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啟迪國際
TUS INTERNATIONAL

TUS INTERNATIONAL LIMITED

啟迪國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE 70% EQUITY INTEREST IN
TUS CLOUD CONTROL (BEIJING) TECHNOLOGY LIMITED**

Financial Adviser to the Company



TUS Corporate
Finance Limited

THE DISPOSAL

After trading hours on 14 September 2020, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchasers, the Target Company and the Minority Shareholder entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchasers have conditionally agreed to acquire, in aggregate 70% of the equity interest in the Target Company at the Consideration of RMB105 million (equivalent to approximately HK\$115.5 million) in accordance with the terms and conditions of the Equity Transfer Agreement.

Pursuant to the Equity Transfer Agreement, each of the Purchaser A, Purchaser B, Purchaser C and Purchaser D shall acquire 30%, 9%, 21% and 10% equity interest of the Target Company from the Vendor, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% and all of them are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, given that (i) the Purchaser B and Purchaser C are indirectly held as to approximately 38.8% and 65.6% by Tus-Holdings, respectively; (ii) Tuspark Venture is a substantial shareholder of the Company holding 452,519,805 Shares (representing approximately 21.9% of the total issued share capital of the Company) and a wholly-owned subsidiary of Tus-Holdings. Accordingly, each of the Purchaser B and Purchaser C is an associate of Tuspark Venture and Tus-Holdings, and is a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction contemplated under the Equity Transfer Agreement constitute connected transaction of the Company and is also subject to the reporting, announcement, circular, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Equity Transfer Agreement and the transaction contemplated thereunder. Lego Corporate Finance has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement and the transaction contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Equity Transfer Agreement and the Disposal; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Equity Transfer Agreement and the transaction contemplated thereunder, and (iii) a letter of advice from Lego Corporate Finance to the Independent Board Committee and the Independent Shareholders containing its advice on the Equity Transfer Agreement and the Disposal, together with a notice of the EGM and a form of proxy, is expected to be dispatched to the Shareholders on or before 9 October 2020 as additional time is required to prepare the information to be included in the circular.

Completion of the Disposal is subject to the fulfillment of the conditions precedent set out in the Equity Transfer Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

After trading hours on 14 September 2020, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchasers, the Target Company and the Minority Shareholder entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchasers have conditionally agreed to acquire, in aggregate 70% of the equity interest in the Target Company at the Consideration of RMB105 million (equivalent to approximately HK\$115.5 million) in accordance with the terms and conditions of the Equity Transfer Agreement. Pursuant to the Equity Transfer Agreement, each of the Purchaser A, Purchaser B, Purchaser C and Purchaser D shall acquire 30%, 9%, 21% and 10% equity interest of the Target Company from the Vendor, respectively.

THE EQUITY TRANSFER AGREEMENT

Principle terms of the Equity Transfer Agreement are summarised below:

Date

14 September 2020

Parties

- (a) the Vendor;
- (b) the Purchasers;
- (c) the Target Company; and
- (d) the Minority Shareholder

Assets to be disposed of

As at the date of this announcement, the Target Company, an indirect non-wholly owned subsidiary of the Company held through the Vendor, an indirect wholly owned subsidiary of the Company, is owned as to 70% by the Vendor and 30% by the Minority Shareholder. Upon completion, the Target Company will be owned at to 70% by the Purchasers and 30% by the Minority Shareholder, whereby the Target Company will cease to be an indirect non-wholly owned subsidiary of the Company.

Upon the signing of the Equity Transfer Agreement, the Minority Shareholder shall waive its right of first refusal to purchase the equity interest in the Target Company of the Vendor in connection to the Disposal.

