary of the Company, completed a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group. The disposed interests constitute the Group's entire investment in the Automotive Engines Business.

SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2020, the Group did not have any significant investment or capital assets (2019: nil).

PLEDGE OF ASSETS

As at 31 December 2020, the Group did not have any pledge of assets (2019: nil).

CONTINGENT LIABILITIES

Detail of the Group's contingent liabilities are set out in note 17 to the financial results.

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in HK\$ and RMB, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had approximately 334 employees (2019: 452) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for the PRC employees.

EVENTS AFTER THE REPORTING PERIOD

Since 31 December 2020, the Group has occurred the following transactions which have not been fully reflected in the consolidated financial statements of the Company for the year ended 31 December 2020:

(i) Disposal of the Automotive Engines Business

On 27 January 2021, Future Marvel Limited (a wholly-owned subsidiary of the Company), as the vendor, entered into a sale and purchase agreement with Mr. Liu Chang, as the purchaser, for a disposal of the entire issued shares in Well Surplus Enterprises Limited and the shareholder loans owned by the disposal group. The total consideration for the disposal was HK\$41,500,000, which was settled by the purchaser in the way of (a) HK\$500,000 by cash; and (b) the balance of HK\$41,000,000 by way of waiver of the interests of the promissory notes held by Power Expert.

The disposal has completed on 29 January 2021. Following the disposal, the Group was expected to record a significant gain on disposal of approximately HK\$280,000,000, calculated by taking into account the consideration of the disposal, the relevant expenses in relation to the disposal, the net liabilities of the Automotive Engines Business, and the relevant sale loan. The disposal will further lessen the Group's financial pressure to support the daily operation of the Automotive Engines Business.

Upon completion of the disposal, Well Surplus Enterprises Limited has ceased to be a subsidiary of the Company and the Company has ceased to have any interest in it. The financial results of the group of Well Surplus Enterprises Limited will no longer be consolidated into the consolidated financial statements of the Group and the Group will cease to engage in the Automotive Engines Business.

(ii) Subscription of 40,000,000 new shares

On 17 March 2021, the Company amounted the subscriptions of 40,000,000 new shares at the subscription price of HK\$4.80 per share, with total net proceeds of approximately HK\$192,000,000 to be raised. As at the date of this announcement, the subscriptions have not been completed.

(iii) Partial conversion of the convertible bonds

On 26 March 2021, the Company has completed a partial conversion of the convertible bonds to the extent of HK\$40,000,000 and at the conversion price of HK\$2.00 per share, and accordingly issued 20,000,000 conversion shares to Power Expert. There was no cash flow impact related to the conversion.

Save as disclosed, there was no other significant event after the reporting period and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2020 (2019: Nil).

OTHER INFORMATION

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 11 December 2013, the date on which dealings in its shares first commence on the Stock Exchange.

For the year ended 31 December 2020 and up to the date of this announcement, the Company has complied with the code provisions set out in the CG Code with the following exception:

Code provision A.2.1 of the CG Code requires that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. There were periods during the year ended 31 December 2020, wherein the Company has not appointed the chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by all the executive Directors collectively. On 5 February 2020, Mr. Artem Matyushok was appointed as the chief executive officer of the Company. On 9 February 2021, Mr. Chen Bingyan was appointed as the chairman of the board of Directors. On 17 March 2021, Mr. Chen Bingyan resigned as a non-executive Director and the chairman of the board of Directors. On 18 March 2021, Mr. Gao Gunter was appointed as the chairman of the board of Directors. As at the date of this announcement, the roles of the chairman and the chief executive officer have been properly separate.

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Director and independent non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

Code provision E.1.2 of the CG Code requires the chairman of the Board should attend the annual general meeting of the Company. Since the Company has not appointed a chairman of the Board at the relevant time, no chairman of the Board attended the annual general meeting of the Company held on 19 June 2020 (the "**2020 AGM**"). Other members of the Board (including executive Directors, the chairman of each of the Audit Committee and the Remuneration Committee and the members of the Nomination Committee) attended the 2020 AGM to ensure effective communication with the shareholders of the Company.

Code provision A.4.2 of the CG Code requires that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Mr. Xing Bin ("**Mr. Xing**"), an executive Director, was first appointed as a Director at a meeting of the Board held on 11 September 2015 and was re-elected as a Director at the annual general meeting of the Company held on 23 August 2016. In accordance with the CG Code, Mr. Xing should have been subject to retirement at the 2019 annual general meeting (the "**2019 AGM**"). However, the Company inadvertently did not notice the status of Mr. Xing's directorship. As a result, Mr. Xing did not retire at the 2019 AGM and continued to act as a Director and his name continued to appear on the register of directors of the Company as a Director since the conclusion of the 2019 AGM. A Board meeting from which Mr. Xing has abstained from attending and voting was held on 10 February 2019 and the Board has confirmed the appointment of Mr. Xing as a Director. An extraordinary general meeting has been convened on 19 June 2020 to approve the re-election of Mr. Xing as an executive Director.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended 31 December 2020.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2020, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 24 March 2016, the shareholders of the Company approved the adoption of the share option scheme of the Company (the “Scheme”). The Scheme was later adopted by the Company on 29 March 2016.

