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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)

**CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED FORMATION OF
THE JOINT VENTURE COMPANY WITH
TUSSTAR INCUBATOR INVESTMENT LTD**

The Board is pleased to announce that on 17 February 2017 (after trading hours) Sunny Voyage, a direct wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with TusStar in relation to the proposed formation of the JV Company. The JV Company shall be owned as to 50% by Sunny Voyage and 50% by TusStar. Upon establishment, the JV Company will not become a non-wholly owned subsidiary of the Company and therefore its financial results will not be consolidated into the financial statements of the Company. The JV Company will be classified as interest in a joint venture in the financial statements of the Group.

As at the date of this announcement, Tuspark Venture, a connected person of the Company by virtue of it being a substantial Shareholder, is legally and beneficially interested in approximately 22.89% of the issued share capital of the Company. Tuspark Venture is a wholly owned subsidiary of Tus-Holdings, which is the holding company of TusStar. Accordingly, TusStar, being an associate of Tuspark Venture, is also a connected person of the Company.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the capital commitment to be provided by the Group for the JV Company under the Joint Venture Agreement as well as the connected transaction in relation to the subscription of shares in Tuspark Global Limited (please refer to the Company's announcement published on 29 July 2016), on an aggregated basis, are more than 0.1% but less than 5%, the proposed formation of the JV Company contemplated under the Joint Venture Agreement is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 18 January 2017 in relation to, among other things, the entering into of the non-binding memorandum of understanding on strategic cooperation with The Regents of the University of Michigan and TusStar.

The Board is pleased to announce that on 17 February 2017 (after trading hours) Sunny Voyage, a direct wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with TusStar in relation to the proposed formation of the JV Company.

THE JOINT VENTURE AGREEMENT

Date: 17 February 2017 (after trading hours)

Parties: (i) Sunny Voyage, a direct wholly-owned subsidiary of the Company; and
(ii) TusStar

As at the date of this announcement, Tuspark Venture, a connected person of the Company by virtue of it being a substantial Shareholder, is legally and beneficially interested in approximately 22.89% of the issued share capital of the Company. Tuspark Venture is a wholly owned subsidiary of Tus-Holdings, which is the holding company of TusStar. Accordingly, TusStar, being an associate of Tuspark Venture, is also a connected person of the Company. The entering into of the Joint Venture Agreement (and the transaction contemplated thereunder) constitutes a connected transaction of the Company under the Listing Rules.

Formation of the JV Company

Subject to the conditions precedent set out in the section headed “Conditions precedent” below, Sunny Voyage and TusStar have agreed to form the JV Company in the BVI, the formation of which shall be completed within 3 months from the date of the Joint Venture Agreement (or such later date as Sunny Voyage and TusStar may agree in writing). The JV Company shall be owned as to 50% by Sunny Voyage and 50% by TusStar. Upon establishment, the JV Company will not become a non-wholly owned subsidiary of the Company and therefore its financial results will not be consolidated into the financial statements of the Company. The JV Company will be classified as interest in a joint venture in the financial statements of the Group.

Scope of business

The JV Company will principally be engaged in the business of incubator for incubating and investment of the cutting edge and frontier technology within the motor vehicle industry in the United States and any other business as approved by the board of directors of the JV Company from time to time.

Authorized share capital and capital commitment

The authorized share capital of the JV Company shall be USD1,000,000 (equivalent to approximately HK\$7,800,000), divided into 10,000 shares of USD100.00 each. Within 14 days following fulfilment of the conditions precedent, each of Sunny Voyage and TusStar shall remit the sum of USD500,000 (equivalent to approximately HK\$3,900,000) in cash to each subscribe for 5,000 shares in the JV Company.

The capital contribution amount was determined after arm’s length negotiation between Sunny Voyage and TusStar having taking into account the estimated total capital needed for the operation of the JV Company.

It is expected that the capital to be contributed by the Group will be funded by internal resources of the Group and/or if necessary, the net proceeds of any possible fundraising exercise of the Company. However, as at the date of this announcement, the Board has no concrete plan for raising capital for financing the formation of the JV Company.

The capital of the JV Company, after being paid up and subject to the requirement of the Listing Rules and other relevant laws and regulations, shall be used for setting up incubator for incubating and investment of the cutting edge and frontier technology within the motor vehicle industry in the United States.

Conditions precedent

The obligation of parties to remit its respective portion of the subscription shall be subject to the satisfaction or waiver of the following conditions:

- (a) Each of the representations and warranties of the parties contained in the Joint Venture Agreement shall be true and correct in all material respects.
- (b) All necessary governmental approvals (which are required to be obtained prior to closing) for the incorporation of the JV Company and the execution and performance of the transactions contemplated in the Joint Venture Agreement shall have been obtained.
- (c) Neither the consummation nor the performance of any of the transactions contemplated in the Joint Venture Agreement shall, directly or indirectly (with or without the giving of notice or the lapse of time or both), contravene, or conflict with, or result in a violation of, or cause any party to suffer any adverse consequences under, any applicable law.
- (d) No decision, injunction, judgment, settlement or order (whether oral or written) rendered by any government authority shall be pending or threatened which (a) challenges to or seeks to prohibit, delay or restrict the consummation of any of the transactions contemplated in the Joint Venture Agreement or (b) questions the validity or legality of any of the transactions contemplated in the Joint Venture Agreement.

