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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in TUS International Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser(s) or the transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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 24.75% EQUITY INTEREST IN SUZHOU ZHIHUA AUTOMOBILE ELECTRONICS CO., LTD AND NOTICE OF EGM

A notice convening an extraordinary general meeting of TUS International Limited to be held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong on 1 June 2021 at 12:00 p.m. (or immediately after the conclusion of the annual general meeting to be held on the same day, whichever is the earlier) is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company at www.tus-i.com.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

PRECAUTIONARY MEASURES

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the extraordinary general meeting, which will include:

- compulsory body temperature checks
- submission of health declaration form, which may be used for contact tracing, if required
- compulsory wearing of surgical face masks for each attendee
- no distribution of corporate gifts or refreshments

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the venue of the extraordinary general meeting. The Company also encourages its shareholders to consider appointing the chairman of the meeting as its/his/her proxy to vote on the relevant resolutions at the extraordinary general meeting as an alternative to attending the meeting in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing Novel Coronavirus (“**COVID-19**”) pandemic and recent requirements, if any, for prevention and control of its spread, the Company will implement the following preventive measures at its extraordinary general meeting (“**EGM**”):

- (i) Compulsory body temperature check will be conducted on every shareholder, proxy and other attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry into the EGM venue and be asked to leave the EGM venue.
- (ii) Shareholders that (a) have travelled, and have been in close contact with any person who has travelled, outside of Hong Kong (as per guidelines issued by the Hong Kong government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 14 days; (b) are, and have been, in close contact with any person who is, subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); (c) are, and have been, in close contact with anyone who has contracted COVID-19, has been tested preliminarily positive of COVID-19 or is suspected of contracting COVID-19; or (d) have any flu-like symptoms, may be denied entry into the EGM venue and be asked to leave the EGM venue.
- (iii) All shareholders, proxies and other attendees are required to (i) fill in and submit health declaration form with information including travelling record and health condition; and (ii) wear surgical face masks inside the EGM venue at all times. Any person who does not comply with these requirements may be denied entry into the EGM venue and be asked to leave the EGM venue.
- (iv) No refreshments will be served, and there will be no corporate gifts. Seating will be arranged to ensure adequate physical distancing between attendees in order to reduce person-to-person contact.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders’ health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative to attending the meeting in person, shareholders are encouraged to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM by submitting forms of proxy with voting instructions inserted.

The form of proxy is attached to this circular for shareholders who opt to receive printed copies of the Company’s corporate communications. Alternatively, the form of proxy can be downloaded from the Company’s website at www.tus-i.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. If you are not a registered shareholder (if your shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

In this circular, the following terms have the meanings set forth below unless the context requires otherwise:

“2020 Annual Report”	the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021
“Announcement”	the announcement of the Company dated 23 April 2021 in relation to the Disposal
“Board”	the board of Directors of the Company
“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)
“Completion”	completion of the Disposal pursuant to the terms of the Equity Transfer Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the 24.7538% equity interest in the Target Company under the Equity Transfer Agreement, being the sum of RMB136,145,600 (equivalent to approximately HK\$162.0 million)
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of 24.7538% equity interest in the Target Company under the Equity Transfer Agreement by the Vendor
“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

DEFINITIONS

“Equity Transfer Agreement”	the equity transfer agreement dated 23 April 2021 entered into between the Vendor, the Purchasers, the Target Company and the Minority Shareholder in relation to the Disposal
“Final Closing”	the payment of the sum of RMB86,145,600 from the Purchasers, specifically RMB73,839,086 and RMB12,306,514 from Purchaser 1 and Purchaser 2 respectively, to the Vendor’s designated bank account
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Initial Closing”	the payment of the sum of RMB50,000,000 from the Purchasers, specifically RMB42,857,143 and RMB7,142,857 from Purchaser 1 and Purchaser 2 respectively, to the Vendor’s designated bank account
“Latest Practicable Date”	11 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minority Shareholder”	Suzhou Yinwo Investment Management Enterprise (Limited Partnership)* (蘇州茵沃投資管理企業(有限合夥)), a limited partnership established in the PRC with limited liability
“Parties”	the parties to the Equity Transfer Agreement, namely, the Vendor, the Purchasers, the Target Company and the Minority Shareholder, each of which a “Party”

DEFINITIONS

“Purchaser 1”	Tibet Tengyun New Power Technology Co., Ltd.* (西藏騰雲新動力科技有限公司) (formerly known as “Tibet Huize Hongtu Trading Co., Ltd.* (西藏惠澤宏圖商貿有限公司)”), a company incorporated in the PRC with limited liability
“Purchaser 2”	Ningbo Tengyue Qizhi Technology Partnership (Limited Partnership)* (寧波騰越啟智科技合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability
“Purchasers”	collectively, Purchaser 1 and Purchaser 2
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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)
“Share Option(s)”	options granted or to be granted by the Company under the share option schemes adopted by the Company on 19 June 2009 and 21 May 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Suzhou Zhihua Automobile Electronics Co., Ltd.* (蘇州智華汽車電子有限公司), a company incorporated in the PRC with limited liability

DEFINITIONS

“Target Group”	the Target Company and its wholly-owned subsidiary, Beijing Yinwo Automobile Technology Company Limited* (北京茵沃汽車科技有限公司), a company incorporated in the PRC with limited liability
“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 Latest Practicable Date
“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 one of the major shareholders of the Company
“Vendor”	Suzhou Qiyizhi Management Enterprise Limited* (蘇州企億智企業管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

The names of entities marked with “” for which no official translation exists are unofficial translations for identification purpose only and should not be regarded as their official translation.*

