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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY**

**Financial Adviser to the Company**



TUS Corporate  
Finance Limited

### **THE DISPOSAL**

After trading hours on 1 February 2021, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the entire equity interest in the Target Company at the Consideration of RMB1.

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

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

## **INTRODUCTION**

After trading hours on 1 February 2021, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the entire equity interest in the Target Company at the Consideration of RMB1.

## **THE EQUITY TRANSFER AGREEMENT**

Principle terms of the Equity Transfer Agreement are summarised below:

### **Date**

1 February 2021

### **Parties**

- (a) the Vendor; and
- (b) the Purchaser

### **Assets to be disposed of**

As at the date of this Announcement, the Target Company is an indirect wholly owned subsidiary of the Company held through the Vendor. Upon Completion, the Target Company will be owned as to 100% by the Purchaser. The Target Company will cease to be a subsidiary of the Company and the assets and liabilities and results of operation of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

## Consideration

Pursuant to the Equity Transfer Agreement, the Consideration of RMB1 will be payable by the Purchaser to the Company in cash at Completion.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Equity Transfer Agreement after taking into consideration of various factors, including (i) the net liabilities position of the Target Company amounted to approximately HKD31.4 million as at 31 December 2020; (ii) the business operation of the Target Company has been scaled down since after the disposal of its subsidiary, namely TUS Cloud Control (Beijing) Technology Limited (the "**Cloud Business**"), in fourth quarter of 2020; and (iii) the reasons for the Disposal as mentioned in the section headed "Reasons for and benefits of the Disposal" in this Announcement.

Having considered the above factors, the Directors (including the independent non-executive Directors) consider that the Consideration, which was arrived at after arm's length negotiations and is in the interests of the Company and the Shareholders as a whole.

## Completion

Completion of the Disposal shall take place after (i) the Consideration is paid by the Purchaser to the Vendor in full on a timely basis pursuant to the terms and conditions set out under 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 COMPANY

The Target Company is incorporated in the PRC with limited liability whose registered capital is 100% owned by the Vendor which is an indirect wholly owned subsidiary of the Company as at the date of this Announcement. As at the date of this Announcement, the Target Company is holding a non-controlling equity interest in National Innovation Center of Intelligent Connected Vehicles (the "**National Innovation Center**") which is principally engaged in developing of technologies for the intelligent and connected vehicles cloud control and providing an innovation hub for the intelligent vehicle industry in the PRC.

Set out below is the extracts of the unaudited consolidated financial performance of the Target Company for the years ended 31 December 2019 and 2020:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>HK\$'million</i>	<i>HK\$'million</i>
<i>Continuing operations:</i>		
Revenue	–	–
Net (loss)/profit before and after taxation	(1.2)	61.6
<i>Discontinued operations:</i>		
Revenue	28.7	13.1
Net (loss) before and after taxation	(13.6)	(21.5)
<b>Net (loss)/profit before and after taxation</b>	<b>(14.8)</b>	<b>40.1</b>

Net profit before and after taxation (continuing operations) of the Target Company for the year ended 31 December 2020 of approximately HK\$61.6 million mainly attributable to the non-recurring gain on disposal of the Cloud Business in fourth quarter of 2020. For details, please refer to the announcement of the Company date 14 September 2020. The financial results of Cloud Business attributable to the Target Company for the years ended 31 December 2019 and 2020 are disclosed under “Discontinued operations”.

As at 31 December 2020, the unaudited consolidated net liabilities of the Target Company amounted to approximately HKD31.4 million which mainly comprised of financial asset at fair value through other comprehensive income in relation to the 4.55% equity interest in National Innovation Center, cash at bank, borrowings and accrued interests.

## **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. 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 liabilities, which is an investment holding company and an indirect wholly-owned subsidiary of the Company.

### **Information on the Purchaser**

The Purchaser is an investment holding company incorporated in the PRC with limited liabilities and principally engaged in investment and asset management business. The Purchaser is owned as to 25% by each of Guangdong Zovie Group Co. Ltd\* (廣東中惠集團有限公司), Suzhou Lixin Baijun Investment Management Co., Ltd. (蘇州麗欣百駿投資管理有限公司), Sincere Investment Co., Ltd. (協信投資有限公司) and Tus-Holdings, respectively. Save for Tus-Holdings, which held through its wholly-owned subsidiary, Tuspark Venture, owned as to approximately 21.9% of the total issued share capital of the Company as at the date of this Announcement, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are considered as third parties independent of and not connected with the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

In 2018, the Target Company, through its subsidiary, and certain leading enterprises of the industry including automotive original equipment manufacturers and mobility service providers, jointly established the National Innovation Center, with an equal contribution of RMB50.0 million each. The establishment of National Innovation Center was promoted by the Ministry of Industry and Information Technology and positioned as the core source of forward-looking and common cross key technologies, core public platform of research and development, transformation of technological achievements, innovation and development of the industry, and the base in gathering and cultivating high-end talents. The investment of the Target Company was partially funded by the Purchaser by way of loans. Since after the Target Company disposed its Cloud Business in the fourth quarter of 2020, the business operations of the Target Company has been scaled down and the assets remained to the Target Company mainly represented by the financial assets in relation to its investment in National Innovation Center. To the best knowledge of the Directors, for the purpose of resource integration strategy of the Purchaser, through acquisition of the Target Company, the Purchaser could leverage on its investment in the National Innovation Center to create synergy among its existing business operations and would benefit to its business operations in long run.

Nonetheless, by disposing the Target Company to the Purchaser allows the Company to (i) dispose of its non-core and non-revenue generating unit; (ii) reduce debt balance due to the Purchaser; and (iii) improve the financial position as well as the overall gearing ratio of the Group.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement is entered into on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **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 Company would no longer be consolidated into the consolidated financial statements of the Group.

Based on the preliminary assessment on the unaudited financial statements of the Target Company, the Group will record a gain (net of related expenses) of approximately HK\$31.4 million as a result of the Disposal which is calculated by reference to the net liabilities of the Target Company. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company upon Completion.

## **LISTING RULES IMPLICATIONS**

As one or more of applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

Mr. Ma Chi Kong Karl and Mr. Hu Bo, both are the executive Directors of the Company and directors of the Purchaser. For the sake of good corporate governance, Mr. Ma Chi Kong Karl and Mr. Hu Bo have been abstained from voting on the Board resolution in approving the Equity Transfer Agreement and the Disposal.

## **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 1 February 2021 in relation to, among other things, the Disposal
“Board”	the board of Directors
“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 entire equity interest in the Target Company as contemplated under the Equity Transfer Agreement, being RMB1
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the entire equity interest in the Target Company as contemplated under the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 1 February 2021 entered into between the Vendor and the Purchaser 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	TUS-Financial Group Limited* (啟迪金控投資有限公司), a company incorporated in the PRC with limited liabilities
“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 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, which is 100% held by the Vendor, as at the date of this announcement
“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 Zhixing Technology (Beijing) Limited* (啟迪智行科技(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, 1 February 2021

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