THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 **Titan Invo Technology Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser(s) or 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).

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)

VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE DISPOSAL OF A 15.5% EQUITY INTEREST IN
SUZHOU ZHIHUA AUTOMOBILE ELECTRONICS CO., LTD
AND
NOTICE OF EGM

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the EGM to be held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong, on Thursday, 7 July 2022 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. 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 should you so wish.

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.

17 June 2022

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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.

Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

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.titaninvo-global.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 a proxy.

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

"2021 Disposal"	the disposal of a 24.754% equity interest in the Target Company by the Vendor to the Purchaser and Ningbo Tengyue Qizhi Technology Partnership (Limited Partnership)* (寧波騰越啟智科技合夥企業(有限合夥)), details of which are set out in the Company's announcement dated 23 April 2021 and the 2021 Disposal Circular
"2021 Disposal Circular"	the Company's circular dated 15 May 2021 in relation to the 2021 Disposal
"2021 Equity Transfer Agreement"	the equity transfer agreement dated 23 April 2021 entered into between the Vendor, the Purchaser, 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, 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)), a limited partnership established in the PRC with limited liability in relation to the 2021 Disposal
"ADAS"	advanced driving assistance system
"Announcement"	the announcement of the Company dated 6 May 2022 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
"Closing"	completion pursuant to the terms of the Equity Transfer Agreement
"Company"	Titan Invo Technology Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of the Stock Exchange (stock code: 872)

"Consideration"	the consideration for the Disposal of the 15.493% equity interest in the Target Company under the Equity Transfer Agreement, being RMB110,000,300 (equivalent to approximately HK$132.0 million)
"Convertible Bonds"	the 0% coupon convertible bonds in the principal amount of HK$53,700,000 due on 21 June 2023 issued by the Company to Mr. Ma on 21 June 2018
"Director(s)"	director(s) of the Company
"Disposal"	the proposed disposal of the 15.493% equity interest in the Target Company under the Equity Transfer Agreement
"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the ordinary resolution in respect of the Disposal
"Equity Transfer Agreement"	the equity transfer agreement dated 6 May 2022 entered into between the Vendor, the Purchaser and the Target Company in relation to the Disposal
"FVTOCI"	fair value through other comprehensive income
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	13 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Ma"	Mr. Ma Chi Kong Karl, the Chairman of the Board and a non-executive Director
"Parties"	the parties to the Equity Transfer Agreement, namely, the Vendor, the Purchaser and the Target Company, each of which a "Party"
"PRC"	the People's Republic of China

"Purchaser"	Tibet Tengyun New Power Technology Company Limited* (西藏騰雲新動力科技有限公司 (formerly 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
"Remaining Group"	the Group upon completion of the Disposal
"Rights Issue"	the rights issue on the basis of one rights share for every two existing Shares at HK$0.07 per rights share as set out in the Company's announcement and circular dated 30 November 2021 and 5 January 2022, respectively, which subsequently lapsed on 8 February 2022 as set out in the announcement issued by the Company on the same date
"RMB"	Renminbi, the lawful currency of the PRC
"Security"	the pledge over certain financial assets at FVTOCI given by an indirect wholly-owned subsidiary of the Company in favour of a lender regarding bank loans with an aggregate principal amount of RMB40,000,000 held by the Target Company, entered into on 20 September 2019
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	shareholder(s) of the Company
"Shares"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"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
"Target Group"	the Target Company and its wholly-owned subsidiaries, namely Suzhou Zhihua Sensor Technology Limited* (蘇州智華傳感器科技有限公司), Beijing Yinwo Automobile Technology Company Limited* (北京茵沃汽車科技有限公司) and Suzhou Zhihua Automobile Technology Limited* (蘇州智華汽車科技有限公司), all companies incorporated in the PRC with limited liability

"Tuspark Venture"	Tuspark Venture Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial Shareholder as at the date of this circular
"Vendor"	Titan Zhijia (Suzhou) Technology Limited* (泰坦智駕(蘇州)科技有限公司)(formerly 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

For the purpose of this circular, the exchange rate of RMB1 to HK$1.20 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK$ or RMB has been, could have been or may be converted at such a rate.

* *For identification purpose only*

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)

Executive Directors:
Mr. Hu Bo

Non-executive Directors:
Mr. Ma Chi Kong Karl *(Chairman)*
Mr. Tsang Ling Biu, Gilbert

Independent non-executive Directors:
Hon. Quat Elizabeth *(JP)*
Dr. Koong Hing Yeung Victor
Mr. Lee Kwok Tung Louis

Registered Office:
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P.O. Box 2681
Grand Cayman KY1-1111
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Head office and principal place of business in the PRC:
Building 2, No. 60 Weixin Road,
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Jiangsu Province,
China

Principal place of business in Hong Kong:
Room 707-711, 7/F,
TusPark Workhub,
118 Wai Yip Street, Kwun Tong
Hong Kong

17 June 2022

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF A 15.5% EQUITY INTEREST IN SUZHOU ZHIHUA AUTOMOBILE ELECTRONICS CO., LTD AND NOTICE OF EGM

1. INTRODUCTION

Reference is made to the Announcement and the transactions contemplated thereunder.

After trading hours on 6 May 2022, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire approximately 15.493% of the equity interest in the Target Company at the Consideration of RMB110,000,300 (equivalent to approximately HK$132.0 million) in accordance with the terms and conditions of the Equity Transfer Agreement.

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. EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement is summarised as follows:

Date

6 May 2022

Parties

(i) the Vendor,

(ii) the Purchaser, and

(iii) the Target Company.

Asset to be disposed of

As at the date of this circular, the Target Company is owned as to approximately 15.493% (representing registered capital of RMB7,740,000) by the Vendor, while the remaining Shares are held by nine investors, including the Purchaser, who holds an approximately 36.589% interest in the Target Company. The Vendor is a wholly-owned subsidiary of the Company.

The Vendor's equity interest in the Target Company has been diluted from the approximately 20.0% it held at the time of completion of the 2021 Disposal to approximately 15.493% as at the date of this circular, following capital injection exercises conducted by the Target Company since the 2021 Disposal.

Upon completion of the Disposal, the Group will cease to hold any equity interest in the Target Company.

Consideration

Pursuant to the Equity Transfer Agreement, the Consideration of RMB110,000,300 (equivalent to approximately HK$132.0 million) shall be payable in the following manner:

(i) RMB55,000,150 shall be payable at Closing, and

(ii) RMB55,000,150 shall be payable within 10 Business Days after completion of the relevant regulatory filing in relation to the Disposal, which is to be completed by the Vendor within 5 Business Days after Closing.

Conditions Precedent

Closing is conditional upon satisfaction of the following material conditions precedent:

(1) approval of the equity transfer under the Equity Transfer Agreement by way of resolution by (i) the shareholders of the Target Company, (ii) the shareholders or partners of the Purchaser, and (iii) the shareholders and/or directors (as the case may be) of the Vendor,

(2) 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,

(3) all necessary consents from third parties, including relevant authorities concerning the Target Group, having been obtained,

(4) approval of the Disposal by the Shareholders,

(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 any government authority against the Target Group or the Vendor, which would prevent the performance of the Equity Transfer Agreement (i.e. the Purchaser could not acquire the equity interest in the Target Company or the Vendor could not receive the Consideration) or would have a material adverse effect on the Target Group.

The Purchaser may waive any of the conditions precedent, except for those set out in items 1, 2, 4 and 5 above. As at the date of this circular, save for items 5 and 6 which are currently fulfilled, none of the conditions above have been fulfilled.

If the conditions precedent are not fulfilled by 30 June 2022, the Purchaser may unilaterally decide to:

(i) postpone the Closing to a later date, which shall be no later than 15 July 2022, or

(ii) waive the unfulfilled condition(s) (save for the approvals by Shareholders, the Stock Exchange and other relevant government authorities which may not be waived), and where practicable, proceed to the Closing.

If such conditions are not fulfilled and/or not waived by the Purchaser by 15 July 2022, the Purchaser may unilaterally decide to terminate the Equity Transfer Agreement, upon which the Purchaser shall not be liable to the other Parties for such decision to terminate, except that such termination shall not affect any Party's liabilities to the other Parties for any breach of the Equity Transfer Agreement accrued prior to termination.

Completion

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

Termination

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

(i) upon the Parties' mutual agreement in writing, specifying the effective date of termination, and

(ii) if, within the period from the date of the Equity Transfer Agreement to the Closing, 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 OF THE TARGET GROUP

The Target Company is a company incorporated in the PRC with limited liability, whose registered capital is owned as to approximately 15.493% by the Vendor, approximately 36.589% by the Purchaser, with the remaining interest in the Target Company being held by eight investors.

The principal business activities of the Target Group are research and development, production and sale of ADAS. ADAS products, covering both active (control) and passive (warning) systems include around view monitoring, lane departure warning, forward collision warning, pedestrian detection, night vision, blind spot detection and driver fatigue monitoring and other ADAS-related technologies.

Set out below are the extracts of the latest available unaudited consolidated financial performance of the Target Group for the years ended 31 December 2020 and 2021:

	For the year ended 31 December	
	2020	**2021**
	HK$'million	*HK$'million*
	(unaudited)	(unaudited)
Revenue	290.7	587.7
Profit/(loss) before taxation	2.4	(40.4)
Profit/(loss) after taxation	2.4	(36.5)

The increase in revenue of the Target Group for the year ended 31 December 2021 as compared to that of 2020 was mainly attributable to the Target Group's strategy of rapid business expansion partly driven by an increase in the penetration rate of smart cars in the PRC market. The loss recorded for the year ended 31 December 2021 as compared to the profit for the previous year was mainly due to a reduction in gross profit margin and an increase in expenses, especially in research and development.

The latest available consolidated total assets and total liabilities of the Target Group as at 31 December 2021 were approximately HK$683.5 million and HK$465.8 million respectively. The consolidated net assets of the Target Group as at 31 December 2021 were approximately HK$217.7 million.

4. INFORMATION OF THE COMPANY

The Company is incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 872). The Group is principally engaged in the research and development, production and sale of automotive-grade wireless connectivity modules in Europe, the United States and the Asia-Pacific region.

5. INFORMATION OF THE VENDOR

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

6. INFORMATION OF THE PURCHASER

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this circular, (i) the Purchaser and its ultimate beneficial owners are third parties independent of the Company and (ii) there is, and in the past 12 months there has been, no material loan arrangement between (a) the Purchaser, its directors and legal representatives, and Huang Tao and Huang Shiyang and (b) the Company, any connected person at the Company's level, and/or any connected person at the Vendor's level.

7. BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the equity value of the Target Group as implied by the Consideration representing a premium of approximately 291% over the unaudited consolidated net asset value of the Target Group of approximately HK$217.2 million as at 31 December 2021, (ii) the historical financial performance of the Target Group and its expected future growth being relatively unpredictable given relevant rules, regulations and government policies as regards ADAS in the PRC, (iii) the current and expected market condition of the industry in which the Target Group is operating which remains somewhat steady since the first half of 2021, (iv) the consideration under the 2021 Disposal which is identical to the consideration under the Disposal on a per-share basis, (v) the reasons for and benefits of the Disposal as set out below, (vi) the limited availability of directly comparable listed peers given the nature of the business of the Target Group and (vii) the Target Group recording a net loss for the year 2021 as compared to a net profit for the year 2020 despite the increase in revenue.

8. REASONS FOR AND BENEFITS OF THE DISPOSAL

Background

As set out in the Company's 2020 annual report, given the continuous losses and net cash outflows incurred by the Group in recent years, the gearing ratio of the Group has progressively increased, from approximately 0.55 as at 31 December 2018 to approximately 0.59 as at 31 December 2019, and further to approximately 0.79 as at 31 December 2020. As at 31 December 2021, the gearing ratio has doubled to approximately 1.57. The Group recorded net current liabilities of approximately HK$717.3 million as at 31 December 2021, with outstanding borrowings of approximately HK$714.9 million which were due for repayment in the next twelve months after 31 December 2021, 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.

As set out in the Company's 2020 annual report, 2021 interim report and unaudited annual results announcement for the year ended 31 December 2021, the Directors have implemented several short-term strategies including tightened cost controls, continuous dialogue with stakeholders and active participation in debt and equity financing activities, with the aim to improve the financial position and liquidity while balancing the business development and market expansion efforts and strengthening of the core advantages of its research and development capabilities. The Directors have also reviewed the Group's business operations and considered a range of action plans to address its working capital and liquidity position.

The Company considers that the ADAS business in the PRC is relatively mature as compared to the automotive-grade wireless connectivity business and it is expected that the future expansion of the ADAS business will be limited in the short term.

With the rapid development of ADAS globally in recent years, it is likely that traffic laws, regulations and other safety standards will be amended in order to facilitate the smooth implementation of ADAS. As compared to Europe and the United States, the laws, regulations and government policies in the PRC regarding ADAS technologies, such as active safety systems, are less well developed. Installation of ADAS products or retro-fitting of motor vehicles are also subject to extensive regulations in the PRC. Also taking into consideration possible future impact of the ongoing COVID-19 pandemic, there are a number of uncertainties in relation to the further development of ADAS in the near future.