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Hu Bo

Non-executive Directors:

Mr. Ma Chi Kong Karl (*Chairman*)

Mr. Tsang Ling Bui, Gilbert

Independent non-executive Directors:

Hon. Quat Elizabeth (*JP*)

Dr. Koong Hing Yeung Victor

Mr. Lee Kwok Tung Louis

Registered office:

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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business in the PRC:*

19/F, Block B,

Science and Technology Building,

Tsinghua Science and Technology Park,

1 Zhongguancun East Road,

Haidian District,

Beijing, China

*Principal place of business
in Hong Kong:*

Room 707-711, 7/F,

TusPark Workhub,

118 Wai Yip Street, Kwun Tong

Hong Kong

15 May 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF 24.75% EQUITY INTEREST IN
SUZHOU ZHIHUA AUTOMOBILE ELECTRONICS CO., LTD
AND
NOTICE OF EGM**

1. INTRODUCTION

Reference is made to the Announcement.

LETTER FROM THE BOARD

After trading hours on 23 April 2021, 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 24.7538% of the equity interest in the Target Company at the Consideration of RMB136,145,600 (equivalent to approximately HK\$162.0 million) in accordance with the terms and conditions of the Equity Transfer Agreement. Pursuant to the Equity Transfer Agreement, Purchaser 1 and Purchaser 2 shall acquire 21.2175% and 3.5363% equity interest of the Target Company from the Vendor, respectively.

The purpose of this circular is to provide you with, among other things, (i) further details of the Equity Transfer Agreement and the Disposal; (ii) other information as required under the Listing Rules; and (iii) the notice of the EGM.

2. THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised below:

Date

23 April 2021

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 circular, the Target Company, an indirect non-wholly owned subsidiary of the Company held through the Vendor, is owned as to 44.7538% by the Vendor, while the remaining shares are held by seven investors, including the Minority Shareholder holding 12.7003%. While the Company holds less than half of the voting rights of the Target Company, it has control over the Target Company by virtue of the Vendor's control of the board of directors and significant influence on the management and operation of the Target Company.

LETTER FROM THE BOARD

Upon Completion, the Target Company will be owned as to 24.7538% by the Purchasers and 20% by the Vendor, and the Vendor will cease to have control of the board of the directors and significant influence on the management and operation of the Target Company. The Target Company will therefore cease to be an indirect non-wholly owned subsidiary of the Company upon Completion.

Consideration

Pursuant to the Equity Transfer Agreement, the Consideration of RMB136,145,600 (equivalent to approximately HK\$162.0 million), shall be settled by the Purchasers in the following manner:

- (i) RMB116,696,229 in cash by Purchaser 1, shall be payable as to (i) RMB42,857,143 at the Initial Closing; and (ii) RMB73,839,086 at the Final Closing; and
- (ii) RMB19,449,371 in cash by Purchaser 2, shall be payable as to (i) RMB7,142,857 at the Initial Closing; and (ii) RMB12,306,514 at the Final Closing.

Conditions precedent to the Initial Closing

The Initial Closing is conditional upon the satisfaction of certain conditions precedent, including but not limited to:

- (1) approval of the equity transfer under the Equity Transfer Agreement by the shareholders or partners of the Purchasers and the shareholders of the Vendor by way of resolutions;
- (2) other shareholders of the Target Company having waived their respective rights of first refusal to purchase the equity interest in the Target Company;
- (3) there being no existing or known legal proceedings or claims initiated by or to any government authority against the Target Group or the Vendor, which would prevent the performance of the Equity Transfer Agreement or would have material adverse effect on the Target Group;
- (4) no event that would lead to material adverse effect on the Target Group having occurred before or at the Initial Closing; and
- (5) completion of the due diligence on the Target Group by the Purchasers, and the results of the same being satisfactory to the Purchasers.

LETTER FROM THE BOARD

If such conditions precedent to the Initial Closing are not fulfilled by 23 April 2021, the Purchasers may unilaterally decide to:

- (i) postpone the Initial Closing to a later date, which shall be no later than 30 April 2021; or
- (ii) waive the unfulfilled condition(s) and, where practicable, proceed to the Initial Closing; or
- (iii) if such conditions are not fulfilled and not waived by the Purchasers by 7 May 2021, the Purchasers may terminate the Equity Transfer Agreement, and shall not be liable to the other Parties for such decision, but such termination shall not affect any Party's liabilities to the other Parties for any breach of the Equity Transfer Agreement prior to termination.

As at the date of this Circular, the Initial Closing has taken place and the Consideration in relation to the Initial Closing has been fully settled by the Purchasers.

Conditions precedent to the Final Closing

The Final Closing is conditional upon the satisfaction of certain conditions precedent, including but not limited to:

- (1) The Target Company having registered Purchaser 1 and Purchaser 2 as shareholders of the Target Company holding 21.2175% and 3.5363% equity interest respectively, and the same having been recorded in the register of shareholders of the Target Company in the manner agreed by the Parties;
- (2) all necessary consents from third parties, including relevant authorities concerning the Target Group, having been obtained;
- (3) all necessary approvals from relevant government authorities for the execution, performance and fulfilment of the Equity Transfer Agreement having been obtained, and such approvals still being valid and not having modified the provisions of the Equity Transfer Agreement in any material respect;
- (4) approval of the Disposal by the Shareholders;

LETTER FROM THE BOARD

- (5) the Company having obtained the necessary approvals from the Stock Exchange regarding the Disposal (if required), and such approvals not having modified the provisions of the Equity Transfer Agreement in any material respect; and
- (6) there being no existing or known legal proceedings or claims initiated by or to any government authority against the Target Group or the Vendor, which would prevent the performance of the Equity Transfer Agreement or would have material adverse effect on the Target Group.