For the year ended 31 December 2020, no options or securities has been granted, exercised, cancelled or lapsed under the Scheme. As at 1 January 2020 and 31 December 2020, there was no outstanding option under the Scheme.

CHANGE OF DIRECTORS

From 1 January 2020 to the date of this announcement:

- (i) Mr. Artem Matyushok was appointed as an executive Director and the chief executive officer of the Company with effect from 5 February 2020.
- (ii) Mr. Brett Ashley Wight was appointed as an executive Director with effect from 5 February 2020.
- (iii) Mr. Lam Wah was re-designated from a non-executive Director to an executive Director with effect from 3 August 2020.
- (iv) Mr. Liu Wengang resigned as an executive Director with effect from 20 August 2020.
- (v) Mr. Zhang Guozhi resigned as an independent non-executive Director, the chairman of the Nominee Committee, a member of the Audit Committee and a member of the Remuneration Committee with effect from 16 October 2020.
- (vi) Mr. Yu Wai Chun was appointed as an independent non-executive Director, the chairman of the Nominee Committee, a member of the Audit Committee and a member of the Remuneration Committee with effect from 16 October 2020.
- (vii) Mr. Chin Chun Hin was appointed as an executive Director with effect from 13 November 2020.
- (viii) Mr. Chen Bingyan was appointed as a non-executive Director with effect from 2 February 2021.
- (ix) Mr. Chen Bingyan was appointed as the chairman of the Board with effect from 9 February 2021.
- (x) Mr. Lam Wah resigned as an executive Director with effect from 2 March 2021.
- (xi) Mr. Xing Bin resigned as an executive Director with effect from 2 March 2021.
- (xii) Dr. Gao Gunter was appointed as an executive Director with effect from 2 March 2021.
- (xiii) Mr. Chen Xinwei was appointed as an executive Director with effect from 2 March 2021.
- (xiv) Mr. Chen Bingyan resigned as a non-executive Director and the chairman of the Board with effect from 17 March 2021.

- (xv) Mr. Chin Chun Hin resigned as an executive Director with effect from 17 March 2021.
- (xvi) Dr. Cui Dingjun was appointed as an executive Director with effect from 18 March 2021.
- (xvii) Mr. Di Ling was appointed as an executive Director with effect from 18 March 2021.
- (xviii) Dr. Gao Gunter was appointed as the chairman of the Board with effect from 18 March 2021.

CHANGES IN INFORMATION OF THE DIRECTORS

Mr. Yip Mei Shun, an independent non-executive Director, was now a responsible officer of Logic Global Assets Management Limited, a company licensed to carry out type 9 regulated activity – asset management under the SFO from 16 March 2021. He was also appointed as an independent non-executive director of Imperial Pacific International Holdings Limited, a company whose shares are listed on the main board of the Stock Exchange with stock code of 1076, from 1 February 2021.

Upon specific enquiry by the Company and following confirmations from the Directors, and save for the disclosed above, there was no change in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules for the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules.

ANNUAL REPORTING AND ANNUAL GENERAL MEETING

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, discussed risk management, internal controls and financial reporting matters and the consolidated results of the Group for the year ended 31 December 2020. The Audit Committee comprises three members including Mr. Leung Tsz Wing (Chairman), Mr. Ip Mei Shun and Mr. Yu Wai Chun, all being independent non-executive Directors.

SCOPE OF WORK OF AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Company's auditor, Zenith CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2020.

The work performed by Zenith CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zenith CPA Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.bisu-tech.com). The annual report will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting, together with a circular therefor, will be published on the websites of the Stock Exchange and the Company and dispatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management team and staff for their hard work and dedication, as well as our shareholders, business partners and associates, bankers and auditors for their continuous support to the Group.

Yours faithfully,
For and on behalf of the Board
Bisu Technology Group International Limited
Dr. Gao Gunter
Chairman

Hong Kong, 29 March 2021

As at the date of this announcement, the executive Directors are Dr. Gao Gunter, Mr. Chen Xinwei, Dr. Cui Dingjun, Mr. Di Ling, Mr. Artem Matyushok and Mr. Brett Ashley Wight; and the independent non-executive Directors are Mr. Ip Mei Shun, Mr. Leung Tsz Wing and Mr. Yu Wai Chun.