Consideration

Pursuant to the Equity Transfer Agreement, the Consideration of RMB105.0 million (equivalent to approximately HK\$115.5 million), shall be settled by the Purchasers in the following manner:

- (i) RMB45.0 million in cash by Purchaser A, shall be payable as to (i) RMB6.0 million within 15 Business Days after the signing of the Equity Transfer Agreement; and (ii) RMB39.0 million within three Business Days after the fulfillment of the conditions precedent (1), (2) and (3) as stated below;
- (ii) RMB13.5 million in cash by Purchaser B, which had been paid by Purchaser B to the Vendor prior to the signing of the Equity Transfer Agreement;
- (iii) RMB31.5 million in cash by the Purchaser C, which had been paid by Purchaser C to the Vendor prior to the signing of the Equity Transfer Agreement; and
- (iv) RMB15.0 million in cash by Purchaser D, shall be payable as to (i) RMB2.0 million within 15 Business Days after the signing of the Equity Transfer Agreement; and (ii) RMB13.0 million within three Business Days after the fulfillment of the conditions precedent (1), (2) and (3) as stated below.

The Equity Transfer Agreement will be terminated immediately if the condition precedents (1), (2) and (3) as stated below cannot fulfill within three months after the signing of the Equity Transfer Agreement. In such event, any part of the consideration being paid by the Purchasers are refundable in full within 14 days after such termination. In case of such refund, having considered that Purchaser A and Purchaser D are Independent Third Parties to the Group, the repayment order for Purchaser A and Purchaser D would be prioritised over Purchaser B and Purchaser C.

It is further agreed that, if the Vendor fails to refund the consideration being received in full from Purchaser A and Purchaser D within the specific period of time as mentioned above, the Vendor shall, within the next five Business Days pledge its equity interest in the Target Company in an amount of approximately RMB8.0 million and RMB2.7 million as guarantee to Purchaser A and Purchaser D, respectively.

Basis of determination of the Consideration

Pursuant to the Equity Transfer Agreement, the Consideration shall be RMB105 million (equivalent to approximately HK\$115.5 million), which was determined after arm's length negotiations between the Vendor and the Purchasers with reference to, among other things, (i) the unaudited consolidated net assets value of the Target Group of approximately HK\$55.6 million as at 30 June 2020; (ii) the paid-up capital of approximately RMB53.1 million by the Vendor to the Target Company as at 30 June 2020 and the expected capital contribution of RMB17.0 million; (iii) the current and expected market condition of the industry in which the operations of the Target Group is participating; and (iv) the reasons for and benefits of the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" below.

Conditions precedent

Completion of the Disposal is conditional upon the satisfaction of each of the following non-waivable conditions precedent:

- (1) the shareholders' approvals of the Vendor in relation to the Equity Transfer Agreement and the Disposal;
- (2) the external approvals in relation to the Equity Transfer Agreement and the Disposal contemplated thereunder, including but not limited to, the passing of the relevant resolution by the Independent Shareholders at the EGM and in accordance with the Listing Rules;
- (3) the execution of all the relevant documents including the Equity Transfer Agreement and the revised article of association of the Target Company; and
- (4) the completion of capital contribution of the Vendor to the Target Company of RMB17.0 million.

In addition to the aforementioned conditions precedent, the Target Company shall, within three Business Days (the "**Due Date of the Conditions Precedent**"), (i) deliver the capital contribution certificate of the Vendor to the Target Company to the Purchasers; (ii) complete its shareholder register accordingly; and (iii) complete the application for the registration and changes pursuant to the Equity Transfer Agreement with the relevant market supervisory department.

As at the date of this announcement, none of the conditions precedent had been fulfilled.

Termination

It is being agreed that, for the period of time between fulfillment of the conditions precedents (1), (2) and (3) as stated above and the completion of the Equity Transfer Agreement, in the event of any of the following situations, any of the Purchasers has the right to terminate the Equity Transfer Agreement in the form of a written notice:

- (i) the Vendor fails to complete the capital contribution of RMB17.0 million to the Target Company;
- (ii) over 15 Business Days after the Due Date of the Conditions Precedent, the Target Company fails to deliver to the Purchasers the shareholder register stating the Purchasers as shareholders of the Target Company;
- (iii) over 15 Business Days after the Due Date of the Conditions Precedent, the Target Company fails to apply for the registration and changes pursuant to the Equity Transfer Agreement with the relevant market supervisory department; or
- (iv) over 15 Business Days the Target Company fails to complete the registration and changes pursuant to the Equity Transfer Agreement with the relevant market supervisory department within 30 Business Days after the passing of the relevant resolution in relation to the Equity Transfer Agreement and the Disposal at the EGM.