If such conditions precedent to the Final Closing are not fulfilled by 30 June 2021, the Purchasers may unilaterally decide to:

- (i) postpone the Final Closing to a later date, which shall be no later than 9 July 2021; or
- (ii) waive the unfulfilled condition(s) and, where practicable, proceed to the Final Closing; or
- (iii) if such conditions are not fulfilled and not waived by the Purchasers by 30 September 2021, the Purchasers may terminate the Equity Transfer Agreement, and shall not be liable to the other Parties for such decision, but such termination shall not affect any Party's liabilities to the other Parties for any breach of the Equity Transfer Agreement prior to termination.

Completion

The Initial Closing shall take place on the 5th Business Day after fulfilment or waiver of the conditions precedent to the Initial Closing, or such other date as may be agreed in writing by the Parties.

The Final Closing shall take place on the 5th Business Day after fulfilment or waiver of the conditions precedent to the Final Closing, or such other date as may be agreed in writing by the Parties. Completion shall take place at Final Closing.

LETTER FROM THE BOARD

Liability for Breach

The Parties agree that following completion of the Equity Transfer Agreement, in the case of any breach by the Vendor and the Target Company of their representations and warranties under the Equity Transfer Agreement as a result of the operations of the Target Group prior to Completion, resulting in liability towards the Purchasers, and the accumulative loss from such breach exceeds RMB500,000, the relevant liability shall be borne as to 77.89% and 22.11% by the Vendor and the Minority Shareholder respectively.

The Vendor and the Minority Shareholder further undertake and agree that, if certain event(s) occur resulting in the Purchasers suffering economic loss, and the accumulative loss exceeds RMB500,000, the Vendor and the Minority Shareholder shall also compensate the Purchasers (including tax liabilities arising from such compensation received) in the aforesaid manner, and free the Purchasers from any damages. Such certain event(s) include (but are not limited to) actions and operations prior to Completion resulting in breach of contract liabilities, tax liabilities, administrative penalties or allegations for violation of law borne by the Target Group.

Termination

The Equity Transfer Agreement may be terminated under the following circumstances:

- (i) upon the Parties' agreement in writing, specifying the effective date of termination; and
- (ii) if, within the period from the date of the Equity Transfer Agreement to Completion, certain event(s) of default occur, any Party may terminate the Equity Transfer Agreement by giving 10 Business Days' notice in writing to the other Parties.

3. INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the PRC with limited liability, whose registered capital is owned as to 44.7538% by the Vendor as the largest shareholder, while the remaining shares are held by seven investors, including the Minority Shareholder holding 12.7003%, and is an indirect non-wholly owned subsidiary of the Company as at the date of this circular and immediately before the Completion.

LETTER FROM THE BOARD

The principal business activities of the Target Group are research and development, production and sale of advanced driving assistance system (“**ADAS**”). 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.

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

	For the year ended 31 December 2019 (unaudited) <i>HK\$'million</i>	For the year ended 31 December 2020 (unaudited) <i>HK\$'million</i>
Revenue	276.4	290.7
Profit before taxation	3.4	2.4
Profit after taxation	2.1	2.4

As at 31 December 2020, the unaudited consolidated net assets value of the Target Group is approximately HK\$57.1 million.

4. INFORMATION ON THE GROUP

The Group is currently principally engaged in research and development, production and sale of ADAS products and automotive-grade wireless connectivity modules. 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.

LETTER FROM THE BOARD

5. 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 an indirect wholly-owned subsidiary of the Company.

Information on the Purchasers

Purchaser 1 is a company established in the PRC with limited liability in 2015 and is principally engaged in trading of electronic components. To the best of the Directors' knowledge, information and belief, as at the date of this circular, Purchaser 1 is ultimately owned as to 60% by Huang Tao (黃濤) and 40% by Huang Shiyong (黃世榮).

Purchaser 2 is a limited partnership established in the PRC in 2021 and is principally engaged in investment in equities involved in data and communication services. To the best of the Directors' knowledge, information and belief, as at the date of this circular, Purchaser 2 has two partners, and is ultimately owned as to 60% by Zheng Zhongjun (鄭中軍) and 40% by Zhang Feixia (張飛霞), with Zhang Feixia (張飛霞) acting as general partner.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this circular, the Purchasers and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Information on the Minority Shareholder

The Minority Shareholder is a limited partnership incorporated in the PRC with limited liability, which is principally engaged in investment holdings, and holds approximately 12.7003% 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.

LETTER FROM THE BOARD

To the best knowledge of the Directors, Deng Bo, being one of the founders, director and CEO of the Target Company, holds 82.5% equity interest in the Minority Shareholder and exercises control over the Minority Shareholder, and is therefore also a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. To the best knowledge of the Directors, the remaining 17.5% equity interest in the Minority Shareholder is held as to 6% by Li Wenshu (business partner of Deng Bo), 5% by Zhang Xiaoyong (current employee of the Target Company), 3% by Hu Yan (business partner of Deng Bo), 2% by Zhang Chen (current employee of the Target Company) and 1.5% by Zhang Beiping (current employee of the Target Company), who are all third parties independent of the Company and the connected persons of the Company. Further, to the best knowledge of the Directors, there is no relationship between the Minority Shareholder (including its ultimate beneficial owners) and each of the Purchasers.

6. BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers with reference to, among other things, (i) the Consideration being a premium over the unaudited consolidated net assets value of the Target Group of approximately HK\$57.1 million as at 31 December 2020; (ii) the historical financial performance of the Target Group and its expected growth; (iii) the current and expected market condition of the industry in which the operations of the Target Group is participating; (iv) the Purchasers' indication that it shall procure capital injection into the Target Company and procure the repayment of the Target Company's debts, including the loan owed to the Vendor, in the future; and (v) the reasons for and benefits of the Disposal as set out below.

7. REASONS FOR AND BENEFITS OF THE DISPOSAL

Operation and financial results of the Group

The Group commenced the acquisition of the equity interests of the Target Company since March 2017 with an aim to enter into the ADAS and intelligent connected vehicles business industry in the PRC. Further in 2018, the Group invested as a minority shareholder in the National Innovation Center of Intelligent Connected Vehicles ("**National Innovation Center**") with several automotive original equipment manufacturers and mobility service providers in the PRC (which was subsequently disposed in February 2021). National Innovation Center was 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. In 2019, the Group acquired 100% equity interests of a business engaged in research and development and sale of automotive-grade wireless connectivity modules. After years of strategic re-positioning, the Group has successfully transformed to an integrated intelligent autonomous driving service provider and has become one of the most influential players in the intelligent connected vehicles industry in the PRC.

LETTER FROM THE BOARD

As disclosed in the 2020 Annual Report, the COVID-19 pandemic (“**Pandemic**”) outbreak in late 2019 had a substantial impact on the business operations and cash flows of the Group. A series of precautionary and control measures was implemented across the globe, which significantly disrupted the movement of people and goods, supply chains and general economic conditions, and thereby affected the development pace of the global automotive industry. Given the unstable development of economic and political factors around the world under the current Pandemic situation and Sino-US trade tension, fundraising activities of the Group during the year ended 31 December 2020 were also significantly affected, since potential investors and financial institutions were more cautious on equity and debt financing, especially to loss making businesses. In addition, the Group experienced a temporary scale down of business relationship with certain customers with long operating history. As such, the Directors have been implementing strategies to improve the overall financial position of the Group in the short run, while the Group strived its best to conduct active dialogue with creditors and Shareholders on the Group’s business developments, as well as potential debt restructuring and re-financing plans with creditors, so as to improve overall financing cash flows.

The Group recorded a net loss of approximately HK\$249.9 million for the year ended 31 December 2020, and net current liabilities of approximately HK\$882.7 million as of 31 December 2020, which may have a considerable impact on the liquidity position of the Group. These events and conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

Further, the Directors regularly review the Group’s business operations and consider a range of action plans to address its working capital and liquidity position, with detailed assessments of the short-term financial budgets of the two major business segments of the Group, namely the ADAS business (being the Target Group) and the automotive-grade wireless connectivity business. The Directors noted that significant working capital requirement and capital investments are required to manage the growth sustainability of both segments in the short run. In particular, based on the financial budget of the Target Group for the year ending 31 December 2021, the working capital requirement will be approximately RMB20 million while capital investment including purchase of fixed assets in order to upgrade production facilities will be approximately RMB10 million. It is further estimated that, unless sufficient financial resources could be raised from potential investors or continuous financial support could be obtained from the Shareholders, the two major business segments may not have sufficient and available financial resources to sustain the growth expected by the Directors.

LETTER FROM THE BOARD

Restructuring and Organisational Strategies

On such basis, the Directors have given due consideration to the future liquidity and performance of the Group and its available sources of finance, in assessing whether the Group will have sufficient financial resources to continue as a going concern and support the business development of its major business segments. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, save as the liquidity measures implemented during the year ended 31 December 2020, the Group is further implementing several key measures for the year ending 31 December 2021, including but not limited to the restructuring of its business, corporate and organisational strategies.

In view of the short-term financial needs of both of the Group's two major business segments and the Group's lack of immediately available financial resources to support them, the Directors have considered the options of partially or wholly disposing of the equity interests in either or both business segments, and have decided to conduct the Disposal.

The long-term strategy of the Group is to be one of the key players in the global autonomous driving industry. The technology and products within the Group's automotive-grade wireless connectivity business segment are considered the core technology in the industry's development, especially in the next generation connectivity technology between vehicles (V2X), where entry barrier is relatively high and significant initial capital investment is required. Whereas the technology and products within the Group's ADAS business segment (being the Target Group) are auxiliary and supplementary in nature in the industry, where players compete among product differentiation and customisation and products are highly price sensitive.

As disclosed in the 2020 Annual Report, the Directors' forecast for the compounded annual growth rate of revenue for the five years ending 31 December 2025 ("**Revenue CAGR**") for the automotive-grade wireless connectivity business segment was approximately 39.3%, while that of the ADAS business segment was approximately 20.7%. The significant difference in Revenue CAGR between the two business segments is mainly attributable to the overall expected growth in the respective markets. In addition, the Directors believed that the automotive-grade wireless connectivity business segment will be able to further expand its market shares through penetration into the PRC market in the short run, whereas the ADAS business in the PRC market is relatively mature. Accordingly, the Directors believe that disposing of its partial interest in the Target Group and conducting the Disposal at this time will be advantageous and shall procure sufficient financial resources for the Group to focus on the business development of the automotive-grade wireless connectivity business segment, while generating positive returns to the Shareholders in the long-run.

LETTER FROM THE BOARD

In entering into the Equity Transfer Agreement, the Directors have considered (i) the intended use of proceeds for repayment of the Group's borrowings which will improve the net debt position and gearing ratio of the Group; (ii) the instant net cash inflows of approximately HK\$151.2 million upon Completion which may provide immediately available working capital for the operation and business development of automotive-grade wireless connectivity business segment; (iii) the need to dispense with extensive capital requirements for the continuous development of the ADAS business (being the Target Group) and focus on other existing lines of businesses of the Group; (iv) the Purchaser's indication that it shall procure capital injection of RMB130 million into the Target Company after Completion; and (v) the estimated one-off gain (after deducting the relevant taxes and expenses) of approximately HK\$96.3 million to the Group, which would also allow the Group to reduce its debt level and therefore improve the liquidity and overall financial position of the Group.