Up to the date of this circular, the Directors have taken or will take the following measures, among others, to manage the Group's liquidity needs and to improve its financial position:

(i) the Company has been actively negotiating with the bank with which it has secured bank borrowings in respect of extension of the borrowing and repayment schedules,

(ii) the Group has received a written confirmation dated 21 March 2022 from Tuspark Venture stating that it would provide continuous financial support to the Group for the next 24 months from 31 March 2022, the date when its unaudited consolidated financial statements for the year ended 31 December 2021 were approved, should any financial obligations fall due. Such assistance to be received by the Group will not be secured by any assets of the Group. On the same day, Tuspark Venture received a written confirmation from its immediate holding company stating that it has committed to provide continuous financial support to Tuspark Venture for the same period of time,

(iii) the Group entered into a facility agreement on 27 May 2022 with a financial institution for a secured term loan in the principal amount of HK$230.0 million, carrying an interest rate of 12.0% per annum and repayable on the second anniversary of the utilisation date with an option to extend to the third anniversary. Approximately HK$202.2 million has been applied towards full repayment of an existing loan from a financial institution carrying an interest rate of 20.0% per annum,

(iv) the Group has taken continuous measures, including streamlining the corporate and operational structure, ongoing reorganisation of research and development functions, reduction of redundant expenses and applying stringent vendor management, to tighten cost control over production costs and other expenses with the aim of attaining profitability and positive cash flow from operations,

(v) the Group may consider to dispose of non-core operations and/or financial assets if required, and

(vi) the Company has been in talks with Shareholders and convertible bondholders of the Company to extend the maturities and to obtain further financing from the bondholders when necessary, including but not limited to shareholder's loans, capital injections and the issuance of new convertible bonds to improve the liquidity and financial position of the Group. As at 31 December 2021, the Company recorded two outstanding convertible bonds comprising: (i) the Convertible Bonds in the principal amount of HK$53,700,000 due on 21 June 2023 and (ii) 0% coupon bonds in the principal amount of HK$89,882,500 due on 26 February 2025.

The Group has an immediate need for financial resources to repay its current debt, with a significant net current liability position as set out above. Among others, it has external borrowings with an aggregate loan principal amount of approximately HK$390.6 million as at the Latest Practicable Date. The external borrowings comprise: (i) bank loans in an aggregate principal amount of approximately HK$160.6 million with floating interest rates of LIBOR plus 4.85% per annum repayable within 12 months from the date of this circular and (ii) a loan from a financial institution with principal amount of HK$230.0 million with an interest rate of 12.0% per annum repayable within 24 months from the date of this circular. The Company intends to settle its external borrowings with (i) the proceeds from the Disposal, (ii) internal resources of the Group, and (iii) potential refinancing in the future as and when the borrowings fall due.

The 2021 Disposal

As disclosed in the Company's announcement dated 23 April 2021 and the 2021 Disposal Circular, the Directors had given due consideration to the future liquidity and performance of the Group and its available sources of financing 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. In view of short-term financial needs for working capital, the Directors decided to conduct the 2021 Disposal, which involved the disposal of an approximate 24.754% minority interest in the Target Company to the Purchaser and Ningbo Tengyue Qizhi Technology Partnership (Limited Partnership)*（寧波騰越啟智科技合夥企業（有限合夥））for RMB136,145,600 (equivalent to approximately HK$162.0 million) as stated in the 2021 Disposal Circular). The Group recorded a net cash inflow of approximately HK$151.2 million as a result of the 2021 Disposal. As at the date of this circular, approximately HK$143.2 million has been used for repayment of the Group's borrowings, general working capital and business development of the automotive-grade wireless connectivity business.

The Company set out in the 2021 Disposal Circular that it intended to hold on to the minority equity interest in the Target Company for long term value appreciation, but also indicated that the Directors may further consider disposing of its financial assets at FVTOCI should the Group's liabilities fall due and require immediate financial resources. Despite implementing various short-term strategies, the Company's financial position has not improved. As such, the Company has to take alternative measures to address its short-term liquidity challenge and to meet its immediate financial needs.

The Rights Issue

Subsequent to the 2021 Disposal the Board proposed to conduct the Rights Issue to raise further funds from the Shareholders. In this context Mr. Ma undertook that he shall convert the Convertible Bonds held by him and subscribe for the rights shares to be provisionally allotted to him. The conversion of the Convertible Bonds would reduce the Group's indebtedness and hence improve the capital base of the Group.

The Company intended to apply the estimated net proceeds of the Rights Issue of approximately HK$90.0 million towards: (i) repayment of its borrowings and the accrued interest of approximately HK$60.0 million due to the creditors, (ii) business development of the automotive-grade wireless connectivity operations (approximately HK$20.0 million) and (iii) general working capital purpose.

However, as disclosed in the Company's announcement dated 8 February 2022, despite continuous efforts made by the Board, the Company has been unable to obtain all necessary consents or waivers, or indication to grant the consents or waivers which were required under the one of the conditions precedent to the Rights Issue. Therefore the Rights Issue lapsed and the Board had to explore fund raising alternatives.

The Disposal

Following the lapse of the Rights Issue the Board took the decision to dispose of part of its assets to address the Group's pressing liquidity needs. Against this backdrop the Board has given consideration to evaluating the potential for asset disposals which would fulfil the objective of raising capital for the reasons set out above. Given the financial position of the Group the Board determined that asset disposals are one alternative to be pursued. The automotive-grade wireless connectivity business is the Group's principal business, which it controls, whereas the Target Group represents the Group's remaining minority interest in the ADAS business. Regarding the Target Company, the Board has approached the existing shareholders of the Target Company, including the Purchaser, who was a party to the 2021 Disposal. The Purchaser subsequently expressed an interest in increasing its stake in the Target Company and thus the Board entered into negotiations with the Purchaser.

In entering into the Equity Transfer Agreement, the Directors have considered (i) the net cash inflow of approximately HK$132.0 million upon completion of the Disposal and the intended use of proceeds for repayment of the Group's borrowings which will contribute to relieving its financial burden and reduce future financing costs of the Group and (ii) the estimated one-off gain (after deducting the relevant taxes and expenses) of approximately HK$8.3 million to be recorded by the Group, which would allow the Group to reduce its gearing and therefore improve the overall financial position of the Group. The Purchaser has expressly undertaken in the Equity Transfer Agreement to assist in the Target Company's repayment or settlement of bank loans held by the Target Company with an aggregate principal amount of RMB40,000,000, which are currently secured by a pledge over certain financial assets at FVTOCI given by an indirect wholly-owned subsidiary of the Company. When such respective bank loans become due or within 6 months from Closing (whichever is earlier), the Purchaser may, for example, offer a shareholder loan to or a capital injection into the Target Company such that the bank loans of the Target Company may be repaid. Upon the Target Company's repayment or settlement of the above bank loans the Security will be released.

The Security was entered into on 20 September 2019 for a term of 3 years. It covers the principal amount of two bank loans with principal amounts of RMB20,000,000 each, which are due on 30 September 2022 and 8 December 2022 respectively, held by the Target Company, together with any relevant interest, penalty, administrative and other expenses, subject to a maximum aggregate amount of RMB40,000,000.

Upon completion of the 2021 Disposal in June 2021 the Target Group ceased to be a subsidiary of the Company and accordingly, the Security constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Upon consultation with the Stock Exchange, the Stock Exchange had determined that the Company should have complied with the requirements under Chapter 14 of the Listing Rules and disclosed the provision of the Security to the Target Company at the time of the 2021 Disposal by way of an announcement. Given the above the Group has taken or will take the following actions:

(i) the Company has published this circular to inform the Shareholders of the details of the Security and Listing Rules implications upon the Target Company ceasing to be a subsidiary of the Company on 10 June 2021,

(ii) the Company will calculate relevant size tests whenever appropriate for any relevant transactions,

(iii) the Company will closely monitor any future transactions, especially acquisitions or disposals, to ensure that any related or ongoing transactions that as a result become transactions subject to disclosure obligations under the Listing Rules are properly disclosed, and

(iv) the Company will consult external legal advisers, financial advisers and/or the Stock Exchange in case of any doubt about potentially notifiable transactions.

Subsequent to the 2021 Disposal the Group did not have control over the Target Group and accounted for the remaining equity interest in the Target Group as a financial asset at FVTOCI. Despite the significant increase in revenue for the year ended 31 December 2021, the Target Group recorded a net loss for the year. Given the above, the Board has taken the view that there may be an adverse impact on the value of the Group's investment in the Target Group if it incurs further losses in the future. A further consideration for the Board was the fact that the remaining stake in the Target Group is a non-controlling interest and not a direct part of the Group's principal business, being the automotive-grade wireless connectivity business. As set out below under the heading "The Remaining Group business", the Group is committed to maintaining product development and market expansion efforts, while at the same time managing its financial position through targeted measures including the Disposal.

In view of the above, taking into particular consideration: (i) the net cash inflow which will contribute to relieving the Group's financial burden and reduce its future financing costs, (ii) the estimated one-off gain from the Disposal, (iii) the undertaking by the Purchaser to assist the Target Company in repaying its bank loans which are secured by a pledge over the Group's assets and (iv) the assets to be disposed of being a minority stake and not part of the Group's principal business, the Directors consider that the Disposal is made on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Consideration of fund raising alternatives

As set out in the Company's circular dated 5 January 2022 in relation to the Rights Issue, when contemplating the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors have considered alternative avenues for raising capital in a similar fashion prior to embarking on the Disposal.

Ultimately, given that (i) the Consideration to be received constitutes an important contribution to fulfilling immediate liquidity needs and (ii) the remaining interest held in the Target Company is a minority stake and not part of the Group's principal business, the Directors considered that the benefits of the Disposal exercise outweighed the advantages of other alternative transactions that could successfully be undertaken in a relatively short period of time.

The Remaining Group business

Upon Completion, the Group will cease to hold any equity interest in the ADAS business. The Remaining Group will continue to be engaged in the automotive-grade wireless connectivity business involving research and development, production and sale of automotive-grade wireless connectivity modules in 5G, V2X (vehicle-to-everything), GNSS (global navigation satellite system) and other fields, as well as commencing the research and development of 3D multi-module integrated chip products in Europe, the United States and the Asia-Pacific region. In the PRC, the application of 5G has entered a growth period with the expansion of 5G infrastructure. V2X technology is advocated by many mobile communication operators, mobile device manufacturers, as well as car manufacturers. As an advanced vehicle/person/thing interconnection module, V2X intelligently identifies potential safety hazards and provides real-time feedback to avoid or reduce traffic accidents. With the support of 5G networks, V2X is expected to be compatible with the 5G communication model. As one of the necessary foundations for the future technology development of the internet of things and internet of vehicles, the GNSS module is widely used in terminal devices that require real-time positioning. In 5G networks, GNSS is set to greatly improve feedback speeds which is an advantage for users. With the application of V2X road users are set to enjoy better traffic safety and driving convenience, while overall carbon footprint may decrease. The management believes that the industry outlook of the Remaining Group business is positive and the Company is in an advantageous position to capture the promising opportunities in the market.

The automotive-grade wireless connectivity business is currently led by a management team which possesses extensive management experience in the fields of smart transportation, smart parks and smart cities, as well as corporate investment and business operations across the value chain of the intelligent connected vehicle sector.

The chief executive officer of the Remaining Group business is Mr. Sun Tianqiang who holds a bachelor's degree in Precision Instruments and a master's degree in Mechanics from Tsinghua University. He was the industrial transformation leader of the National Optical Disc Engineering Centre of Tsinghua University, the founder of Zhongke Linghang Technology Co., Ltd., and the general manager and chairman of Tus Intelligent Network Technology Co., Ltd. Mr. Sun has extensive experience in entrepreneurship and business operation in the field of enterprise digitalisation and informatisation. Mr. Sun has also engaged in industrial investment and post-investment management in the fields of smart transportation, smart parks and smart cities, and has been extensively involved in the corporate investment and business operations of the value chain of intelligent connected vehicles. Mr. Sun is responsible for managing and overseeing the business operations and reports to the executive Director.

He is supported by a senior management team comprising a marketing director, a supply chain management director and an investment director of the automotive-grade wireless connectivity business unit of the Group. Before joining the Group, the marketing director had served as project manager and in other management positions in various companies engaged in information technology operations in the PRC, with extensive experience in strategic planning and business development. The supply chain management director was previously in charge of supply chain management at various companies in North America and the Asia-Pacific regions, with extensive experience in cost control and inventory management. The investment director previously served as the deputy investment director of a major fintech company in the PRC and has broad experience in robotics, intelligent manufacturing, investment and financing and post-investment management in the smart car industry.

The Company does not have any intention, is not in negotiations, an agreement, or any arrangements or understanding to (i) further acquire or inject any new assets or businesses which are material in nature and thus has not identified any specific or potential targets and (ii) dispose of, terminate or downsize the Group's existing business. Nevertheless, the performance and development of the Group's existing business is subject to an uncertain and volatile business environment and possible future impact of the ongoing COVID-19 pandemic.