In the event that the abovementioned conditions precedent are not fulfilled within 3 months from the date of signing of the Joint Venture Agreement (or such other date as the parties may agree), the Joint Venture Agreement shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder, save for any antecedent breach of the terms thereof.

Composition of the board of directors

The board of directors of the JV Company shall consist of four directors, two of whom shall be appointed by Sunny Voyage and the other two shall be appointed by TusStar.

Restrictions on the transfer of equity interests

Equity holders of the JV Company could transfer the equity interests in the JV Company among themselves. No transfer of equity interests in the JV Company by any equity holder to any non-equity holder shall be allowed unless such transfer is approved by other equity holder(s).

Profit sharing and intellectual properties

Any profit or loss of the JV Company shall be shared or borne by Sunny Voyage and TusStar in proportion to their respective equity interests in the JV Company. Sunny Voyage and/or TusStar may enter into licence agreement(s) with the JV Company in relation to the use of certain trademarks, logos, patents, non-patented technology, computer software etc. For the avoidance of doubt, the entering into of such licence agreement(s) does not mean that the JV Company has obtained such intellectual property rights (unless otherwise specified in writing). If Sunny Voyage or TusStar, in reliance on the experiences and methodology of the JV Company, develops any new intellectual property rights, the JV Company shall have the right to use such intellectual property rights (details of such rights of use to be set out in writing separately).

REASONS FOR AND THE BENEFITS OF THE TRANSACTION

The Group is principally engaged in the production and sale of automotive related products, car trading and provision of financing service for leasing motor vehicles and equipment.

TusStar is an incubation and early investment platform of Tus-Holdings, and primarily focuses on operating incubators and accelerating technology transfer through its incubation system. Tus-Holdings is the holding company of, among others, TusStar and Tuspark Venture, which is a connected person of the Company by virtue of it being a substantial Shareholder.

The Board considers that the proposed formation of the JV Company would allow the Company to leverage on TusStar's brandname and vast experience in incubation in startup businesses and with the partnership with the University of Michigan which is one of the renowned academic institutes in the motor vehicle industry with leading technology, and therefore expects that the JV Company, once established, may provide a platform to expand the Company's business portfolio, income source and enhance possibly its income stream.

In view of the above, the Directors (excluding the independent non-executive Directors) consider that the Joint Venture Agreement was entered into after arm's length negotiation between the parties, are on normal commercial terms and the terms thereof are fair and reasonable, and the proposed formation of the JV Company contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

BOARD CONFIRMATION

Mr. Ma Chi Kong Karl, being a director of Tus-Holdings, and Mr. Du Peng, being a director of Tuspark Venture, are considered to have a material interest in the Joint Venture Agreement and the proposed formation of the JV Company contemplated thereunder and are required to abstain, and have abstained, from voting on the relevant Board resolution to approve the Joint Venture Agreement and proposed formation of the JV Company contemplated thereunder. Save for the above, no other Director has a material interest in the transaction and none of them is required to abstain from voting on the relevant Board resolution to approve the same.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the capital commitment to be provided by the Group for the JV Company under the Joint Venture Agreement as well as the connected transaction in relation to the subscription of shares in Tuspark Global Limited (please refer to the Company's announcement published on 29 July 2016), on an aggregated basis, are more than 0.1% but less than 5%, the proposed formation of the JV Company contemplated under the Joint Venture Agreement is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	TUS International Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the joint venture agreement dated 17 February 2017 entered into between Sunny Voyage and TusStar in relation to the establishment and management of the JV Company
“JV Company”	an equity joint venture company to be established in the BVI with limited liability by Sunny Voyage and TusStar pursuant to the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holder(s) of the shares of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tus-Holdings”	Tus-Holdings Co., Ltd.* (啟迪控股股份有限公司), the holding company of Tuspark Venture and TusStar
“Tuspark Venture”	Tuspark Venture Investment Ltd (啟迪創投有限公司), a substantial Shareholder holding approximately 22.89% of the issued share capital of the Company as at the date of this announcement
“TusStar”	TusStar Incubator Investment Ltd., a subsidiary of Tus-Holdings
“Sunny Voyage”	Sunny Voyage Limited, a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	the lawful currency of the United States
“%”	per cent.

* *The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

For the purpose of this announcement, the translation of USD into Hong Kong dollars is based on the rate of USD1:HK\$7.8. This conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates or at all.

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

Hong Kong, 17 February 2017

As at the date of this announcement, Mr. Ma Chi Kong Karl, Mr. Shen Xiao, Mr. Yang Ming, Mr. Du Peng, Mr. Woo Kar Tung Raymond and Ms. Cheung Joanna Wai Sze who are executive Directors, Mr. Tsang Ling Biu, Gilbert and Mr. Sheng Ruzhi who are non-executive Directors, and Hon. Quat Elizabeth (JP), Mr. Poon Chiu Kwok, Mr. Chen Jin, and Mr. Wong Yuk Lun, Alan who are independent non-executive Directors.