Within 15 days after receiving such written notice of termination from any of the Purchasers, the Vendor shall return respective consideration received from such purchaser(s) plus an overdue interest. The interest shall be charged on a daily basis based on one-year loan prime rate published by the People's Bank of China at the time of the signing of the Equity Transfer Agreement (i.e. 14 September 2020), calculated from the date which the Vendor received respective consideration to the date upon repayment.

Any of the Purchaser(s) terminates the Equity Transfer Agreement in accordance with the termination clause as above, will not affect the rights and obligations of other purchaser(s) (in the event that other purchaser(s) choose to proceed to completion), and the Equity Transfer Agreement shall remain in full force and effect among the remaining party(ies).

Completion

Completion of the Equity Transfer Agreement and the Disposal shall take place within the 30 Business Days after the passing of the relevant resolution in relation to the Equity Transfer Agreement and the Disposal at the EGM, and further subject to (i) the fulfillment of the conditions set out as above (or such other date or time as may be agreed in written between the parties to the Equity Transfer Agreement); and (ii) the completion of the registration and changes pursuant to the Equity Transfer Agreement with the relevant market supervisory department.

INFORMATION ON THE TARGET GROUP

The Target Company is incorporated in the PRC with limited liability whose registered capital was owned as to 70% by the Vendor and as to 30% by the Minority Shareholder, and is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement immediately before the completion of the Disposal. The principal business activities of the Target Group are the development of the technologies for the intelligent and connected vehicles cloud control platform.

Set out below is the extracts of the unaudited consolidated financial performance of the Target Group for the years ended 31 December 2018 and 2019 and for the six months ended 30 June 2020:

	For the year		For the six
	ended 31 December		months ended
	2018	2019	30 June
	(unaudited)	(unaudited)	(unaudited)
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue	–	28.7	4.7
Net loss before and after taxation	13.4	13.6	8.8

As at 30 June 2020, the unaudited consolidated net assets value of the Target Group is amounted to approximately HK\$55.6 million.

INFORMATION ON THE GROUP

The Group is principally engaged in research and development, production and sale of advanced driving assistance system (“**ADAS**”) products and automotive-grade wireless connectivity modules. ADAS products, ranging on the spectrum of active (control) and passive (warning), include around view monitoring, lane departure warning, forward collision warning, pedestrian detection, night vision, blind spot detection, driver fatigue monitoring and other ADAS-related technologies. The Group is in the progress of developing the cloud control platform for intelligent and connected vehicles and its application, and working closely with other founding members of the National Innovation Center of Intelligent Connected Vehicles to promote the project of the national big data cloud control platform for intelligent connected vehicles. Automotive-grade wireless connectivity modules are electronic modules that connect cars and infrastructure via wireless communication such as cellular networks (2G, 3G, 4G/LTE, LTE-A and in the future 5G technology) as well as per vehicle to vehicle and vehicle to everything (V2X) communication schemes.

INFORMATION ON THE PARTIES INVOLVED

Information on the Vendor

The Vendor is a company incorporated in the PRC with limited liability, which is an investment holding company and a wholly-owned subsidiary of the Company.

Information on the Purchasers

Purchaser A is a limited partnership established in the PRC in 2020 and is principally engaged in investment in equities involve in advanced technology industry including intelligent and connected automobile sector. It has three partners, with Beijing Zhongwei YHU Equity Investment Fund Management Co., Ltd.* (北京中衛頤和股權投資基金管理有限公司) acting as the general partner and is interested in approximately 1.53% equity interested in Purchaser A, with principal business in investment management. As at the date of this announcement, Purchaser A, its general partner and limited partners are Independent Third Parties.