9. FINANCIAL EFFECTS OF THE DISPOSAL

The Group expects to record a net gain of approximately HK$8.3 million as a result of the Disposal, which represents the Consideration of approximately HK$132.0 million, less the carrying amount of the financial asset at FVOTCI in relation to the Company's equity interest in the Target Group as at 31 December 2021 of approximately HK$113.3 million and less the estimated taxes and expenses relating to the Disposal of approximately HK$10.4 million. Given the aforementioned net gain on completion of the Disposal, the consolidated net asset value attributable to the Shareholders is preliminarily estimated to increase by approximately HK$8.3 million.

Shareholders should note that the financial effects set out above are for illustrative purpose only. The actual gain or loss in connection with the Disposal will be determined based on the financial position of the Target Company at Closing and will be subject to review by the Company's auditor.

10. INTENDED USE OF PROCEEDS

The Directors expect that, after deducting the estimated taxes and expenses of approximately HK$10.4 million, the net proceeds arising from the Disposal are estimated to be approximately HK$121.6 million. The Company intends to apply the entire amount of the net proceeds towards the partial repayment of the Group's outstanding bank loans in an aggregate principal amount of approximately HK$160.6 million as set out in "8. REASONS FOR AND BENEFITS OF THE DISPOSAL – Background".

11. LISTING RULES IMPLICATIONS

Reference is made to the Company's announcement dated 23 April 2021 and the 2021 Disposal Circular in relation to the 2021 Disposal which constituted a major disposal for the Company. As the Disposal and the 2021 Disposal (i) each involves the disposal of an interest in the same company, i.e. the Target Company, (ii) are entered into with the same party, i.e. the Purchaser, who was one of the two purchasers pursuant to the 2021 Disposal and (iii) are conducted within a 12-month period, the Disposal and the 2021 Disposal are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As a relevant aggregated percentage ratio in respect of the Disposal and the 2021 Disposal calculated exceeds 75%, the Disposal and 2021 Disposal, on an aggregate basis, constitute a very substantial disposal for the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

12. EGM

An EGM will be convened for the purpose of considering and, if thought fit, approving the Disposal. A notice convening the EGM to be held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong on Thursday, 7 July 2022 at 3:00 p.m. or any adjournment is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with 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 and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal as at the date of this circular and therefore no Shareholder is required to abstain from voting at the EGM for the relevant resolution(s).

13. RECOMMENDATION

The Directors consider that the terms of the Equity Transfer Agreement and the Disposal are fair and reasonable, on normal commercial terms or better and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) in relation to the Disposal to be proposed at the EGM.

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.

14. ADDITIONAL INFORMATION

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

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

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the each of the three years ended 31 December 2019, 2020 and 2021 are disclosed in the following documents which have been published on the Stock Exchange website (http://www.hkexnews.hk) and the Company's website (http://www.titaninvoglobal.com) respectively:

Annual report for the year ended 31 December 2019 (pages 82 to 206):
https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0528/2020052801319.pdf

Annual report for the year ended 31 December 2020 (pages 92 to 220):
https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901411.pdf

Unaudited annual results announcement for the year ended 31 December 2021:
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0331/2022033103409.pdf

Supplemental announcement in relation to unaudited annual results announcement for the year ended 31 December 2021:
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0613/2022061301034.pdf

INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2022, 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 recorded the following indebtedness:

	HK$'million
Borrowings	711.2
Convertible bonds	116.3
Lease liabilities	0.5
Total	828.0

Borrowings

As at 30 April 2022, details of borrowings were as follows:

	HK$'million
Secured borrowings *(note i, ii)*	362.8
Unsecured borrowings *(note iii, iv)*	348.4
Total	711.2

Notes:

i. Secured bank borrowing of approximately HK$160.6 million carrying variable interest rate at LIBOR +4.85% (including defaulted interest 2.40%) per annum with effective interest rate at approximately 3.01% were secured by certain receivables and the entire issued share capital of the subsidiaries of the Company in the automotive-grade wireless connectivity business. The bank borrowing was a 3-year fixed term loan, which was classified as repayment on demand because of allegations by the bank of (i) failure to fulfil certain contractual obligations as stated in the loan agreement and (ii) failure to make full repayment of the instalment due on 15 October 2021. As of 31 October 2021, the Company received a notice from the bank which alleged that an event of default has occurred. On 17 January 2022, the Company received a notice from the bank, pursuant to which the bank alleged that, among other things, all amounts accrued or outstanding be immediately due and payable. As at the Latest Practicable Date, the Group was in advanced negotiation with the bank in respect of the alleged failure to perform certain contractual obligations and failure to make full repayment of the overdue bank borrowing.

ii. Other borrowings of HK$202.2 million were secured by the entire ownership of a property held by a subsidiary of one of the shareholders of the Company and by a corporate guarantee provided from that subsidiary. The borrowings carry interest of 20.00% per annum and are repayable within one year from 28 May 2021. During the year ended 31 March 2022, the other borrowing was breach of certain contractual obligations. On 30 May 2022, the Company has fully settled the outstanding amount of other borrowing.

iii. Other borrowings of approximately HK$248.4 million were unsecured, repayable within one year as at 31 March 2022 and carry fixed interest rate ranging from 8.50% 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 had lapsed on 9 June 2020. The amount was unsecured, carrying interest of 21.00% per annum. As at the Latest Practicable Date, the Directors were in negotiation with the Tuspark Venture regarding a restructuring of the repayment schedule.

Convertible bonds

As at 30 April 2022, details of convertible bonds were as follows:

	HK$'million
Convertible Bonds *(note i)*	48.2
Tuspark CB *(note ii)*	68.1
Total	116.3

Notes:

i. Being the 0% coupon convertible bonds due on 21 June 2023 in the aggregate principal amount of HK$53,700,000 which may be converted into 100,000,000 conversion shares at the initial conversion price of HK$0.537 (subject to adjustment) (the "**Convertible Bonds**"). As at 30 April 2022, the outstanding principal amount of the Convertible Bonds was HK$53,700,000. Interest expense on the Convertible Bonds is calculated using the effective interest method by applying the effective interest rate of 10.04% to the liability component.

ii. Being the 0% coupon convertible bonds in the aggregate principal amount of HK$89,882,500, which may be converted into 147,735,865 conversion shares at the initial conversion price of HK$0.6084 per share (the "**Tuspark CB**"), were duly issued to Tuspark Venture at the total consideration representing 100% of the principal amount pursuant to the subscription agreement. Tuspark CB will be matured on 26 February 2025. As at 30 April 2022, the outstanding principal amount of the Tuspark CB was HK$89,882,500. Interest expense on the Tuspark CB is calculated using the effective interest method by applying the effective interest rate of 10.28% to the liability component.

Lease liabilities

As at 30 April 2022, the Group had lease liabilities (comprising both current and non-current liabilities) of approximately HK$0.5 million.

Charge of assets

As at 30 April 2022, all shares of the subsidiaries of the Company in the automotive-grade wireless connectivity business were pledged for aggregated banking facilities of approximately HK$160.6 million. In addition, certain financial assets at FVTOCI were pledged for an aggregated banking facilities of approximately RMB40.0 million from an investee of the Company for working capital. Save as disclosed herein, the Group had no other significant charge of assets.

Contingent liabilities

As at 30 April 2022, the Group had no material contingent liabilities.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade and other payables in the normal course of business, the Group did not have any other debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, other recognised lease liabilities or lease commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business as of 30 April 2022.

WORKING CAPITAL SUFFICIENCY

As at 30 April 2022, the Group had outstanding borrowings of approximately HK$711.2 million, out of which approximately HK$711.2 million was repayable on demand and had not been settled by the Group.

As of 30 April 2022, the Group's outstanding amount of borrowings which are payable within one year was approximately HK$711.2 million. The Group is in the process of negotiating for a settlement to its lenders in the amount of approximately HK$260.6 million. In the event that a settlement is reached between the Company and its lenders, the Company expects the repayment of the relevant borrowings in the amount of HK$260.6 million can be deferred.

As at the Latest Practicable Date,

(i) no waiver has been granted by the respective lenders, and

(ii) no agreement has been reached with lenders for the borrowings in the amount of HK$260.6 million.

In preparing the working capital forecast for the Group for the next 12 months from the date of this circular, the Group has carried out the following measures for the purpose of ensuring that there will be sufficient working capital for at least the next 12 months from the date of this circular:

(i) the Company has been actively negotiating with the bank with which it has secured bank borrowings in respect of extension of the borrowing and repayment schedule,

(ii) the Group has received a written confirmation dated 21 March 2022 from Tuspark Venture, one of the major Shareholders, 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 twenty-four months from the date of approval of the unaudited consolidated financial statements for the year ended 31 March 2022. Such assistance to be received by the Group will not be secured by any assets of the Group. Subsequent to the above, Tuspark Venture received a written confirmation dated 21 March 2022 from Tus-Holdings Co., Ltd., its holding company, that it has committed to provide continuous financial support to Tuspark Venture for the same period of time,

(iii) the Group entered into a facility agreement on 27 May 2022 with a financial institution for a secured term loan in the principal amount of HK$230.0 million, carrying an interest rate of 12.0% per annum and repayable on the second anniversary of the utilisation date with an option to extend to the third anniversary. Approximately HK$202.2 million has been applied towards full repayment of an existing loan from a financial institution carrying an interest rate of 20.0% per annum,

(iv) the Group has taken continuous measures, including streamlining the corporate and operational structure, ongoing reorganisation of research and development functions, reduction of redundant expenses and applying stringent vendors management, to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations,

(v) the Group may consider to dispose of non-core business and/or financial assets if required, and

(vi) the Company has actively negotiated with investors for the extension of convertible bonds and obtaining 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.

Taking into considerations of items (i) to (vi) above, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular in the absence of any unforeseen circumstances.

MATERIAL ADVERSE CHANGE

Save as disclosed below, the Directors confirmed that since 31 December 2020, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, there was no material adverse changes in the financial or trading position of the Group:

(a) the Company received a notice from a bank for repayment of all accrued and outstanding amount as disclosed in note i. to the subsection headed "Borrowings" in the section headed "INDEBTEDNESS STATEMENT" in this appendix, the amount of which being approximately US$20.8 million as at 17 January 2022,

(b) the change in the financial results of the Group for FY 2021 as compared to FY 2020 being,

  (i) the decrease in revenue by approximately 36.0% to approximately HK$273.1 million,

  (ii) the increase in impairment of goodwill to approximately HK$384.7 million from nil, and

(c) the change in the financial position of the Group as at 31 December 2021 as compared to 31 December 2020 being,

(i) the reduction in intangible assets and goodwill by approximately 36.8% and 84.3% to approximately HK$233.2 million and HK$251.1 million, respectively, and

(ii) the decrease in inventories by approximately 84.2% to approximately HK$22.2 million.

FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The Group is of the view that prioritising resources for maintaining financial liquidity and business continuity of the Group will be in the best interests of the Shareholders. The Group is implementing cautious measures to fulfil its working capital requirements while maintaining product development and market expansion efforts. Short-term strategies implemented by the Group include continuously tightened cost controls, streamlining corporate and organisational structures of the Group as well as a product and market repositioning which aims to enhance operating efficiency and effectiveness without sacrificing valuable business opportunities.

In order to future develop the automotive-grade wireless connectivity business, the Group will continue to deploy resources in this sector in order to keep up with estimated market development and growth, especially in the China market. The Group intends to capture business opportunities by further penetrating the China market through various channels such as business cooperation with and investments in Chinese distributors and auto manufacturers, potential restructuring of business and operational management teams and partnering with experienced Chinese sector experts from various disciplines. The Group expects rapid growth in the commercialisation of next generation automotive-grade wireless connectivity modules in the next few years.

On the basis of maintaining as well as building out existing product lines, the Group plans to deploy more resources in the research and development of module products in 5G, V2X (vehicle-to-everything), GNSS (global navigation satellite system) and other fields, as well as commencing the research and development of 3D multi-module integrated chip products.

With the growth of 5G infrastructure in the PRC, the application of 5G has entered a growth period. The Group is considering to increase research and development, evaluation, market analysis and strategic cooperation in the area of 5G in order to expand in the market for 5G products as soon as possible.

V2X technology is advocated by many mobile communication operators, mobile device manufacturers, as well as car manufacturers. To explore and develop the market for V2X modules and related products, the Group is considering to increase research and development, evaluation, market analysis and strategic cooperation in this area in order to participate in the market for V2X modules and related products.

In designing GNSS module products, the Group adopts automotive-grade computing chips, GNSS satellite navigation and other technologies to address the need for vehicle assistance and autonomous driving functions and other scenarios. Compared with other existing products in the market, the Group's GNSS products aim to offer best-in-class cost performance to meet customers' requirements. The Group may cooperate with chip producers to research new technology in relation to 3D multi-module integrated chip products and develop market leading products in the automotive-grade wireless connectivity modules. At the same time, the Group may continue to enhance its supply chain operations and improve market competitiveness so as to streamline its product portfolio.

