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**ETS GROUP LIMITED**  
**易通訊集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8031)**

**CONNECTED TRANSACTION IN RELATION TO  
THE 2020 CAMELPAINT BUILDING LEASE**

**THE 2020 CAMELPAINT BUILDING LEASE**

Reference is made to the announcement of the Company dated 28 May 2018 in relation to the 2018 Camelpaint Building Lease dated 28 May 2018 and entered into between Epro Telecom, an indirect non-wholly owned subsidiary of the Company, and Always Beyond in respect of the leasing of the Camelpaint Property for a fixed term of two (2) years commencing from 1 June 2018 and expiring on 31 May 2020 (both days inclusive).

As the 2018 Camelpaint Building Lease will expire on 31 May 2020, on 29 May 2020, Epro Telecom and Always Beyond have entered into the 2020 Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Property for a fixed term of 16 months commencing from 1 June 2020 to 30 September 2021 (both days inclusive).

**GEM LISTING RULES IMPLICATIONS**

At the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang, and Always Beyond is therefore a connected person of the Company and the transactions contemplated under the 2020 Camelpaint Building Lease constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As such, each of Mr. Tang and Mr. YS Tang (being the son of Mr. Tang) has material interests in the 2020 Camelpaint Building Lease and had abstained from voting on the relevant issues at the Board meeting for approving the 2020 Camelpaint Building Lease.

Pursuant to HKFRS 16, the Camelpaint Property leased under the 2020 Camelpaint Building Lease is recognised as right-of-use assets with consideration of approximately HK\$1,404,141, and the transaction contemplated under the 2020 Camelpaint Building Lease is therefore recognised as the acquisition of right-of-use assets which constitutes a one-off connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios in respect of the consideration under the 2020 Camelpaint Building Lease for the acquisition of the right-of-use assets recognised by the Group pursuant to HKFRS 16 under the GEM Listing Rules is less than 5% and the total consideration is less than HK\$3,000,000, the entering into of the 2020 Camelpaint Building Lease constitutes an exempted connected transaction under the GEM Listing Rules and this announcement is made by the Company on a voluntary basis.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 28 May 2018 in relation to the 2018 Camelpaint Building Lease dated 28 May 2018 and entered into between Epro Telecom, an indirect non-wholly owned subsidiary of the Company, and Always Beyond in respect of the leasing of the Camelpaint Property for a fixed term of two (2) years commencing from 1 June 2018 and expiring on 31 May 2020 (both days inclusive).

As the 2018 Camelpaint Building Lease will expire on 31 May 2020, on 29 May 2020, Epro Telecom and Always Beyond have entered into the 2020 Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Property for a fixed term of 16 months commencing from 1 June 2020 to 30 September 2021 (both days inclusive).

## **THE 2020 CAMELPAINT BUILDING LEASE**

The principal terms of the 2020 Camelpaint Building Lease are set out below:

Date: 29 May 2020

Parties: (i) Epro Telecom, as the lessee  
(ii) Always Beyond, as the lessor

Premises: certain property situated at Factories A & B and part of D on the 1/F including Flat Roof thereof of Block 1 of Camelpaint Building Block I & II, No. 62 Hoi Yuen Road, Kowloon, Hong Kong with a total saleable area of approximately 8,100 square feet

Term: a fixed term of 16 months commencing from 1 June 2020 to 30 September 2021 (both days inclusive)

Usage:	For business only
Rent:	HK\$106,272 per month (exclusive of rates, government rent and management fees) to be paid in advance on the first day of each calendar month
	The rental payments under the 2020 Camelpaint Building Lease is expected to be satisfied by internal resources of the Group
Rent free period:	2.5 months
Security deposit:	HK\$212,544, equivalent to two month's rent

### **REASONS FOR AND BENEFITS OF THE 2020 CAMELPAINT BUILDING LEASE**

The principal activities of the Group include outsourcing inbound contact service, outsourcing outbound contact service, staff insourcing service and contact service centre facilities management service, money lending service and other services such as licencing, system maintenance, sale of systems and software and provision of financial services including securities broking and asset management.

Always Beyond is principally engaged in investment holding. As at the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang.