Purchaser B is a limited partnership established in the PRC in 2019 and is principally engaged in investment in equities involve in data and communication services, and intelligent driving network infrastructure industry. It has two partners, with Qidi Jin Fu Investment Management (Ningbo) Co., Ltd.* (啟迪金服投資管理(寧波)有限公司), a connected person of the Company indirectly owned as to 60.0% by Tus-Holdings, acting as the general partner and is interested in approximately 1.0% equity interest in Purchaser B, with principal business in investment management. As at the date of this announcement, Purchaser B is indirectly owned as to approximately 38.8% by Tus-Holdings.

Purchaser C is a limited partnership established in the PRC in 2016 and is principally engaged in investment in equities involve in advanced science and technology service industry. It has two partners, with Ningbo Qidi Zhen Tou Investment Management Co., Ltd.* (寧波啟迪針頭投資管理有限公司), a connected person to the Company indirectly owned as to approximately 26.7% by Tus-Holdings, acting as the general partner and is interested in 20.0% equity interest in Purchaser C, with principal business in investment management. As at the date of this announcement, Purchaser C is indirectly owned as to approximately 65.6% by Tus-Holdings.

Purchaser D is a high-net-worth individual and an Independent Third Party.

Save as disclosed above, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of the Purchaser A and Purchaser D and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Information on the Minority Shareholder

The Minority Shareholder is a company incorporated in the PRC with limited liability, which is principally engaged in scientific research and technology services with 30% equity interest in the Target Company, and hence, a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. To the best knowledge of the Directors, as at the date of this announcement, the ultimate beneficial owner of the Minority Shareholder, Mr. Li Jiawen (李家文), is a director of the Target Company whom in turn is also a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The principal activities of the Group are research and development, production and sale of ADAS products and automotive-grade wireless connectivity modules.

The Company has established the Target Company in October 2017 with an aim to develop intelligent and connect vehicles, infrastructure, pedestrians into a holistic mobility system, facilitate intelligent data exchange among mobility system and motion control, and provide big data and cloud artificial intelligence services. However, the Target Group has yet to contribute a positive return to the Group, as disclosed in the Section of “Information on the Target Group” in this announcement, it is recorded that the net loss before and after taxation for the years ended 31 December 2018 and 2019, and for the six months ended 30 June 2020 was amounted to approximately HK\$13.4 million, HK\$13.6 million and HK\$8.8 million, respectively. Further, the accumulated development costs of the Target Group being capitalised amounted to approximately RMB70.8 million. According to the estimation of the Directors, based on best-case scenario, the Target Group is required to further incur not less than approximately RMB55.0 million in research and development, to fulfill the schedule of product development in respect of contracts and pipeline on hand.

In addition, despite that the internet of vehicles (the “**Internet of Vehicles**”) industry is gradually evolving in China, and the Company strives to actively developing the vehicle cloud control platform for intelligent and connected vehicles and its applications with an aim to penetrate the market. The applications for the vehicle cloud control platform relies heavily on the development and capability of the big data as well as the 5G network. The Directors are of the view that, most of the 5G Internet of Vehicles applications, in particular the vehicles cloud control platform, is currently in exploratory stage and only limited to the demonstration of its applications, and it is still a ways off before the market is truly mature coping with the large-scale commercial applications. Under such circumstances, having considered that the net assets value of the Target Group is amounted to approximately HK\$55.6 million as at 30 June 2020, on this basis, the Consideration of RMB105 million represents approximately 196.8% premium over the Company’s equity interest of 70% on net assets value of the Target Group. In view of the financial position of the Group, the Directors consider that, the Disposal provides an opportunity for the Company to realise its investment in a loss-making operation at premium, whilst to dispense with extensive capital requirements for the continuous development of the Target Group.

As disclosed in the annual report of the Company for the year ended 31 December 2019, the Group reported net loss of approximately HK\$301.3 million. In addition, as disclosed in the interim results announcement for the six months ended 30 June 2020, the Group had net debt position of approximately HK\$955.8 million (being borrowings and convertible bonds net of cash and cash equivalents). The Directors have taken into consideration multiple options to strengthen the financial position of the Group, including the Disposal, which in turn able to provide an immediate additional source of fund for the repayment of the short-term borrowings of the Group, and therefore, improve the net debt position of the Group.