In terms of overseas marketing strategy, the Group will continue to focus on utilising its existing sales network and resources. Management expects that the Group could expand its sales channels through supplying its branded products to market-leading customers. The Group will also concentrate on the sales of full spectrum automotive-grade wireless connectivity modules to the overseas market to meet the different needs of customers so as to diversify its customer profile. By fully utilising its sales channels and exploring diversified products and sales strategies, the Group expects that it would achieve an integrated business model comprising modules and related products for both self-owned brands and licensed brands. The Group plans to take advantage of its competitive edge by collaborating with business partners in the PRC and overseas to explore wider opportunities such as joint research and development and market cooperation projects which are mutually beneficial to the Group and its business partners.

In terms of local marketing strategy in the PRC, by virtue of research and development of 5G and V2X products as described above, the Group is confident that it will harness the business opportunities brought about by national policies and strategies regarding the promotion of smart cars and the development of 5G infrastructure in the PRC with a view to increasing its market share in the related products. The Group will cooperate with leading enterprises in the intelligent networking industry in the PRC to provide a one-stop intelligent networking solutions package to potential customers and contribute to developing the intelligent transportation infrastructure market. Moreover, the Group will make use of its experience in global supply chain management, quality control and production line operation to increase its market share in the relevant sectors in the PRC.

As a short- to medium-term goal, the Group plans to enhance its product portfolio including 5G, V2X and GNSS products through research and development and acting as agent of other branded products. As a long-term goal, with the establishment of integrated strategies on research and development, manufacturing and marketing of automotive-grade wireless connectivity modules as described above, the Group plans to widen its business scope from in-vehicle intelligent modules to intelligent transportation, smart cities and other related emerging fields.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated statements of financial position of Suzhou Zhihua Automobile Electronics Co., Ltd.*（蘇州智華汽車電子有限公司）(the "**Target Company**") and its subsidiaries (collectively, the "**Target Group**") as at 31 December 2019, 2020 and 2021, and the unaudited consolidated statements of profit or loss and other comprehensive income, the unaudited consolidated statements of changes in equity and the unaudited consolidated statements of cash flows of the Target Group for the years ended 31 December 2019, 2020 and 2021 (the "**Relevant Periods**"), and explanatory notes (collectively referred to as the "**Unaudited Financial Information**").

The Unaudited Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and prepared on the basis set out in note 2 to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purposes of inclusion in this circular in connection with the disposal of a 15.5% equity interest in the Target Company.

HLB Hodgson Impey Cheng Limited, Certified Public Accountants, the auditor of the Company, was engaged to review the Unaudited Financial Information of the Target Group set out on pages II-2 to II-8 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review on the Unaudited Financial Information of the Target Group, nothing has come to the auditor's attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

* *for identification purpose only*

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December		
	2019	**2020**	**2021**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
Revenue	276,438	290,741	587,652
Cost of sales	(225,980)	(248,228)	(532,471)
Gross profit	50,458	42,513	55,181
Other revenue	891	4,125	2,532
Other losses, net	(914)	(421)	(925)
Selling and distribution expenses	(7,159)	(5,927)	(13,216)
Deprecation	(3,049)	(4,353)	(1,458)
Amortisation	(1,543)	(4,076)	(132)
Administrative expenses	(28,614)	(20,788)	(73,951)
Finance costs	(6,689)	(8,691)	(8,433)
Profit/(loss) before taxation	3,381	2,382	(40,402)
Taxation	(1,253)	–	3,925
Profit/(loss) for the year	2,128	2,382	(36,477)
Other comprehensive (expense)/income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(1,030)	2,669	3,661
Change in fair value of financial assets at fair value through other comprehensive income	67	(51)	(335)
Other comprehensive (expenses)/income for the year	(963)	2,618	3,326
Total comprehensive income/(expense) for the year attributable to owners of the Company	1,165	5,000	(33,151)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		
	2019	**2020**	**2021**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	14,490	34,111	79,590
Construction in progress	12,425	5,981	8,089
Intangible assets	53,409	84,080	88,518
Financial assets at fair value through other comprehensive income	1,640	1,686	1,458
Deposits	–	–	1,225
Deferred tax assets	–	–	3,903
	81,964	125,858	182,783
Current assets			
Inventories	98,472	130,345	212,481
Contract assets	–	–	42,354
Trade and bills receivables, prepayments and other receivables	111,802	111,449	217,967
Cash and cash equivalents	8,597	5,981	27,936
	218,871	247,775	500,738
Current liabilities			
Trade and bills payables and other payables	192,757	240,584	351,098
Contract liabilities	–	–	5,726
Borrowings	55,870	75,891	108,920
	248,627	316,475	465,744
Net current (liabilities)/assets	(29,756)	(68,700)	34,994
Total asset less current liabilities	52,208	57,158	217,777
Non-current liabilities			
Other payable	144	94	36
Net assets	52,064	57,064	217,741
EQUITY			
Share capital	45,709	45,709	60,884
Reserves	6,355	11,355	156,857
Total equity	52,604	57,064	217,741

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital *HK'000* (unaudited)	Share premium *HK'000* (unaudited)	Exchange reserve *HK'000* (unaudited)	Financial assets at fair value through other comprehensive income reserve *HK$'000* (unaudited)	Accumulated losses *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
At 1 January 2019	45,709	70,630	(1,803)	(707)	(62,930)	50,899
Profit for the year	–	–	–	–	2,128	2,128
Other comprehensive (expense)/ income for the year, net of tax						
Exchange difference on translation of foreign operations	–	–	(1,030)	–	–	(1,030)
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	67	–	67
At 31 December 2019 and 1 January 2020	45,709	70,630	(2,833)	(640)	(60,802)	52,064
Profit for the year	–	–	–	–	2,382	2,382
Other comprehensive income/ (expense) for the year, net of tax						
Exchange difference on translation of foreign operations	–	–	2,669	–	–	2,669
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(51)	–	(51)
At 31 December 2020 and 1 January 2021	45,709	70,630	(164)	(691)	(58,420)	57,064
Loss for the year	–	–	–	–	(36,477)	(36,477)
Other comprehensive income/ (expense) for the year, net of tax						
Issue of ordinary share	15,176	178,652	–	–	–	193,828
Exchange difference on translation of foreign operations	–	–	3,661	–	–	3,661
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(335)	–	(335)
As at 31 December 2021	60,885	249,282	3,497	(1,026)	(94,897)	217,741

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2019	**2020**	**2021**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation	2,177	2,383	(40,401)
Adjustments for:			
Interest income	(43)	(1,541)	(181)
Interest expenses	8,433	8,691	8,433
Depreciation of property, plant and equipment	3,341	4,353	1,458
Amorisation of intangible assets	9,667	19,531	132
Loss on disposal of property, plant and equipment	396	5	–
Operating cash flows before movements in working capital	23,971	33,422	(30,559)
(Increase)/decrease in trade and bills receivables prepayments, deposits and other receivables	25,566	353	(102,632)
(Increase)/decrease in inventories	(6,713)	(31,873)	(80,891)
Increase in contract assets	–	–	(42,354)
Increase/(decrease) in trade and bills payables and other payables	20,602	17,005	122,726
Net cash generated from/(used in) operating activities	63,426	18,907	(133,710)

	Year ended 31 December		
	2019	**2020**	**2021**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	43	1,541	181
Sale proceeds from disposal of property, plant and equipment	–	1	–
Purchase of plant and equipment	(43,002)	(36,591)	(53,207)
Net cash used in investing activities	(42,959)	(35,049)	(53,026)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	70,300	110,293	82,354
Repayment of bank borrowings	(86,424)	(90,388)	(59,582)
Capital contribution	–	–	193,828
Interest paid	(8,433)	(8,691)	(8,433)
Net cash (used in)/generated from financing activities	(24,557)	11,214	208,167
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,090)	(4,928)	21,431
Cash and cash equivalents at the beginning of the year	13,511	8,598	5,981
Effect of foreign exchange rate changes	(824)	2,311	524
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,597	5,981	27,936

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Titan Invo Technology Limited (formerly known as Tus International Limited) (the "**Company**") is incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are disclosed in the section of "Appendix V – General Information" in this circular.

On 6 May 2022, the Titan Zhijia (Suzhou) Technology Limited*(泰坦智駕(蘇州)科技有限公司)(formerly Suzhou Qiyizhi Management Enterprise Limited*(蘇州企億智企業管理有限公司)) ("**Titan Zhijia**"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with the Tibet Tengyun New Power Technology Company Limited*(西藏騰雲新動力科技有限公司)(formerly Tibet Huize Hongtu Trading Co., Ltd.*(西藏惠澤宏圖商貿有限公司)) ("**Tibet Tengyun**"), a limited liability company established in the People's Republic of China (the "**PRC**") pursuant to which the Titan Zhijia has agreed to sell and Tibet Tengyun has agreed to acquire the 15.5% equity interest of Suzhou Zhihua Automobile Electronics Co., Ltd.(蘇州智華汽車電子有限公司)(the "**Target Company**") and its subsidiaries (collectively, the "**Target Group**") for a consideration of RMB110.0 million (equivalent to approximately HK$132.0 million).

The Target Company is a limited liability company established in the PRC. The address of its registered office is No. 1268, Jiaotong Road, Wujiang Economic and Technological Development Zone, Suzhou, PRC.

The principal business activities of the Target Group are research and development, production and sale of ADAS. ADAS products, covering both active (control) and passive (warning) systems include around view monitoring, lane departure warning, forward collision warning, pedestrian detection, night vision, blind spot detection and driver fatigue monitoring and other ADAS-related technologies. The financial information of the Target Group is presented in Hong Kong dollars ("**HK$**"), which is different from its functional currency of Renminbi ("**RMB**"), as the Company is listed on the Stock Exchange, where most of its investors are located in Hong Kong.

* *for identification purpose only*

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The financial information of the Target Group has been prepared in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rule**") and solely for the purpose of inclusion in this circular. It does not contain sufficient information to constitute a complete set of financial statements as described in Hong Kong Accounting Standard ("**HKAS**") 1 "Presentation of Financial Statements" nor a set of condensed financial statements as defined in HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It should be read in connection with the annual report of the Company for the year ended 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021.

For the purpose of preparing and presenting the financial information for the three years ended 31 December 2021 (the "**Relevant Periods**"), the Target Group has consistently adopted the same accounting policies as set out in the annual report of the Company for the year ended 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021.

The financial information of the Target Group has been prepared on historical cost basis except for investment properties that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The following is an illustrative and unaudited pro forma financial information of the Group excluding the Target Group upon the completion of the Disposal (the "**Remaining Group**")(the "**Unaudited Pro Forma Financial Information**"), comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2021, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021 of the Remaining Group which has been prepared to illustrate the effect of the Disposal (i) as if the Disposal had been completed on 31 December 2021 for the unaudited pro forma consolidated statement of financial position, and (ii) as if the Disposal had been completed on 1 January 2021 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 31 December 2021 or any future date, and the financial performance and cash flows of the Remaining Group for the year ended 31 December 2021 or for any future period.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited consolidated statement of financial position of the Group as at 31 December 2021, which has been extracted from the published unaudited annual result announcement of the Group for the year ended 31 December 2021, after making certain pro forma adjustments relating to the proposed disposal that are factually supportable and directly attributable to the Disposal as set out below.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the unaudited consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of cash flows of the Group for the year ended 31 December 2021, which has been extracted from the published unaudited annual result announcement and the published unaudited supplemental results announcement of the Company for the year ended 31 December 2021, after making certain pro forma adjustments relating to the Disposal that are factually supportable and directly attributable to the Disposal as set out below.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in Appendix II to this circular, the published unaudited annual result announcement and the published unaudited supplemental results announcement of the Company for the year ended 31 December 2021, the historical financial information of the Target Group as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

1. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (3)*	*Note (4)*	
Non-current assets					
Fixed assets					
– Property, plant and equipment	25,739				25,739
Right-of-use assets	4,013				4,013
Construction in progress	108				108
Intangible assets	233,196				233,196
Goodwill	101,888				101,888
Financial assets through other comprehensive income	251,142	(115,708)			135,434
Deferred tax assets	1,838				1,838
	617,924				502,216
Current assets					
Inventories	22,180				22,180
Trade and bills receivables, prepayments and other receivables	155,802				155,802
Cash and cash equivalents	24,114	134,772			158,886
	202,096				336,868

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (3)*	*Note (4)*	
Current liabilities					
Trade and bills payables and other payables	195,270			1,600	196,870
Contract liabilities	7,350				7,350
Lease liabilities	501				501
Current tax payable	1,432		8,917		10,349
Borrowings	714,874				714,874
	919,427				929,944
Net current liabilities	(717,331)				(593,076)
Total assets less current liabilities	(99,407)				(90,860)
Non-current liabilities					
Net defined benefits liabilities	7,886				7,886
Lease liabilities	4,379				4,379
Deferred tax liabilities	76,118				76,118
Convertible bonds	112,649				112.649
	201,032				201,032
Net liabilities	(300,439)				(291,892)
Capital and reserves					
Share capital	20,636				20,636
Reserves	(321,075)	19,064	(8,917)	(1,600)	(312,528)
Total equity	(300,439)				(291,892)