In view of the above, the Directors 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.

Upon Completion, the Group will cease its ADAS business entirely. The Group will focus on and further invest into the automotive-grade wireless connectivity business in order to catch up on the estimated market development and growth in this segment upon the expected rapid growth in the commercialisation of next generation automotive-grade wireless connectivity modules in the next few years.

With the aim of improving financial resources and liquidity in the Group's automotive-grade wireless connectivity business segment, the Company is in very preliminary discussion with several potential investors in relation to the partial disposal of certain non-controlling equity interests in the business segment, either through allotment of shares in the operating subsidiaries in the business segment, or direct disposal of certain equity interests. No binding agreement has been entered between the Group and the potential investors. There are no other existing negotiation, understanding, arrangement or agreement in relation to the disposal or discontinuation of operation of other core or non-core businesses of the Group. However, the Directors may further consider disposing the financial assets at FVTOCI should the Group's liabilities fall due and require immediate financial resources.

LETTER FROM THE BOARD

8. 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 Company will cease its ADAS business entirely. Given the loss of control on the Target Company as well as insignificant influence on the management and operation of the Target Group after the Disposal, the Group expects to account for the remaining 20% equity interests in the Target Company held by the Group as financial asset at fair value through other comprehensive income (“FVTOCI”) and expected to re-measure it at approximately HK\$132.0 million at the date of inception with reference to the Consideration (subject to valuation work to be performed by independent professional valuer and the review by auditors of the Company).

As such, the Group expects to record a net gain of approximately HK\$96.3 million as a result of the Disposal, which represents the difference between the Consideration of approximately HK\$162.0 million, the attributable portion of the unaudited net assets value of the Target Group as at 31 December 2020 of approximately HK\$25.5 million, de-recognition of goodwill of approximately HK\$161.4 million attributable to this cash generating unit, the estimated taxes and expenses of approximately HK\$10.8 million and recognition of financial asset at FVTOCI of approximately HK\$132.0 million. Given the aforementioned net gain on completion of the Disposal, the consolidated net asset value attributable to the Shareholders is preliminarily estimated to be increased by approximately HK\$96.3 million.

Shareholders are reminded that the actual gain to be recognised shall be determined following the Completion and subject to certain valuation work and audit.

The Company does not currently have any intention to dispose of its remaining 20% interest in the Target Company. The Group’s current strategy is to hold onto the equity interests for long term value appreciation and to facilitate future cooperation in relation to autonomous driving in the PRC with the future development of the Group’s automotive-grade wireless connectivity business segment.

9. INTENDED USE OF PROCEEDS

The Directors expect that, after deducting the estimated taxes and expenses of approximately HK\$10.8 million, the net proceeds arising from the Disposal is estimated to be approximately HK\$151.2 million. The Company intends to apply the net proceeds for repayment of its borrowings and accrued interests of approximately HK\$120.9 million, and approximately HK\$6.7 million towards general working capital and approximately HK\$23.6 million towards the business development of the automotive-grade wireless connectivity business.

LETTER FROM THE BOARD

Assuming the Completion will take place no later than 9 July 2021 (being the postponed date of Final Closing), the borrowings and accrued interests of approximately HK\$120.9 million to be repaid shall comprise of (i) approximately HK\$48.7 million and HK\$63.6 million due on 15 July 2021 and 15 October 2021 respectively under a secured bank borrowing; and (ii) approximately HK\$8.6 million due on 31 July 2021 under an unsecured loan from an individual investor. None of the borrowings of the Group are obtained from Purchaser 1, Purchaser 2 or the Minority Shareholder, or each of its ultimate beneficial owners, directors or legal representatives.

10. LISTING RULES IMPLICATIONS

As one or more of the 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.

The Minority Shareholder holds approximately 12.7003% equity interest in the Target Company and is thus a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Since the Minority Shareholder is a party to the Equity Transfer Agreement, the Disposal constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, since (i) the Minority Shareholder is a connected person at the subsidiary level; (ii) the Board has approved the Equity Transfer Agreement and the Disposal; and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules. Despite so, the Disposal constitutes a major transaction of the Company and so the completion of the Disposal shall still be conditional upon and subject to the approval by the Shareholders at the EGM.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the Equity Transfer Agreement and the transaction contemplated thereunder at the EGM.

LETTER FROM THE BOARD

11. EGM

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be convened and held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong on 1 June 2021 at 12:00 p.m. (or immediately after the conclusion of the annual general meeting to be held on the same day, whichever is the earlier) for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement and the transaction contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tus-i.com). Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The resolution proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

12. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the opinion that the Equity Transfer Agreement and the transactions contemplated thereunder are in the interests of the Company and that the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the Disposal and the transactions contemplated thereunder.

Completion of the Disposal is subject to the fulfilment of the conditions precedent set out in the Equity Transfer Agreement as well as Shareholders' approval 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.