Having considered (i) the intended use of proceeds for repayment of the Group's borrowings will improve the net debt position and gearing ratio of the Group; (ii) the instant cash inflow of RMB105 million upon completion of the Disposal; (iii) to dispense with extensive capital requirements for the continuous development of the Target Group and focus on other existing lines of businesses of the Group; and (iv) the Consideration represents a premium of 196.8% over the Company's equity interest of 70% on net assets value of the Target Group, the Board believes that it is a good opportunity to dispose of the Target Company at the agreed price and report an estimated gain (after deducting the relevant taxes and expenses) of approximately RMB50.6 million to the Group, which would also allow the Group to reduce the debt level and therefore improve the liquidity and overall financial position of the Group.

In view of the above, the Directors (other than all the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) consider that the Disposal is made on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Hu Bo (a non-executive Director) is also a director of certain intermediate holding companies of each of the Purchaser B and Purchaser C. For the sake of good corporate governance, Mr. Hu Bo has abstained from voting on the Board resolution in approving the Equity Transfer Agreement and the Disposal.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Target Company would cease to be a subsidiary of the Company and the assets and liabilities and results of operation of the Target Group would no longer be consolidated into the consolidated financial statements of the Group.

The Group expects to record a net gain of approximately HK\$50.6 million as a result of the Disposal, which represents the difference between the Consideration and the attributable portion of the unaudited net assets value of the Target Group as at 30 June 2020, less the capital commitment to be contributed to the Target Company of approximately HK\$18.7 million (equivalents to RMB17.0 million), and the estimated taxes and expenses of approximately HK\$7.3 million. Given the aforementioned net gain on Disposal, the consolidated net asset value attributable to the Shareholders is preliminarily estimated to be increased by approximately HK\$50.6 million upon the completion of the Disposal.

Shareholders are reminded that the actual gain to be recognised shall be determined following the completion of the Disposal and subject to audit.

INTENDED USE OF PROCEEDS

The Directors expect that, after deducting the estimated taxes and expenses and the capital commitment to be contributed to the Target Company of approximately HK\$7.3 million and HK\$18.7 million, respectively, the net proceeds arising from the Disposal is estimated to be approximately HK\$89.5 million. The Company intends to apply the net proceeds fully for repayment of its borrowings.

LISTING RULES IMPLICATIONS

As one or more of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% and all of them are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, given that (i) the Purchaser B and Purchaser C are indirectly held as to approximately 38.8% and 65.6% by Tus-Holdings, respectively; (ii) Tuspark Venture is a substantial shareholder of the Company holding 452,519,805 Shares (representing approximately 21.9% of the total issued share capital of the Company) and a wholly-owned subsidiary of Tus-Holdings. Accordingly, each of the Purchaser B and Purchaser C is an associate of Tuspark Venture and Tus-Holdings, and is a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction contemplated under the Equity Transfer Agreement constitute connected transaction of the Company and is also subject to the reporting, announcement, circular, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Tuspark Venture held 452,519,805 Shares, representing approximately 21.9% of the existing issued share capital of the Company, and Tuspark Venture is a wholly-owned subsidiary of Tus-Holdings. Tuspark Venture, Tus-Holdings and their respective associates shall abstain from voting on the resolution to be proposed at the EGM for approving the Equity Transfer Agreement and the transaction contemplated thereunder.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, save for Tuspark Venture, Tus-Holdings and their respective associates, no Shareholder is required to abstain from voting on the resolution approving the Equity Transfer Agreement and the transaction contemplated thereunder at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Equity Transfer Agreement and their respective transaction contemplated thereunder. Lego Corporate Finance has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement and the transaction contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Equity Transfer Agreement and the Disposal, (ii) a letter of recommendation from the Independent Board Committee in respect of the Equity Transfer Agreement and the transaction contemplated thereunder, and (iii) a letter of advice from Lego Corporate Finance to the Independent Board Committee and the Independent Shareholders containing its advice on the Equity Transfer Agreement and the Disposal, together with a notice of the EGM and a form of proxy, is expected to be dispatched to the Shareholders on or before 9 October 2020 as additional time is required to prepare the information to be included in the circular.