2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (3)*	*Note (4)*	
Continuing operations:					
Revenue	273,111				273,111
Cost of sales	(204,239)				(204,239)
Gross profit	68,872				68,872
Other revenue	9,895				9,895
Other gains or losses	32,081	19,064		(1,600)	49,545
Research and development expenses	(53,166)				(53,166)
Selling and distribution expenses	(5,441)				(5,441)
Depreciation	(14,052)				(14,052)
Amortisation	(54,080)				(54,080)
Administrative expenses	(93,126)				(93,126)
Allowance under expected credit loss model, net of reversal	(12,072)				(12,072)
Impairment of goodwill	(384,667)				(384,667)
Finance costs	(95,299)				(95,299)
Loss before taxation	(601,055)				(583,591)
Taxation	3,896		(8,917)		(5,021)
Loss for the year from continuing operations	(597,159)				(588,612)
Discontinued operations:					
Profit for the year from discontinued operations	98,116				98,116
Loss for the year	(499,043)				(490,496)

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (3)*	*Note (4)*	
Other comprehensive income/ (expense), net of tax:					
Items that may be reclassified subsequently to profit or loss:					
– Exchange differences on translation of financial statements of foreign operations	11,153				11,153
Item that was reclassified to profit or loss:					
– Reclassification adjustment of exchange differences upon disposal of subsidiaries	20,112				20,112
Items that will not be reclassified to profit or loss:					
– Change in fair value of financial assets at fair value through other comprehensive income	(21,849)				(21,849)
– Remeasurement of defined benefit plans	738				738
Other comprehensive income/ (expense) for the year	10,154				10,154
Total comprehensive expense for the year	(488,889)				(480,342)

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (3)*	*Note (4)*	
(Loss)/profit for the year attributable to:					
Owners of the Company					
– from continuing operations	(597,159)	19,064	(8,917)	(1,600)	(588,612)
– from discontinued operations	98,200				98,200
	(498,959)				(490,412)
Non-controlling interests					
– from continuing operations	–				–
– from discontinued operations	(84)				(84)
	(84)				(84)
	(499,043)				(490,496)
Total comprehensive (expense)/income for the year attributable to:					
Owners of the Company	(489,270)	19,064	(8,917)	(1,600)	(480,723)
Non-controlling interests	381				381
	(488,889)				(480,342)

3. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

	The Group	Pro forma adjustments		The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (4)*	
Operating activities				
(Loss)/profit before taxation				
– Continuing operations	(601,055)	19,064	(1,600)	(583,591)
– Discontinued operation	98,116			98,116
	(502,939)			(485,475)
Adjustment for:				
Depreciation of property, plant and equipment	17,006			17,006
Depreciation of right-of-use assets	5,798			5,798
Amortisation of intangible assets	63,282			63,282
Finance costs	95,299			95,299
Bank interest income	(1,956)			(1,956)
Loss on disposal of property, plant and equipment	3,911			3,911
Gain on disposal of subsidiaries	(128,697)			(128,697)
Gain on disposal of financial assets through other comprehensive income	–	(19,064)		(19,064)
Allowance under expected credit losses model, net of reversal	(12,072)			(12,072)
Impairment loss on goodwill	384,667			384,667
Share-based payments	741			741
Operating loss before changes in working capital	(74,960)			(76,560)
Increase in inventories	(43,045)			(43,045)
Increase in trade and bills receivables, prepayments and other receivables	(29,899)			(29,899)
Increase in trade and bills payables and other payables	140,543		1,600	142,143
Decrease in contract liabilities	(15,647)			(15,647)
Decrease in net defined benefits liabilities	(398)			(398)
Net cash used in operating activities	(23,406)			(23,406)

	The Group	Pro forma adjustments		The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note (1)	*Note (2)*	*Note (4)*	
Investing activities				
Purchase of property, plant and equipment	(850)			(850)
Purchase of intangible assets	(20,634)			(20,634)
Net cash outflow on disposal of subsidiaries	156,010			156,010
Bank interest received	1,956			1,956
Proceed from disposal of property, plant and equipment	1			1
Purchase of financial assets through other comprehensive income	(8,601)			(8,601)
Proceed from disposal of financial assets through other comprehensive income	–	134,772		134,772
Net cash generated from investing activities	127,882			262,654
Financing activities				
Proceeds from bank loans	30,036			30,036
Repayment of bank loans	(109,485)			(109,485)
Proceeds from other loans	403,081			403,081
Repayment of other loans	(345,788)			(345,788)
Finance costs paid	(84,504)			(84,504)
Repayments of lease liabilities	(11,936)			(11,936)
Net cash used in financing activities	(118,596)			(118,596)
Net decrease in cash and cash equivalents	(14,120)			120,652
Effect of exchange rates on the balance of cash held in foreign currencies	7,117			7,117
Cash and cash equivalents at 1 January	31,117			31,117
Cash and cash equivalents at the end of 31 December	24,114			158,886
Analysis of balances of cash and cash equivalents at the end of the year				
Cash and bank balances	24,114			158,886

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

(1) The unaudited consolidated statement of financial position of the Group as at 31 December 2021 and unaudited consolidated statement of profit or loss and other comprehensive income are extracted from the unaudited results announcement of the Company issued on 31 March 2022 and its unaudited consolidated statement of cash flows for the year ended 31 December 2021 is extracted from the unaudited supplemental results announcement of the Company for the year ended 31 December 2021 issued on 13 June 2022 and rounded to the nearest HK$'000.

(2) The adjustments represent the de-recognition of assets and liabilities of the Target Company as at 31 December 2021, de-recognition of the Group's historical acquisition premium in the Target Company, de-recognition of the non-controlling interests of the Target Company recognised by Company as at 31 December 2021 and recognition of the estimated gain on the Disposal by the Remaining Group, assuming the Disposal had taken place on 31 December 2021.

(a) The calculation for the estimated gain on the Disposal is set out below:

	RMB'000	*HK$'000*
Consideration	110,000	134,772
Analysis of assets and liabilities over which control was lost:		
Financial assets through other comprehensive income		115,708
Net assets disposed of		115,708
Estimated gain on the Disposal: ***(Note (5))***		
Total consideration		134,772
Net assets disposed of		(115,708)
		19,064
Estimated net cash inflow arising on the Disposal:		
Cash to be received		134,772

(3) The adjustment represents the estimated income tax to be incurred by Company on the Disposal and the share of the income tax. The income tax on the Disposal is calculated at 25%, being the PRC's enterprise income tax rate.

(4) The adjustment represents the estimated legal and professional fees for the Disposal.

(5) The gain on disposal excludes the estimated income tax to be incurred by Company on the Disposal and the share of the income tax and the estimated legal and professional fees for the Disposal.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of the independent reporting accountants' assurance report received from HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

HLB 國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Titan Invo Technology Limited (formerly known as Tus International Limited)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Titan Invo Technology Limited (formerly known as Tus International Limited) (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2021 and unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021 and related notes as set out on pages III-1 to III-10 of the circular issued by the Company dated 17 June 2022 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page III-1 to III-10 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Disposal (as defined in the Circular) on the Group's financial position as at 31 December 2021 as if the Disposal had taken place as at 31 December 2021 and on the Group's financial performance and cash flows as if the Disposal had taken place as at 1 January 2021. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial position as at 31 December 2021 and the Group's financial performance and cash flows for the year ended 31 December 2021, on which no audit or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 December 2021 or 1 January 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria, and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated,

(b) such basis is consistent with the accounting policies of the Group, and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Hong Kong
17 June 2022

Set out below is the management discussion and analysis of the Remaining Group for each of the three years ended 31 December 2019 ("**FY 2019**"), 2020 ("**FY 2020**") and 2021 ("**FY 2021**") as extracted from the annual reports of the Company for the years ended 31 December 2019 and 2020 and the unaudited annual results announcement and the relevant supplemental announcement of the Company for the ended 31 December 2021.

(I) FOR THE YEAR ENDED 31 DECEMBER 2019

Business Review

In July 2018, the Group entered into vehicle connectivity market by acquiring Titan Automotive Solutions N.V. (the "**Wireless Business Group**") at the aggregate consideration of US$105.0 million (subject to adjustments with reference to the aggregate cash, debt and working capital of the Wireless Business Group at completion). The Wireless Business Group was one of the major suppliers of automotive connectivity module globally which supplies electronic modules connecting 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 V2X communication schemes. The Wireless Business Group had research and development centres in France, Belgium and Israel and its major customers are mainly blue-chip OEMs and tier one suppliers. The Wireless Business Group did not have its own production facilities and outsources the electronic manufacturing process to a leading semiconductor packaging and testing services provider. The Group planned to continue expanding its customer base, in particular in China, and its promotion of new LTE/V2X/5G modules and solutions by collaborating with its software algorithms business.

The acquisition of the Wireless Business Group was completed on 27 February 2019 and the results of the Wireless Business Group had been consolidated into the consolidated financial statement of the Company upon completion of the acquisition on 27 February 2019. During the year ended 31 December 2019, the Wireless Business Group contributed revenue of approximately HK$455.6 million. Intangible assets including technical know-how, brand name and customer relationship, and goodwill arising from acquisition as of the date of completion amounted to approximately HK$383.0 million and HK$486.5 million respectively

Financial Review

For the FY 2019, revenue of the Remaining Group's continuing operation amounted to approximately HK$455.6 million (for the year ended 31 December 2018 ("**FY 2018**"): nil). The loss for the year of the Remaining Group's continuing operation amounted to approximately HK$258.1 million (FY 2018: HK$115.9 million).

Liquidity, Financial Resources, Capital Structure and Funding and Treasury Policy

Net Borrowing Position

For the Remaining Group, the total borrowings, including borrowings and convertible bonds, as at 31 December 2019 increased by approximately 78.3% to approximately HK$774.0 million (31 December 2018: HK$434.0 million). The change in total borrowings was mainly attributable to a new banking facility of US$38.5 million for the purpose of acquisition of the Wireless Business Group. In addition, cash and bank balances and pledged deposits as at 31 December 2019 were approximately HK$20.2 million (31 December 2018: HK$58.3 million). As such, the net borrowings of the Remaining Group increased by 100.6% to approximately HK$753.8 million (31 December 2018: HK$375.7 million).

Structure of Interest-Bearing Borrowings

The Remaining Group's short-term borrowings increased to approximately HK$381.2 million as at 31 December 2019 (31 December 2018: HK$46.2 million). Such increase was primarily due to a new 36-month fixed term loan (the "**Banking Facilities**") in the aggregate principal amount of US$38.5 million with certain financial covenants. Based on the audited accounts of the Wireless Business Group for the FY 2019, it had failed to fulfil certain financial covenants as stated in the terms of the Banking Facilities. Therefore, US$38.5 million was reclassified as short-term borrowings. Such breach entitled the lender to, among others, to declare the outstanding principal amount, accrued interest and all other sums payable under the Banking Facilities immediately due and payable.

As at the date of the Company's 2019 annual report, the lender has not declared any outstanding amount to be due and payable under the abovementioned banking facilities. There had been no cross default under any outstanding convertible bonds issued by the Company. The Company remained in full compliance with the terms and conditions of all its outstanding convertible bonds.

Short-term borrowings included bank loans in an aggregate principal amount of approximately HK$348.4 million (31 December 2018: nil) with floating interest rate of LIBOR plus 2.1% – 2.45%, and other loans of approximately HK$32.8 million (31 December 2018: HK$46.2 million) with fixed interest rates of 8.0% – 14.0% (31 December 2018: 8.0% – 10.0%) and were repayable on demand as of 31 December 2019. The short-term borrowings were primarily used to finance short-term cash flows for the operations of the Remaining Group. Approximately HK$348.4 million of the bank loans were denominated in US dollar as at 31 December 2019. As for the other loans, approximately HK$8.7 million and HK$24.1 million were denominated in US dollar and Hong Kong dollar as at 31 December 2019 (31 December 2018: approximately HK$10.7 million, HK$34.5 million and HK$1.0 million were denominated in US dollar, Hong Kong dollar and Renminbi respectively).

As at 31 December 2019, the Remaining Group had convertible bonds of approximately HK$392.8 million (31 December 2018: HK$387.7 million) in which approximately HK$300.0 million (31 December 2018: HK$58.3 million) was classified under current liabilities and approximately HK$92.8 million (31 December 2018: HK$329.4 million) was classified under non-current liabilities. During the FY 2019, all of the HK$61 million 0% coupon bond due 2019 was converted into 69,004,524 shares on 27 May 2019. In addition, HK$300.0 million 6% coupon bond due 2019 in which the Company exercised its right to extend the maturity date to 9 June 2020 during the FY 2019 was reclassified from non-current liabilities to current liabilities. As such, convertible bonds classified under current liabilities as at 31 December 2019 increased to approximately HK$300.0 million (31 December 2018: HK$58.3 million).

