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**TITAN INVO TECHNOLOGY LIMITED**

**泰 坦 智 華 科 技 有 限 公 司**

(formerly known as TUS International Limited 啟迪國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

## **QUARTERLY UPDATE ON SUSPENSION OF TRADING AND RESIGNATION OF AUDITORS**

This announcement is made by Titan Invo Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A and Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements of the Company dated 28 March 2022, 31 March 2022, 13 May 2022, 18 May 2022, 13 June 2022, 15 June 2022, 18 July 2022, 19 July 2022, 31 August 2022 and 14 October 2022 (the “**Announcements**”) in relation to, among other things, (i) the delay in publication of 2021 Audited Annual Results and despatch of 2021 Annual Report, (ii) the delay in publication of 2022 Interim Results and despatch of 2022 Interim Report, (iii) the suspension of trading in the Company’s shares (the “**Shares**”), and (iv) the Resumption Guidance. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcements.

## **BUSINESS OPERATIONS**

The Group is principally engaged in the provision of automotive-grade wireless connectivity modules and other products for global OEMs and Tier-1 customers of automotive electronics. On the premise of maintaining the stable supply of the existing product lines, the Group will stick to its established strategy, expand and accelerate the development in Asia-Pacific and China markets, and provide intelligent interconnectivity modules and solutions on integrated intelligent network and V2X (vehicle-to-everything) applications.

In addition, the Company has been identifying potential new business opportunities that may be beneficial to the growth and development of the Group's business, and to ensure the Company's continued compliance with Rule 13.24 of the Listing Rules.

### **Proposed Acquisition**

On 28 September 2022, the Company entered into a sale and purchase agreement with two independent third parties (the "**Vendors**"), pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, approximately 56.33% equity interest in a company incorporated in Malaysia (the "**Target Company**", together with its subsidiaries, the "**Target Group**") at a consideration of approximately HK\$26.5 million (subject to potential adjustments), which shall be satisfied by the issue of bonds by the Company (the "**Acquisition**").

The Acquisition is expected to complete on or before 21 October 2022 or such other date as may be agreed by the Company and the Vendors. Please refer to the Company's announcement dated 28 September 2022 for further details.

## RESIGNATION OF AUDITORS

The Board hereby announces that HLB Hodgson Impey Cheng Limited (“**HLB**”) has resigned as auditors of the Company with effect from 14 October 2022.

HLB mentioned in its resignation letter, among other things, that it is required to extend its audit procedures to obtain sufficient and appropriate evidence or financial information concerning the Company’s major subsidiary, i.e. Titan Belgium, and going concern issues of the Group, to complete the audit of the Group’s consolidated financial statements for the year ended 31 December 2021. As such, HLB is not able to determine the scope and timing of the extended audit procedures. HLB further stated that it has decided to tender its resignation as auditors of the Company after taking into account many factors including the professional risk associated with the audit and the level of audit fees.

HLB has confirmed in its letter of resignation that except for the reasons aforementioned, there are no other matters in relation to its resignation that need to be brought to the attention of the Shareholders.

The Board and the audit committee of the Company (the “**Audit Committee**”) confirmed that, save for HLB and the Company being unable to reach a consensus on the audit scope and fees, there are no other disagreements or unresolved matters between the Company and HLB in respect of the change of auditors which should be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to HLB for its professional and quality services rendered to the Group in the past years.

The Board may fill any casual vacancy in the office of the auditors. The Board is currently in the course of assessing and confirming engagement of a new audit firm to act as the new auditors of the Company.

The Company will make further announcement in relation to the appointment of new auditors as soon as practicable in accordance with the Listing Rules.

## **RESUMPTION PLAN**

As disclosed in the announcement dated 14 October 2022, one of the conditions to the Resumption Guidance is that the Company shall publish all outstanding financial results required under the Listing Rules and address any audit modifications.

As disclosed in the announcement dated 31 August 2022, it has come to the Company's attention that Titan Belgium's audit issues appear to arise primarily from the possible flaw in data migration when Titan Belgium transitioned to a new integrated accounting system in early 2021. It was expected the 2021 Audited Annual Results and the 2021 Annual Report to be published and despatched on or before 30 November 2022, and the 2022 Interim Results and 2022 Interim Report to be published and despatched on or before 31 December 2022.

In order to resolve the issue of data migration flaw, in early September 2022, the Company engaged an independent accounting company in Hong Kong to conduct a manual data entry exercise to verify and compare Titan Belgium's data. Due to the large volume of manual work required, it is expected that such special accounting work may only be completed in around end of October 2022. As such, the publication of financial results may have to be further delayed.

Pending appointment of new auditors, at this moment, the Company is unable to provide a clear expected timeframe for each stage of outstanding accounting work. The Company shall take the necessity to expedite the matter into account in its appointment of new auditors, and shall publish a further announcement(s) in relation to the Company's expected timetable as soon as practicable upon appointment of new auditors.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 18 July 2022 and will remain suspended pending the fulfilment of the Resumption Guidance.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules to keep Shareholders and potential investors informed of, amongst others, the progress of the fulfilment of the Resumption Guidance and the business operations of the Group. The Company shall also announce quarterly updates from the date of this announcement until resumption.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Titan Invo Technology Limited**  
**Ma Chi Kong Karl**  
*Chairman*

Hong Kong, 17 October 2022

*As at the date of this announcement, the Board 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 (BBS, JP), Dr. Koong Hing Yeung Victor and Mr. Lee Kwok Tung Louis who are independent non-executive Directors.*