LETTER FROM THE BOARD

13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
TUS International Limited
Ma Chi Kong Karl
Chairman

1. FINANCIAL INFORMATION OF THE COMPANY

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.tus-i.com>):

Annual report for the year ended 31 December 2018 (pages 70 to 191):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0416/ltn20190416261.pdf>

Annual report for the year ended 31 December 2019 (pages 82 to 205):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0528/2020052801319.pdf>

Annual report for the year ended 31 December 2020 (pages 92 to 219):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901411.pdf>

2. INDEBTEDNESS

As at the close of business on 31 March 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

	<i>HK\$'million</i>
Borrowings	844.3
Convertible bonds	104.8
Lease liabilities	14.7
	<hr/>
Total	963.8
	<hr/> <hr/>

Borrowings

As at 31 March 2021, details of borrowings were as follows:

	<i>HK\$'million</i>
Secured borrowings	339.8
Unsecured borrowings	504.5
Total	844.3

- i. short-term secured bank borrowings of approximately HK\$82.9 million of which approximately HK\$71.1 million and HK\$11.8 million carry, respectively, fixed interest rate ranging from 4.35% to 6.00% per annum and variable interest rate of LPR + 1.45%, which are repayable within one year. Bank borrowings of approximately HK\$35.6 million were secured by personal guarantee given by a director of the subsidiary while the remaining approximately HK\$47.3 million were secured by pledging certain financial assets at FVTOCI of the Group.
- ii. secured bank borrowings of approximately HK\$256.9 million carries variable interest rate at LIBOR + 2.45% per annum with effective interest rate at 2.71% which is secured by certain receivables and the entire issued share capital of the subsidiaries in the automotive-grade wireless connectivity business. The bank borrowing was a 3 years fixed term loan, it was classified as repayment on demand because of failure to fulfil certain financial covenants as stated in the loan agreement. The Group has since obtained waivers for strict compliance on the relevant financial covenant requirements from the relevant bank which will be effective until the second half of 2021 with several conditions subsequent to be satisfied.
- iii. other borrowings of approximately HK\$234.5 million were unsecured, repayable within one year and carries fixed interest rate ranged from 4.35% to 14.00% per annum.
- iv. other borrowings of HK\$100.0 million were reclassified from convertible bonds held by Tuspark Venture which were due on 9 June 2020 given the conversion rights lapsed on 9 June 2020. The amount was unsecured, carrying interests at 21.00%. The Directors are under negotiation with the bondholder on a restructure of repayment schedule.

- v. other borrowings of HK\$170.0 million were secured by a corporate guarantee provided from a subsidiary of one of the shareholders of the Company. The borrowings carry interests at 12.00% and are repayable within one year.

Convertible bonds

As at 31 March 2021, the Group also had outstanding unsecured convertible bonds issued by the Company with an aggregate carrying amount of approximately HK\$104.8 million, with coupon rate of 0% and due in the years 2023 and 2025.

Lease liabilities

As at 31 March 2021, the Group had lease liabilities (comprising both current and non-current liabilities) of approximately HK\$14.7 million.

Charge of assets

As at 31 March 2021, certain financial assets at FVTOCI and all shares of the subsidiaries in the automotive-grade wireless connectivity business were pledged for aggregate banking facilities of approximately HK\$304.3 million. Save as disclosed herein, the Group had no other significant charge of assets.

Contingent liabilities

As at 30 April 2021, the Group had no material contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY

For the year ended 31 December 2020, the Group incurred a loss of approximately HK\$249.9 million, and as of that date, the Group had net current liabilities of approximately HK\$882.7 million. In addition, the Group had outstanding borrowings of approximately HK\$881.0 million which were due for repayment or renewal in the next 12 months after 31 December 2020. In view of such circumstances, the Directors have undertaken and are continuing to implement certain measures in order to finance the working capital of the Group for at least the next 12 months from the date of this circular, details of which are as follows:

- (a) Since 31 December 2020, the Group has received a conditional waiver letter from the bank for the bank borrowing with outstanding amounts of approximately HK\$256.9 million as at 31 December 2020, of which the Group has failed to fulfil certain financial covenants as stated in the terms of the banking facilities. The waiver letter is conditional upon the satisfaction of, including but not limited to, continuous financial support to the automotive-grade wireless connectivity business for the year ending 31 December 2021 and re-negotiation/extension of several other debts of the Company which were overdue.
- (b) The Company has actively negotiated with lenders to secure the renewals of the Group's borrowings to meet its liabilities when fall due.
- (c) As at 31 March 2021, the Group has fully settled bank borrowings of approximately HK\$13.0 million and other borrowings of approximately HK\$83.2 million respectively.
- (d) On 19 March 2021, the Group signed a facility agreement to obtain financing facilities of approximately RMB250.0 million from fellow subsidiaries of Tus-Holdings.
- (e) On 25 March 2021, the Group signed a letter of intention and is under negotiation of finalising a loan agreement with a financial institution for a loan amounting to a maximum of HK\$220.0 million.
- (f) On 29 March 2021, the Group received a written confirmation from Tuspark Venture, one of the major shareholders of the Company, that it will provide continuous financial support to the Group to enable the Group to meet its financial obligations as and when they fall due in the next 24 months from the date of approval of the consolidated financial statements for the year ended 31 December 2020.
- (g) The Group has been taking continuous measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations.
- (h) The Company has actively negotiated with investors for the extension of convertible bonds and to obtain further financing when necessary including but not limited to shareholder's loan, equity financing, bank borrowings and issuance of new convertible bonds to improve the liquidity of the Group.
- (i) The Group may dispose non-core business and/or financial assets if required, including for example, the Disposal.

In the opinion of the Directors, in light of the various measures or arrangements implemented, and taking into account the net proceeds of the Disposal of approximately HK\$151.2 million, the Group will have sufficient working capital for its current requirements for at least 12 months from the date of this circular.