Liquidity Ratios and Gearing Ratios

For the Remaining Group, the current ratio and quick ratio as at 31 December 2019 were approximately 0.34 (31 December 2018: 1.36) and 0.33 (31 December 2018: 1.36) respectively. Such decrease was primarily due to reclassification of convertible bond from non-current liabilities to current liabilities during the FY 2019. Gearing ratio of the Remaining Group which was calculated by dividing total debts (i.e. total of borrowings and convertible bonds) by total equity and total debts was approximately 0.64 (31 December 2018: 0.74).

Treasury Policy

The Remaining Group intended to principally finance its operations and investing activities, with among others, its operating revenue, internal resources and bank facilities. It was believed that the Remaining Group had a healthy financial position and had sufficient resources to satisfy its capital expenditure and working capital requirement. However, in order to execute the strategies of the Remaining Group, it would continue to monitor both the equity and debt capital markets to replenish funds, as and when appropriate, for future expansion and creation of shareholders' value. The Remaining Group adopted a treasury policy which allowed the Remaining Group to invest its surplus funds in different investment grade debt securities or other investment vehicles.

Most of the trading transactions, assets and liabilities of the Remaining Group were denominated in Renminbi, Hong Kong dollar, Korean Won, Euro and US dollar. The Remaining Group adopted a conservative treasury policy with most of the bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 31 December 2019, the Remaining Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes (31 December 2018: nil).

Charge of Assets

As at 31 December 2019, all shares of the Wireless Business Group were pledged for the banking facilities of US$38.5 million (31 December 2018: nil). Save as disclosed herein, the Remaining Group had no pledge of assets as at 31 December 2019.

Contingent Liabilities

As at 31 December 2019, the Remaining Group did not have any material contingent liabilities (31 December 2018: nil).

Significant Investment

The investments which are held as long-term strategic investments and not expected to be sold in the short to medium term are classified under financial assets at FVTOCI. Changes in fair value would be recognised in other comprehensive income ("**OCI**") and would not be recycled to profit and loss, even if the asset is sold or impaired.

As at 31 December 2019, investments of approximately HK$216.9 million were classified under FVTOCI (31 December 2018: HK$261.8 million) and fair value loss through OCI (net of exchange realignment) of approximately HK$44.9 million (FY 2018: HK$94.1 million) was recognised during the FY 2019.

Details of the significant investments are as follows:

	As at 31 December 2019						
	Percentage of equity interests held in the investee	Percentage to the Remaining Group's total assets	Fair value at 31 December 2019	Fair value loss (net of exchange realignment) during FY 2019	Addition during the FY 2019	Disposal/ derecognition during FY 2019	Fair value at 31 December 2018
	%	*%*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
More Cash Limited	18.00	1.89	30.4	(40.7)	–	–	71.1
Sino Partner Global Limited	2.46	2.27	36.6	(2.5)	–	–	39.1
Tus Suzhou Modern Education Development Company Limited	14.00	9.28	149.4	(1.4)	–	–	150.8
Others	N/A	0.03	0.5	(0.3)	–	–	0.8
Total			216.9	(44.9)	–	–	261.8

Save as disclosed above, the Remaining Group did not have any significant investment during the FY 2019.

Material Acquisitions and Disposals

Acquisition of the entire issued share capital of Titan Automotive Solutions N.V.

References are made to the announcements of the Company dated 12 July 2018, 31 October 2018, 11 December 2018, 29 January 2019, 1 February 2019, 20 February 2019 and 27 February 2019 and the circular of the Company dated 26 December 2018 in relation to, among others, the acquisition of Titan Automotive Solutions N.V.. i.e., the Wireless Business Group (the "**Titan Acquisition**").

On 12 July 2018, the Company entered into an acquisition agreement to buy all the issued shares of Titan Automotive Solutions N.V. at the aggregate consideration of US$105.0 million (equivalent to approximately HK$824.3 million) (subject to adjustments with reference to the aggregate cash, debt and working capital of Titan Automotive Solutions N.V. at completion) and the relevant transfer costs. The consideration was settled by the Company in cash upon completion and was funded by equity and debt financing by issuing approximately 626.4 million new shares of the Company and the 0% coupon convertible bonds due in 2025 in the aggregate principal amount of approximately HK$89.9 million and obtaining bank borrowings in the principal amount of US$38.5 million. The Titan Acquisition constituted a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The completion of the Titan Acquisition took place on 27 February 2019, upon which Titan Automotive Solutions N.V. became a wholly-owned subsidiary of the Company.

It was believed that the Titan Acquisition was beneficial to the Group, creating synergy in terms of customer relationships, complementary technologies and research and development capabilities.

Suzhou Yadu Disposal

On 12 April 2019, the Group entered into a disposal agreement to dispose of 51% of the equity interest of Suzhou Yadu Cloud Technology Co. Limited* (蘇州亞都雲科技有限公司) ("**Suzhou Yadu**") at the consideration of RMB40.8 million (equivalent to approximately HK$46.1 million) (the "**Suzhou Yadu Disposal**"). An extraordinary general meeting was held on 26 June 2019 and the ordinary resolution approving the Suzhou Yadu Disposal was passed by way of poll. Further details of the Suzhou Yadu Disposal are set out in the announcements of the Company dated 7 January 2019, 12 April 2019 and 26 June 2019, and the circular of the Company dated 10 June 2019.

Save as disclosed above, the Group did not have material acquisitions or disposals during the FY 2019.

Future Plans for Material Capital Assets

For the FY 2019, the Remaining Group did not have future plans for material investments or capital assets.

Foreign Exchange Exposure

The Remaining Group mainly operates in the PRC, the US, Europe, and Asia Pacific with approximately 0.1% (FY 2018: nil) of the revenue denominated in Renminbi while approximately 99.9% (FY 2018: nil) of the revenue denominated in Korean Won, Euro and US dollar. During the FY 2019, the Remaining Group did not carry out any hedging activity against foreign currency risk (2018: nil). Any substantial exchange rate fluctuation of foreign currencies against Renminbi, Korean Won, Euro and US dollar may have a financial impact on the Remaining Group's operations in the PRC and Europe.

Employees and Remuneration Policy

As at 31 December 2019, the Remaining Group employed 137 staff in the PRC, the US, Europe, Asia Pacific and Hong Kong (31 December 2018: 19). Remuneration of employees including directors' emoluments was approximately HK$123.3 million for the FY 2019 (FY 2018: HK$19.8 million).

The Remaining Group reviews employee remuneration from time to time and salary increment is normally approved annually or by special adjustment depending on length of services and performance of the employees when warranted. In addition to salaries, the Remaining Group provides employee benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Remaining Group at the discretion of the Board and depending upon the performance of the Remaining Group. During the FY 2019, the Remaining Group did not adopt any long-term incentive schemes.

Retirement Schemes

The Remaining Group maintains a mandatory provident fund scheme (the "**MPF Scheme**") for all qualifying employees in Hong Kong. The Remaining Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Remaining Group participates in defined contribution retirement benefit schemes (the "**Schemes**") organised by the relevant local government authorities in the PRC whereby the Remaining Group is required to make contributions to the Schemes at the stipulated rate of the eligible employees' salaries.

In Europe and other countries where the Remaining Group operates, the Remaining Group also participates in social security schemes, net defined benefits plan or other equivalent pension plans organised by the relevant local government authorities for eligible employees, under which the Remaining Group makes contributions in an amount equivalent to a specified percentage of employee's monthly salaries.

The Remaining Group has no other material obligation for the payment of pension benefits associated with these schemes beyond the annual contributions described above.

(II) FOR THE YEAR ENDED 31 DECEMBER 2020

Business Review

The unexpected temporary slowdown of the global automotive industry continued in 2020 owing to weakening demand in China and Europe and the outbreak of the COVID-19 pandemic (the "**Pandemic**") in late 2019 which disrupted temporary supply chains of the industry. The shutdown of production lines and implementation of government policies restricting the movement of goods and labour as a preventive measure to the Pandemic had severely disrupted the supply chains of the Remaining Group in the first half of 2020. The impact on the supply chain of the automotive industry had in turn led to a decrease in the demand for the Remaining Group's products, delay in fulfillment of sales orders of major customers of the Remaining Group as well as a temporary slowdown of the Remaining Group's purchase, production and sale cycle.

The Pandemic had since improved in China in the second half of 2020 while the Pandemic continued to spread over the rest of the world including Europe and the United States, the global economic situation has deteriorated and there was yet to be any certainty as to when the Pandemic could be successfully contained. In view of such uncertainty, business sentiments in the Remaining Group's major markets had been subdued during the FY 2020 and such situation is expected to continue. As the Remaining Group's businesses spanned across different countries and regions, rising geopolitical risks coupled with volatile financial markets worldwide also had an impact on the Remaining Group's operations. In particular, there had been an increase in difficulties for the European businesses of the Remaining Group to further penetrate the Chinese intelligent connected vehicle market as originally expected.

The major factors driving the growth of the vehicle connectivity market were, among others, high demand for safety features, stringent safety rules and regulations, increased requirement for comfort and increased adoption from the automotive sector. It was expected that China's vehicle connectivity market would experience rapid growth due to possibility of upcoming mandatory regulations in basic safety systems and the low penetration rate in China. However, high installation cost in vehicles and complex structure of systems which require skilled workers could impact on the growth of the vehicle connectivity market significantly.

The Remaining Group's short-term corporate strategy focused on the development and expansion of its vehicle connectivity business in the PRC, Europe, North America and the Asia-Pacific region. As a result, business segments of car-carried purifiers, car trading and finance lease of motor vehicles and equipment became non-core businesses of the Group and were disposed of along with the ADAS subsegment of cloud control business during the FY 2020.

Further, as a result of rising geopolitical risks and volatile financial markets in the countries and regions in which the Remaining Group's businesses operate, there remained an uncertainty as to whether the automotive-grade wireless connectivity business, which the Remaining Group acquired in 2019, may further penetrate the PRC market as originally expected in the short run. The Group had closely monitored the development of economic and political factors to assess the exposure of geopolitical risks, and to formulate appropriate response strategies. Notwithstanding, the directors were of the view that prioritising resources allocation of the Group on balancing among financial liquidity and business continuity will be of the best interest of the Shareholders as a whole in the long run. In addition, the Remaining Group was implementing cautious measures to balance among its working capital requirement, product development and market expansion.

During the FY 2020, with the aim to improve financial performance, financial position and liquidity of the Group, certain short-term strategies were implemented including (a) continuous tightening of cost controls by engaging professional restructuring experts to reorganize the corporate, operational and research and development structure of certain business segments and (b) improvement in product and market re-positioning which aim to enhance operating efficiency and effectiveness while not deteriorating valuable business opportunities.

Financial Review

For the FY 2020, revenue of the Remaining Group's continuing operation amounted to approximately HK$426.8 million (FY 2019: HK$455.6 million), representing a decrease of approximately 6.3%. The loss for the year of the Remaining Group's continuing operation amounted to approximately HK$270.5 million (FY 2019: HK$258.1 million), representing an increase of approximately 4.8%.

Liquidity, Financial Resources, Capital Structure and Funding and Treasury Policy

Net Borrowing Position

For the Remaining Group, the total borrowings, including borrowings and convertible bonds, as at 31 December 2020 increased by approximately 10.4% to approximately HK$854.3 million (31 December 2019: HK$774.0 million). The increase in total borrowings was mainly attributable to a new short-term loan facility of HK$170.0 million obtained from a financial institution during the FY 2020 for general working capital purpose. In addition, cash and bank balances and pledged deposits as at 31 December 2020 increased by 23.3% to approximately HK$24.9 million (31 December 2019: HK$20.2 million). As such, the net borrowings increased by 10.0% to approximately HK$829.4 million (31 December 2019: HK$753.8 million).

Structure of Interest-Bearing Borrowings

The Remaining Group's short-term borrowings increased to approximately HK$752.1 million as at 31 December 2020 (31 December 2019: HK$381.2 million). Such increase was primarily due to a new short-term loan facility of HK$170.0 million obtained from a financial institution during the FY 2020 for general working capital purpose and reclassification of convertible bonds of outstanding principal amount of HK$183.0 million due on 9 June 2020 of which conversion rights were lapsed.

Short-term borrowings include bank loans in an aggregate principal amount of approximately HK$256.9 million (31 December 2019: HK$348.4 million) with floating interest rate of LIBOR plus 2.45% (31 December 2019: floating interest rate of LIBOR plus 2.1% to 2.45%), and other loans of approximately HK$495.2 million (31 December 2019: HK$32.8 million) with fixed interest rates of 8.0% – 21.0% (31 December 2019: 8.0% – 14.0%) of which approximately HK$191.9 million were overdue and repayable on demand as of 31 December 2020. As at the date of the Company's 2020 annual report, no immediate demand for repayment was requested by the lenders. The short-term borrowings were primarily used to finance short-term cash flows for the operations of the Remaining Group. All of the bank loans were denominated in US dollar as of 31 December 2020 and 31 December 2019. As for the other loans, approximately HK$8.7 million and HK$486.5 million were denominated in US dollar and Hong Kong dollar respectively, as of 31 December 2020 (31 December 2019: approximately HK$8.7 million and HK$24.1 million, respectively).