Completion of the Disposal is subject to the fulfillment of the conditions precedent set out in the Equity Transfer Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 14 September 2020 in relation to, among other things, the Disposal
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any normal working day other than a Saturday, Sunday or a statutory holiday in the PRC or Hong Kong
“Company”	TUS International Limited (啟迪國際有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00872)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration for the 70% equity interest in the Target Company under the Equity Transfer Agreement, being the sum of RMB105 million (equivalent to approximately HK\$115.5 million)
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the 70% equity interest in the Target Company as contemplated under the Equity Transfer Agreement
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the ordinary resolution in respect of the Disposal
“Equity Transfer Agreement”	the equity transfer agreement dated 14 September 2020 entered into between the Vendor, the Purchasers, the Target Company and the Minority Shareholder in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors established pursuant to the Listing Rules to advise the Independent Shareholders in relation to the Equity Transfer Agreement and the transaction contemplated thereunder
“Independent Financial Adviser” or “Lego Corporate Finance”	Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the transaction contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) other than Tuspark Venture and its associates
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or subsidiaries of the Company or any of their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minority Shareholder”	Tianjin Qingyun Intelligent Control Technology Limited*, (天津清雲智控科技有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party
“Purchaser A”	Qingdao YHU Jing Pan Equity Investment Partnership (Limited Partnership)* (青島頤和晶磐股權投資合夥企業 (有限合夥)), a limited partnership established in the PRC with limited liability and an Independent Third Party
“Purchaser B”	Yangzhou Qidi Zhi Wang Investment Centre (Limited Partnership)* (揚州啟迪智網投資中心 (有限合夥)), a limited partnership established in the PRC indirectly owned as to approximately 38.8% by Tus-Holdings
“Purchaser C”	Suzhou Shui Mui Shi Shang Investment Centre (Limited Partnership)* (蘇州水木時尚投資中心 (有限合夥)), a limited partnership established in the PRC indirectly owned as to approximately 65.6% by Tus-Holdings
“Purchaser D”	Huang Bing Qian (黃冰倩), a high-net-worth individual and an Independent Third Party
“Purchasers”	collectively, the Purchaser A, Purchaser B, Purchaser C and Purchaser D
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	TUS Cloud Control (Beijing) Technology Limited (啟迪雲控 (北京) 科技有限公司), a company incorporated in the PRC with limited liability, which was held as to 70% by the Vendor and 30% by the Minority Shareholder, as at the date of this announcement
“Target Group”	The Target Company and its subsidiary
“Tus-Holdings”	Tus-Holdings Co., Ltd.* (啟迪控股股份有限公司), a company established in the PRC with limited liability and the immediate holding company of Tuspark Venture, which held the entire issued share capital of Tuspark Venture as at the date of this announcement
“Tuspark Venture”	Tuspark Venture Investment Ltd. (啟迪創投有限公司), a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder of the Company
“Vendor”	TUS Yunzhi Technology (Beijing) Limited* (啟迪雲智科技 (北京) 有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

* *For identification purposes only*

By order of the Board of
TUS International Limited
Ma Chi Kong Karl
Chairman

Hong Kong, 14 September 2020

As of the date of this announcement, the board of directors of the Company comprises Mr. Ma Chi Kong Karl (Chairman) and Mr. Lin Jian who are executive Directors, Mr. Du Peng, Mr. Tsang Ling Biu, Gilbert and Mr. Hu Bo who are non-executive Directors, and Hon. Quat Elizabeth (JP), Dr. Koong Hing Yeung Victor and Mr. Lee Kwok Tung Louis who are independent non-executive Directors.