Notwithstanding the above, Shareholders are reminded to be aware that significant uncertainties may exist as to whether the Group will be able to continue as a going concern and it will heavily depend upon the Group's ability to successfully and timely implement the above-mentioned strategies in the coming 12 months from the date of this circular. Any deviation of the results from the implementation of such strategies may significantly affect the going concern assumption of the Group.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As disclosed in the 2020 Annual Report, the Pandemic in the PRC is expected to be under control given the introduction of vaccine, and a recovery on Chinese economy and Chinese auto industry is expected in 2021. The China Association of Automobile Manufactures (CAAM) also projected that production and sale of automobile in the PRC in 2021 will improve while sales volume of electronic vehicle as well as new energy vehicle will reach a record high in 2021.

Following the Disposal, the Group will concentrate its business development in the automotive-grade wireless connectivity business through development of new generation automotive-grade wireless connectivity modules as well as penetration into the PRC market, with the objective of diversifying its product mix and enhancing its capability in developing high value added products and new applications through in-house research and development efforts.

The Group will use its best endeavors to seek financial resources to repay its short term liabilities which had already fallen due or will fall due within one year; including, actively seeking debt re-financing projects, re-negotiation with creditors on the repayment terms and conditions, disposing full or partial of core-business and financial assets of the Group, and conducting equity financing such as share placements, right issues or debt to equity conversions which may broaden shareholders base of the Company and may improve the overall working capital and gearing position of the Group.

In the long run, the Group will continue to strengthen its market position by specialising its research and development capabilities and commercialisation of various forward looking and common technologies.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Shares and underlying Shares (other than Share Options) of the Company

Name of Shareholder	Capacity	Number of Shares (Note 1)	Approx. percentage of the issued share capital of the Company (Note 2)
Mr. Ma Chi Kong	Beneficial owner	210,718,000 (L)	10.21%
Karl (“ Mr. Ma ”)	Beneficial owner (Note 3)	100,000,000 (L)	4.85%

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- Based on 2,063,615,283 Shares in issue as at the Latest Practicable Date.
- These Shares represented Mr. Ma’s interest in the Shares underlying the convertible bond issued by the Company with coupon rate of 0% due in 2023 in the aggregate principal amount of HK\$53,700,000, assuming full conversion of such convertible bond at the initial conversion price of HK\$0.537 per Share.

As at the Latest Practicable Date, so far as known to the Directors, no Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

Interest in the Share Options of the Company

As at the Latest Practicable Date, the following Directors had personal interest in the Share Options to subscribe for the Shares granted under the share option schemes of the Company:

Name of Director	Number of Share Options	Date of Grant	Exercise price per Share (HK\$)	Exercise Period
Mr. Hu Bo	8,000,000	8 January 2021	0.300	11 January 2022 to 10 January 2031
Mr. Ma	9,280,000	12 October 2016	0.822	12 October 2017 to 11 October 2026
Mr. Tsang Ling Biu Gilbert	4,640,000	22 January 2016	0.820	22 January 2017 to 21 January 2016
	<hr/>			
	<u>21,920,000</u>			

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares (Note 1)	Approx. percentage of the issued share capital of the Company (Note 2)
Tuspark Venture	Beneficial interest (Note 3)	600,255,670 (L)	29.09%
Tus-Holdings	Interests of controlled corporation (Note 3)	600,255,670 (L)	29.09%
E-Town International Holding (Hong Kong) Co., Limited ("E-Town HK")	Beneficial interest (Note 4)	387,080,868 (L)	18.76%
北京亦莊國際投資 發展有限公司 ("E-Town BJ")	Interests of controlled corporation (Note 4)	387,080,868 (L)	18.76%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Based on 2,063,615,283 Shares in issue as at the Latest Practicable Date.

3. Tuspark Venture was the beneficial owner of 452,519,805 Shares. Tuspark Venture was also beneficially interested in the convertible bond issued by the Company with coupon rate of 0% due in 2025 in the principal amount of HK\$89,882,500 which was convertible into 147,735,865 Shares at the conversion price of HK\$0.6084 per Share (subject to adjustment(s)). The entire issued share capital of Tuspark Venture was beneficially owned by Tus-Holdings. Tus-Holdings was therefore deemed to be interested in the 600,255,670 shares held by Tuspark Venture pursuant to the SFO.
4. E-Town HK was the beneficial owner of 387,080,868 Shares. E-Town HK was wholly-owned by E-Town BJ. E-Town BJ was therefore deemed to be interested in the 387,080,868 Shares held by E-Town HK pursuant to the SFO.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSET OR CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, as far as the Directors were aware, none of the Directors were materially interested in contract or arrangement subsisting which was significant in relation to the business of the Group, nor had any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which any member of the Group may become a party.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

- (a) a disposal agreement entered into between Quan Tai Limited (“**Quan Tai**”) and Goldbond Group Holdings Limited (“**Goldbond**”) (formerly known as “Goldbond Investment Group Limited”) on 26 June 2020, pursuant to which Quan Tai conditionally agreed to sell and Goldbond conditionally agreed to acquire 51% of the equity interest in Optimus Financial Group Limited at an aggregate consideration of HK\$41.8 million;
- (b) an equity transfer agreement entered into between TUS Yunzhi Technology (Beijing) Limited* (啟迪雲智科技(北京)有限公司)(“**TUS Yunzhi**”), 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)), Yangzhou Qidi Zhi Wang Investment Centre (Limited Partnership)* (揚州啟迪智網投資中心(有限合夥)), Suzhou Shui Mu Shi Shang Investment Centre (Limited Partnership)* (蘇州水木時尚投資中心(有限合夥)), Huang Bing Qian (黃冰倩)(collectively the “**Four Purchasers**”), TUS Cloud Control (Beijing) Technology Limited (啟迪雲控(北京)科技有限公司)(“**TUS Cloud Control**”) and Tianjin Qingyun Intelligent Control Technology Limited* (天津清雲智控科技有限公司) on 14 September 2020, pursuant to which TUS Yunzhi conditionally agreed to sell and the Four Purchasers conditionally agreed to acquire in aggregate 70% of the equity interest in the TUS Cloud Control at an aggregate consideration of RMB105 million;
- (c) an equity transfer agreement entered into between TUS Zhixing Technology (Beijing) Limited* (啟迪智行科技(北京)有限公司)(“**TUS Zhixing**”) and Tus Financial Company Limited (formerly TUS-Financial Group Limited) (啟迪金控投資有限公司)(“**Tus Financial**”) on 1 February 2021, pursuant to which TUS Zhixing conditionally agreed to sell and Tus Financial conditionally agreed to acquire the entire equity interest in TUS Yunzhi at an aggregate consideration of RMB1; and
- (d) the Equity Transfer Agreement.