As of 31 December 2020, the Remaining Group had convertible bonds of approximately HK$102.3 million (31 December 2019: HK$392.8 million) classified under non-current liabilities (31 December 2019: current liabilities: HK$300.0 million; non-current liabilities: HK$92.8 million). Such decrease was due to reclassification of the convertible bonds which were due on 9 June 2020 to other borrowings given such conversion rights were lapsed on the same day. As of 31 December 2020, the Company and the bondholders are under advanced negotiation on a transitional repayment schedule.

Liquidity Ratios and Gearing Ratios

The current ratio and quick ratio of the Remaining Group as at 31 December 2020 were approximately 0.19 (31 December 2019: 0.34) and 0.18 (31 December 2019: 0.33) respectively. Such decrease was primarily due to net operating cash outflow for the FY 2020. Gearing ratio of the Remaining Group was calculated by dividing total debts (i.e. total of borrowings and convertible bonds) by total deficit/equity and total debts was approximately 1.04 (31 December 2019: 0.64).

Treasury Policy

The Remaining Group intended to principally finance its operations and investing activities, with among others, its operating revenue, internal resources and bank facilities. It was believed that the Remaining Group had a healthy financial position and had sufficient resources to satisfy its capital expenditure and working capital requirement. However, in order to execute the strategies of the Remaining Group, it would continue to monitor both the equity and debt capital markets to replenish funds, as and when appropriate, for future expansion and creation of shareholders' value. The Remaining Group adopted a treasury policy which allowed the Remaining Group to invest its surplus funds in different investment grade debt securities or other investment vehicles.

Most of the trading transactions, assets and liabilities of the Remaining Group were denominated in Renminbi, Hong Kong dollar, Korean Won, Euro and US dollar. The Remaining Group adopted a conservative treasury policy with most of the bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 31 December 2020, the Remaining Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes (31 December 2019: nil).

Charge of Assets

All shares of the subsidiaries of the Company in the automotive-grade wireless connectivity business were pledged for aggregate banking facilities of approximately HK$256.9 million (31 December 2019: approximately HK$302.2 million).

Certain financial assets at FVTOCI were pledged for aggregated banking facilities of approximately RMB40.0 million (31 December 2019: approximately RMB20.0 million) for the Target Company for working capital.

All shares of a subsidiary which held certain subsidiaries of the ADAS business were pledged to a former convertible bond holder for an overdue aggregated outstanding payable of approximately HK$83.0 million. As at the date of the Company's 2020 annual report, such outstanding payable was settled in full and such pledge was released unconditionally.

Save as disclosed above, the Remaining Group had no other significant pledge of assets as at 31 December 2020.

Contingent Liabilities

As at 31 December 2020, the Remaining Group did not have any material contingent liabilities (31 December 2019: nil).

Significant Investment

The investments which are held as long-term strategic investments and not expected to be sold in the short to medium term are classified under financial assets at FVTOCI. Changes in fair value would be recognised in OCI and would not be recycled to profit and loss, even if the asset is sold or impaired.

As at 31 December 2020, investments of approximately HK$131.7 million were classified under FVTOCI (31 December 2019: HK$216.9 million) and fair value loss through OCI (net of exchange realignment) of approximately HK$55.2 million (FY 2019: loss of HK$44.9 million) was recognised during the FY 2020.

Details of the significant investments are as follows:

	As at 31 December 2020						
	Percentage of equity interests held in the investee	Percentage to the Remaining Group's total assets	Fair value at 31 December 2020	Fair value loss (net of exchange realignment) during FY 2020	Addition during the FY 2020	Disposal/ derecognition during FY 2020	Fair value at 31 December 2019
	%	*%*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
More Cash Limited	–	–	–	(0.4)	–	(30.0)	30.4
Sino Partner Global Limited	2.46	1.94	22.3	(14.3)	–	–	36.6
Tus Suzhou Modern Education Development Company Limited	14.00	9.47	108.9	(40.5)	–	–	149.4
Others	N/A	0.04	0.5	–	–	–	0.5
Total			131.7	(55.2)	–	(30.0)	216.9

Save as disclosed above, the Remaining Group did not have any significant investment during the FY 2020.

Material Acquisitions and Disposals

During the FY 2020, the Group completed several disposals of non-core and financial assets businesses for cash realisation to improve working capital liquidity and debt repayment:

Car-carried purifiers business

The Suzhou Yadu Disposal was completed in December 2020 and the Group ceased the operation of car-carried purifiers business. Please refer to the announcements of the Company dated 7 January 2019, 12 April 2019 and 26 June 2019, and the circular of the Company dated 10 June 2019 for further details of the Suzhou Yadu Disposal.

Car trading and finance lease of motor vehicles and equipment business

The Group's car trading business was suspended in 2019 due to the changes of the Company's overall strategy in 2017. Car trading business was disposed of along with the disposal of finance lease of motor vehicles and equipment business in June 2020.

On 26 June 2020, the Group entered into a disposal agreement to sell 51% of the equity interest of Optimus Financial Group Limited to an independent third party at a consideration of HK$41.8 million (the "**Optimus Disposal**"). Optimus Financial Group Limited and its subsidiaries operated in the business segments of car trading and finance lease of motor vehicles and equipment. The Optimus Disposal was completed on 30 June 2020 and the Group ceased the operation of finance lease of motor vehicles and equipment business. Please refer to the announcement of the Company dated 26 June 2020 for further details of the Optimus Disposal.

Cloud control business

On 14 September 2020, the Group entered into an equity transfer agreement to dispose of 70% of the equity interest of TUS Cloud Control (Beijing) Technology Limited*（啟迪雲控（北京）有限公司）("**Cloud Control business**") at a consideration of RMB105.0 million (the "**Cloud Control Disposal**"). TUS Cloud Control (Beijing) Technology Limited and its subsidiaries operated in the ADAS business segment which specialized in the development of the cloud control platform for intelligent and connected vehicles and its application, and worked closely with other founding members of the National Innovation Center of Intelligent Connected Vehicles (the "**National Innovation Center**") to promote the project of the national big data cloud control platform for intelligent connected vehicles. The Cloud Control Disposal was completed in November 2020 and the Group ceased the operation of Cloud Control business. Please refer to the announcements of the Company dated 14 September 2020 and 14 October 2020 and the circular of the Company dated 25 September 2020 for further details of the Cloud Control Disposal.

18% equity interest in More Cash Limited

On 14 April 2020, a wholly owned subsidiary of the Company, Bright Ample Limited, entered into a sale and purchase agreement and agreed to sell 18% of the equity interests in More Cash Limited to an independent third party at a consideration of HK$30.0 million. Such disposal was completed in April 2020 and the accumulated other comprehensive losses of approximately HK$43.0 million were transferred from reserve to accumulated losses of the Group for the FY 2020.

Save as disclosed above, the Group did not have any significant investment, material acquisitions or disposals during the FY 2020.

Future Plans for Material Capital Assets

For the FY 2020, the Remaining Group did not have future plans for material investments or capital assets.

Foreign Exchange Exposure

The Remaining Group mainly operates in the PRC, the US, Europe, and Asia Pacific with approximately 8.8% (FY 2019: 0.1%) of the revenue denominated in Renminbi while approximately 91.2% (FY 2019: 99.9%) of the revenue denominated in Euro, US dollar and Korean Won. During the FY 2020, the Remaining Group did not carry out any hedging activity against foreign currency risk (FY 2019: nil). Any substantial exchange rate fluctuation of foreign currencies against Renminbi, Korean Won, Euro and US dollar may have a financial impact on the Remaining Group's operations in the PRC and Europe.

Employees and Remuneration Policy

As at 31 December 2020, the Remaining Group employed 88 staff in the PRC, the US, Europe, Asia Pacific and Hong Kong (31 December 2019: 137). Remuneration of employees including directors' emoluments was approximately HK$109.2 million for the FY 2020 (FY 2019: HK$123.3 million).

The Remaining Group reviews employee remuneration from time to time and salary increment is normally approved annually or by special adjustment depending on length of services and performance of the employees when warranted. In addition to salaries, the Remaining Group provides employee benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Remaining Group at the discretion of the Board and depending upon the performance of the Remaining Group. During the FY 2020, the Remaining Group did not adopt any long-term incentive schemes.

Retirement Schemes

The Remaining Group maintains the MPF Scheme for all qualifying employees in Hong Kong. The Remaining Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Remaining Group participates in the Schemes organised by the relevant local government authorities in the PRC whereby the Remaining Group is required to make contributions to the Schemes at the stipulated rate of the eligible employees' salaries.

In Europe and other countries where the Remaining Group operates, the Remaining Group also participates in social security schemes, net defined benefits plan or other equivalent pension plans organised by the relevant local government authorities for eligible employees, under which the Remaining Group makes contributions in an amount equivalent to a specified percentage of employee's monthly salaries.

The Remaining Group has no other material obligation for the payment of pension benefits associated with these schemes beyond the annual contributions described above.

(III) FOR THE YEAR ENDED 31 DECEMBER 2021

Business Review

During the FY 2021 under review, the Group changed the company name to Titan Invo Technology Limited. The Directors consider that the change of company name will better reflect the Company's current corporate structure, strategic business plan and direction of future development. The Directors are of the opinion that the change of company name can provide the Company with a more appropriate corporate image and identity, which will capture potential business opportunities and benefit the Company's future business development, especially penetration into the China market.

Following the disposal of the majority of the ADAS business segment and certain financial assets during FY 2021, the Remaining Group devoted its resources in the development of its remaining core business which principally comprises in the research and development and sale of tailor-made automotive-grade wireless connectivity modules to catch up on the estimated market development and growth, especially in the China market. 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 vehicle to vehicle and vehicle to everything (V2X) communication.

Due to the impact of the Pandemic, the global automotive industry faced a difficult, challenging and volatile business environment in FY 2021. Also, the auto market, including the Remaining Group, faced numerous difficulties in supply-chain management during the FY 2021. In particular, the Remaining Group had been experiencing a temporary shortage of several semiconductors and electronic components used in the production of our automotive-grade wireless connectivity modules during the FY 2021 and hence experienced delays in the fulfilment of certain sales orders although continuous negotiations among suppliers and customers were conducted by the management team to improve overall the supply chain management in the short-run. At the same time, the Directors implemented several short-term strategies including tightened cost controls, continuous dialogue with stakeholders and active participation in debt and equity financing activities, with an aim to improve the financial positions and liquidity while balancing the business operation, product development and market expansion.

Financial Review

For the FY 2021, revenue of the Remaining Group's continuing operation amounted to approximately HK$273.1 million (FY 2020: HK$426.8 million), representing a decrease of approximately 36.0%. The loss for the year of the Remaining Group's continuing operation amounted to approximately HK$597.2 million (FY 2020: HK$270.5 million), representing an increase of approximately 120.8%.

Liquidity, Financial Resources, Capital Structure and Funding and Treasury Policy

Net Borrowing Position

For the Remaining Group, the total borrowings, including borrowings and convertible bonds, as at 31 December 2021 decreased by approximately 3.1% to approximately HK$827.5 million (31 December 2020: HK$854.3 million). The decrease in total borrowings was mainly attributable to partial repayment of bank borrowings during the FY 2021. The cash and bank balances as at 31 December 2021 decreased by approximately 3.2% to approximately HK$24.1 million (31 December 2020: HK$24.9 million). As such, the net borrowings decreased by 3.1% to approximately HK$803.4 million (31 December 2020: HK$829.4 million).

Structure of Interest-Bearing Borrowings

The Remaining Group's short-term borrowings decreased to approximately HK$714.9 million as at 31 December 2021 (31 December 2020: HK$752.1 million).

Short-term borrowings include bank loans in an aggregate principal amount of approximately HK$160.6 million (31 December 2020: HK$256.9 million) with floating interest rate of LIBOR plus 2.45% (31 December 2020: floating interest rate of LIBOR plus 2.45%), and other loans of approximately HK$554.2 million (31 December 2020: HK$495.2 million) with fixed interest rates of 8.5% – 21.0% (31 December 2020: 8.0% – 21.0%) of which approximately HK$233.3 million were overdue and repayable on demand as of 31 December 2021 (31 December 2020: HK$191.9 million). As at the date of the unaudited annual results announcement for FY 2021, demand for immediate repayment of bank loans in an aggregate principal amount of approximately HK$160.6 million was received and no other demand for immediate repayment was requested by other lenders. The short-term borrowings were primarily used to finance short-term cash flows for the operations of the Group.

All bank loans were denominated in US Dollar as of 31 December 2021 and 31 December 2020. As for the other loans, approximately HK$435.4 million and HK$118.8 million were denominated in Hong Kong Dollar and Renminbi respectively, as of 31 December 2021 (31 December 2020: approximately HK$8.7 million and HK$486.5 million were denominated in US Dollar and Hong Kong Dollar, respectively).

As of 31 December 2021, the Remaining Group had convertible bonds with a carrying amount of approximately HK$112.6 million (31 December 2020: HK$102.3 million) classified under non-current liabilities.