9. CORPORATE INFORMATION OF THE COMPANY

- (a) The company secretary of the Company is Mr. Cheng Him Shun Hilson, who is a member of the CPA Australia and Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The principal place of business of the Company in Hong Kong is at Room 707-711, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong.
- (d) The Cayman Islands principal share registrar and transfer office of the Company is SMP Partners (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at 17/M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (f) This circular is in both English and Chinese. If there is any inconsistency, the English text shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the offices of Room 707-711, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong, for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts mentioned in the paragraph headed "Material Contracts" in this appendix;
- (c) the annual reports of the Company for each of the three years ended 31 December 2018, 2019 and 2020;
- (d) the Equity Transfer Agreement; and
- (e) a copy of this circular.

NOTICE OF EGM



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of the shareholders of Tus International Limited (the “**Company**”) will be held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong on 1 June 2021 at 12:00 p.m. (or immediately after the conclusion of the annual general meeting to be held on the same day, whichever is the earlier) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution:

ORDINARY RESOLUTIONS

1. “**THAT**

- a. the equity transfer agreement dated 23 April 2021 (the “**Equity Transfer Agreement**”) entered into between Suzhou Qiyizhi Management Enterprise Limited* (蘇州企億智企業管理有限公司), an indirect wholly-owned subsidiary of the Company (the “**Vendor**”), Tibet Tengyun New Power Technology Co., Ltd.* (西藏騰雲新動力科技有限公司) (formerly known as Tibet Huize Hongtu Trading Co., Ltd.* (西藏惠澤宏圖商貿有限公司)) (“**Purchaser 1**”), Ningbo Tengyue Qizhi Technology Partnership (Limited Partnership)* (寧波騰越啟智科技合夥企業(有限合夥)) (“**Purchaser 2**”, collectively with Purchaser 1, the “**Purchasers**”), Suzhou Zhihua Automobile Electronics Co., Ltd.* (蘇州智華汽車電子有限公司) (the “**Target Company**”) and Suzhou Yinwo Investment Management Enterprise (Limited Partnership)* (蘇州茵沃投資管理企業(有限合夥)) (the “**Minority Shareholder**”) (a copy of which has been produced to this Meeting marked “A” for the purpose of identification) in relation to the proposed disposal of 24.7538% of the equity interest in the Target Company by the Vendor to the Purchasers and the transaction contemplated thereby (collectively, the “**Disposal**”), the details of which are set out in the circular of the Company dated 31 May 2021 (the “**Circular**”), be and is hereby approved, confirmed and ratified;

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- b. any one director of the Company (“**Director(s)**”) or (if affixing of seal is required) any two Directors (or one Director together with the company secretary of the Company) be authorised for and on behalf of the Company, among others, to execute, perfect, deliver (including under seal where applicable) all such other documents and deeds, and to do or authorise doing all such acts, matters and things, as he may in his absolute discretion consider necessary, expedient or desirable to give effect to and implement and/or complete all matters in connection with:
- (i) the Equity Transfer Agreement and the transaction contemplated thereunder, and the completion and implementation thereof;
 - (ii) securing the fulfilment of the conditions precedent of completion of the Disposal; and
 - (iii) the approval of any amendments or variations to the Equity Transfer Agreement, or the granting of waivers of any matters contemplated thereby that are, in the Director’s opinion, not fundamental to the transaction contemplated thereby and are in the best interests of the Company, including without limitation the signing (under the common seal of the Company where required or expedient) of any supplemental or ancillary agreements and instruments and the giving of any undertakings and confirmations for any such purposes.”

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

Hong Kong, 15 May 2021

Registered Office:

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Cayman Islands

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Notes:

1. In view of the outbreak of the coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement certain measures at the Meeting, details of which are set out in the section headed “Precautionary Measures for the EGM” on page 1 of the Circular, to safeguard the health and safety of the attending shareholders of the Company, staff and other stakeholders.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the Meeting.

2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 12:00 p.m., 30 May 2021 (i.e. not less than 48 hours before the time appointed for the Meeting (or any adjournment thereof)).
4. For determining members’ rights to attend and vote at the Extraordinary General Meeting, the deadline for share registration will be Wednesday, 26 May 2021. Members should therefore ensure that all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 May 2021.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any shares, any one of such joint holders may vote either in person or by proxy in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
7. In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, certain Director(s) of the Company may attend the Meeting through telephone or video conference or similar electronic means.
8. Time and dates in this notice are Hong Kong time and dates.

As of the date of this notice, the board of directors of the Company comprises Mr. Hu Bo who is an executive Director, Mr. Ma Chi Kong Karl (Chairman) and Mr. Tsang Ling Biu Gilbert 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.