Liquidity Ratios and Gearing Ratios

The current ratio and quick ratio of the Remaining Group as at 31 December 2021 increased to approximately 0.22 (31 December 2020: 0.19) and increased to approximately 0.20 (31 December 2020: 0.18) respectively. Gearing ratio of the Remaining Group was calculated by dividing total debts (i.e. total of borrowings and convertible bonds) by total deficit/equity and total debts was approximately 2.01 (31 December 2020: 1.04).

Treasury Policy

The Remaining Group intended to principally finance its operations and investing activities with, among others, its operating revenue, internal resources and bank facilities. The Directors believed that the Remaining Group had a healthy financial position and had sufficient resources to satisfy its capital expenditure and working capital requirement. However, in order to execute the strategies of the Remaining Group, the Directors would continue to monitor both the equity and debt capital markets to replenish funds, as and when appropriate, for future expansion and creation of shareholders' value. The Remaining Group adopted a treasury policy which allowed the Remaining Group to invest its surplus funds in different investment grade debt securities or other investment vehicles.

Most of the trading transactions, assets and liabilities of the Remaining Group were denominated in Renminbi, Hong Kong dollar, Korean Won, Euro and US dollar. The Remaining Group adopted a conservative treasury policy with most of the bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 31 December 2021, the Remaining Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes (31 December 2020: nil).

Charge of Assets

All shares of the subsidiaries of the Company in the automotive-grade wireless connectivity business were pledged for aggregate banking facilities of approximately HK$160.6 million (31 December 2020: approximately HK$256.9 million).

Certain financial assets at FVTOCI were pledged for aggregated banking facilities of approximately RMB40.0 million (31 December 2020: approximately RMB40.0 million) for the Target Company for working capital.

Save as disclosed above, the Remaining Group had no other significant pledge of assets as at 31 December 2021.

Contingent Liabilities

As at 31 December 2021, the Remaining Group did not have any material contingent liabilities (31 December 2020: nil).

Significant Investment

The investments which are held as long-term strategic investments and not expected to be sold in the short to medium term are classified under financial assets at FVTOCI. Changes in fair value would be recognised in OCI and would not be recycled to profit and loss, even if the asset is sold or impaired.

During the FY 2021, the Group derecognised the financial asset of investments in National Innovation Center through disposal of a subsidiary in February 2021. Following the completion of the disposal of ADAS business in June 2021, the Group recognised the residual equity interest in the Target Company at financial assets at FVTOCI at fair value on initial recognition.

As at 31 December 2021, investments of approximately HK$135.4 million were classified under FVTOCI (31 December 2020: HK$131.7 million) and fair value loss through OCI (net of exchange realignment) of approximately HK$4.9 million (FY 2020: loss of HK$55.2 million) was recognised during the FY 2021.

Details of the significant investments are as follows:

	As at 31 December 2021						
	Percentage of equity interests held in the investee	Percentage to the Remaining Group's total Assets	Fair value at 31 December 2021	Fair value loss (net of exchange realignment) during FY 2021	Addition during the FY 2021	Disposal/ derecognition during FY 2021	Fair value at 31 December 2020
	%	*%*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Sino Partner Global Limited	2.46	3.02	21.3	(1.0)	–	–	22.3
Tus Suzhou Modern Education Development Company Limited	14.00	14.89	104.9	(4.0)	–	–	108.9
Gaia (Guangzhou) Venture Capital Fund Partnership	33.03	1.24	8.7	0.1	8.6	–	–
Others	N/A	0.07	0.5	–	–	–	0.5
Total			135.4	(4.9)	8.6	–	131.7

Save as disclosed above, the Remaining Group did not have any significant investment during the FY 2021.

Material Acquisitions and Disposals

During the FY 2021, the Group completed several disposals of the ADAS business and certain financial assets for cash realisation to improve working capital liquidity and debt repayment:

On 1 February 2021, a wholly owned subsidiary of the Company, TUS Zhixing Technology (Beijing) Limited*（啟迪智行科技（北京）有限公司）, entered into a sale and purchase agreement and agreed to dispose of its wholly owned subsidiary, TUS Yunzhi Technology (Beijing) Limited*（啟迪雲智科技（北京）有限公司）which holds 4.55% of equity interests in National Innovation Center, to TUS-Financial Group Limited*（啟迪金控投資有限公司）. This disposal was completed in February 2021. For details, please refer to the announcements of the Company dated 1 February 2021 and 4 February 2021.

On 23 April 2021, the Group entered into an equity transfer agreement to dispose of approximately 24.7538% of the equity interest of the Target Company to two independent third parties at a consideration of approximately RMB136.1 million. Upon completion of this disposal, the Group retained 20.0% of equity interests in the Target Company and therefore it ceased to be a non-wholly owned subsidiary of the Company. As a result, the Group ceased operation of the ADAS business.

Save as disclosed herein, the Group did not have any other material acquisitions or disposals during the FY 2021.

Future Plans for Material Capital Assets

For the FY 2021, the Remaining Group did not have future plans for material investments or capital assets.

Foreign Exchange Exposure

The Remaining Group mainly operates in the PRC, the US, Europe, and Asia Pacific with approximately 3.8% (FY 2020: 8.8%) of the revenue denominated in Renminbi while approximately 96.2% (FY 2020: 91.2%) of the revenue denominated in Euro, US dollar and Korean Won. During the FY 2021, the Remaining Group did not carry out any hedging activity against foreign currency risk (FY 2020: nil). Any substantial exchange rate fluctuation of foreign currencies against Renminbi, Korean Won, Euro and US dollar may have a financial impact on the Remaining Group's operations in the PRC and Europe.

Employees and Remuneration Policy

As at 31 December 2021, the Remaining Group employed 78 staff in the PRC, the US, Europe, Asia Pacific and Hong Kong (31 December 2020: 88). Remuneration of employees including Directors' emoluments was approximately HK$110.5 million for the FY 2021 (FY 2020: HK$109.2 million).

The Remaining Group reviews employee remuneration from time to time and salary increment is normally approved annually or by special adjustment depending on length of services and performance of the employees when warranted. In addition to salaries, the Remaining Group provides employee benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Remaining Group at the discretion of the Board and depending upon the performance of the Remaining Group. During the FY 2021, the Remaining Group did not adopt any long-term incentive schemes.

Retirement Schemes

The Remaining Group maintains the MPF Scheme for all qualifying employees in Hong Kong. The Remaining Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Remaining Group participates in the Schemes organised by the relevant local government authorities in the PRC whereby the Remaining Group is required to make contributions to the Schemes at the stipulated rate of the eligible employees' salaries.

In Europe and other countries where the Remaining Group operates, the Remaining Group also participates in social security schemes, net defined benefits plan or other equivalent pension plans organised by the relevant local government authorities for eligible employees, under which the Remaining Group makes contributions in an amount equivalent to a specified percentage of employee's monthly salaries.

The Remaining Group has no other material obligation for the payment of pension benefits associated with these schemes beyond the annual contributions described above.

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 Company. 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 facts 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:

(a) 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	Beneficial owner	210,718,000 (L)	10.21%
	Beneficial owner *(Note 3)*	100,000,000 (L)	4.85%

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. These Shares represented Mr. Ma's interest in the Shares underlying the Convertible Bonds

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.

(b) 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. Ma	20,636,000	2 December 2021	0.1058	2 December 2022 to 1 December 2031
	9,280,000	12 October 2016	0.822	12 October 2017 to 11 October 2026
Mr. Tsang	10,318,000	2 December 2021	0.1058	2 December 2022 to 1 December 2031
	4,640,000	22 January 2016	0.820	22 January 2017 to 21 January 2026
Mr. Hu Bo	8,000,000	11 January 2021	0.300	11 January 2022 to 10 January 2031
	52,874,000			

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 owner *(Note 3)*	600,255,670 (L)	29.09%
Tus-Holdings Co., Limited (“**Tus-Holdings**”)	Interest of controlled corporation *(Note 3)*	600,255,670 (L)	29.09%
E-Town International Holding (Hong Kong) Co., Limited (“**E-Town**”)	Beneficial owner *(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**”)	Interest 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$89,882,400 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 was the beneficial owner of 387,080,868 Shares. E-Town 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 pursuant to the SFO.

4. 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)).

5. 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 were 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.

6. MATERIAL 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.

7. 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) the disposal agreement dated 26 June 2020 and entered into between Quan Tai Limited ("**Quan Tai**"), a wholly-owned subsidiary of the Company, and Goldbond Investment Group Limited ("**Goldbond**") (whose name subsequently changed to "**Goldbond Group Holdings Limited**"), pursuant to which Quan Tai conditionally agreed to sell and Goldbond conditionally agreed to acquire 51% of the issued shares in Optimus Financial Group Limited at a consideration of HK$41.8 million,

(b) the equity transfer agreement dated 14 September 2020 and entered into among (i) TUS Yunzhi Technology (Beijing) Limited*（啟迪雲智科技（北京）有限公司）(“**TUS Yunzhi**”), a wholly-owned subsidiary of the Company, (ii) 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））, (iii) Yangzhou Qidi Zhi Wang Investment Centre (Limited Partnership)*（揚州啟迪智網投資中心（有限合夥））, (iv) Suzhou Shui Mu Shi Shang Investment Centre (Limited Partnership)*（蘇州水木時尚投資中心（有限合夥））, and (v) Huang Bing Qian（黃冰倩）(the parties referred to in (ii) to (v) are hereinafter collectively referred to as the “**TUS Cloud Control Purchasers**”), (vi) Tianjin Qingyun Intelligent Control Technology Limited*（天津清雲智控科技有限公司）, and (vii) TUS Cloud Control (Beijing) Technology Limited（啟迪雲控（北京）科技有限公司）(“**TUS Cloud Control**”), pursuant to which TUS Yunzhi conditionally agreed to sell and the TUS Cloud Control Purchasers conditionally agreed to acquire in aggregate 70% of the equity interest in TUS Cloud Control at an aggregate consideration of RMB105 million,

(c) the equity transfer agreement dated 1 February 2021 and entered into between TUS Zhixing Technology (Beijing) Limited*（啟迪智行科技（北京）有限公司）(“**TUS Zhixing**”), a wholly-owned subsidiary of the Company, and TUS-Financial Group Limited (“**Tus Financial**”) (whose name subsequently changed to “**Tus Financial Company Limited**”), 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,

(d) the 2021 Equity Transfer Agreement, and

(e) the Equity Transfer Agreement.

8. DIRECTORS’ INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, so 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.

There was no contracts or arrangement subsisting as at the Latest Practicable Date in which a Director is materially interested and which is significant in relation to the Group’s business.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been named in this circular and/or has given opinion or advice which is contained in this circular:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2021 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION OF THE COMPANY

(a) The company secretary of the Company is Mr. Chung Cheuk Man, who is a member of The 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 Suntera (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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(f) This circular is published in both English and Chinese. In case of any inconsistency the English text shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.titaninvo-global.com) up to and including the date which is 14 days from the date of this circular:

(a) the material contracts mentioned in the paragraph headed ''MATERIAL CONTRACTS'' in this Appendix, including the Equity Transfer Agreement,

(b) the annual reports of the Company for each of the year ended 31 December 2019 and 2020,

(c) the unaudited annual results announcement and the unaudited supplemental results announcement of the Company for the year ended 31 December 2021,

(d) the unaudited financial information of the Target Group, the text of which is set out in Appendix II to this circular,

(e) the report from HLB on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular, and

(f) the written consent referred to in the paragraph headed "QUALIFICATION AND CONSENT OF EXPERTS" in this Appendix.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of the shareholders of Titan Invo Technology Limited (the "**Company**") will be held at Lecture Room 1 & 2, 1/F, TusPark Workhub, 118 Wai Yip Street, Kwun Tong, Hong Kong on Thursday, 7 July 2022 at 3:00 p.m. 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 6 May 2022 (the "**Equity Transfer Agreement**") entered into between Titan Zhijia (Suzhou) Technology Limited* (泰坦智駕(蘇州)科技有限公司)(formerly known as 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)) (the "**Purchaser**"), and Suzhou Zhihua Automobile Electronics Co., Ltd.* (蘇州智華汽車電子有限公司)(the "**Target Company**") (a copy of which has been produced to this Meeting marked "A" for the purpose of identification) in relation to the proposed disposal of 15.493% of the equity interest in the Target Company by the Vendor to the Purchaser and the transaction contemplated thereby (collectively, the "**Disposal**"), the details of which are set out in the circular of the Company dated 17 June 2022 (the "**Circular**"), be and is hereby approved, confirmed and ratified,

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
Titan Invo Technology Limited
Ma Chi Kong Karl
Chairman

Hong Kong, 17 June 2022

* *For identification purpose only*

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in the PRC:
Building 2, No. 60 Weixin Road,
Suzhou Industrial Park, Suzhou,
Jiangsu Province,
China

Principal place of business in Hong Kong:
Room 707-711, 7/F,
TusPark Workhub,
118 Wai Yip Street, Kwun Tong
Hong Kong

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 pages ii to iii of this 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, Wanchai, Hong Kong no later than 3:00 p.m. on Tuesday, 5 July 2022 (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 EGM, the deadline for share registration will be Wednesday, 29 June 2022. Members should therefore ensure that all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, 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 Wednesday, 29 June 2022.

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.