Epro Telecom has occupied and used the Camelpaint Property leased from Always Beyond for ancillary office use and operation of contact centre since 2007. The terms of the 2020 Camelpaint Building Lease (including the monthly rent) were determined after arm's length negotiations between the Group and Always Beyond with reference to the prevailing market terms (including rent) for the comparable properties in the vicinity of the Camelpaint Property.

The Directors (including the independent non-executive Directors) consider that (i) the entering into of the 2020 Camelpaint Building Lease was in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms of the 2020 Camelpaint Building Lease (including the rent) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **GEM LISTING RULES IMPLICATIONS**

At the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang, and Always Beyond is therefore a connected person of the Company and the transactions contemplated under the 2020 Camelpaint Building Lease constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As such, each of Mr. Tang and Mr. YS Tang (being the son of Mr. Tang) has material interests in the 2020 Camelpaint Building Lease and had abstained from voting on the relevant issues at the Board meeting for approving the 2020 Camelpaint Building Lease.

Pursuant to HKFRS 16, the Camelpaint Property leased under the 2020 Camelpaint Building Lease is recognised as right-of-use assets with consideration of approximately HK\$1,404,141, and the transaction contemplated under the 2020 Camelpaint Building Lease is therefore recognised as the acquisition of right-of-use assets which constitutes a one-off connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future. The right-of-use asset represents its right to use the underlying leased asset over the lease term and the lease liability represents its obligation to make lease payments (i.e. the rent). The asset and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the 2020 Camelpaint Building Lease, using the incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortised from the lease liability over the lease term.

As the applicable percentage ratios in respect of the consideration under the 2020 Camelpaint Building Lease for the acquisition of the right-of-use assets recognised by the Group pursuant to HKFRS 16 under the GEM Listing Rules is less than 5% and the total consideration is less than HK\$3,000,000, the entering into of the 2020 Camelpaint Building Lease constitutes an exempted connected transaction under the GEM Listing Rules and this announcement is made by the Company on a voluntary basis.

Details of the 2020 Camelpaint Building Lease will be included in the relevant annual report(s) of the Company in compliance with Rule 20.47 of the GEM Listing Rules.

## **DEFINITIONS**

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

“2018 Camelpaint Building Lease”	the lease dated 28 May 2018 and entered into between Epro Telecom and Always Beyond, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Property for a fixed term of two (2) years commencing from 1 June 2018 and expiring on 31 May 2020 (both days inclusive)
“2020 Camelpaint Building Lease”	the lease dated 29 May 2020 and entered into between Epro Telecom and Always Beyond, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Property for a fixed term of 16 months commencing from 1 June 2020 to 30 September 2021 (both days inclusive)

“Always Beyond”	Always Beyond Limited, a company incorporated in Hong Kong with limited liability, which is controlled by the family members of Mr. Tang as at the date of this announcement
“Board”	board of Directors
“Camelpaint Property”	property situated at Factories A & B and part of D of the 1/F including Flat Roof thereof of Block 1 of Camelpaint Building Block I & II, No. 62 Hoi Yuen Road, Kowloon, Hong Kong with a total saleable area of approximately 8,100 square feet, being the subject matter of the 2020 Camelpaint Building Lease
“Company”	ETS Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8031)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Epro Telecom”	Epro Telecom Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mr. Tang”	Mr. Tang Sing Bor, a non-executive Director and a controlling shareholder of the Company and the father of Mr. YS Tang
“Mr. YS Tang”	Mr. Tang Yiu Sing, an executive Director and chief executive officer of the Company and the son of Mr. Tang
“Shareholder(s)”	holder(s) of issued Share(s)

“Stan Group”	Stan Group (Holdings) Limited, a company incorporated in Hong Kong with limited liability and entire issued share capital is wholly and beneficially owned by Mr. YS Tang as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board  
**ETS Group Limited**  
**Tang Yiu Sing**  
*Executive Director and Chief Executive Officer*

Hong Kong, 29 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Tang Yiu Sing and Mr. Yeung Ka Wing; the non-executive director of the Company is Mr. Tang Shing Bor; and the independent non-executive directors of the Company are Mr. Wong Sik Kei, Mr. Cheung Kong Ting and Mr. Wong Kam Tai.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at [www.etsgroup.com.hk](http://www.etsgroup.com.hk).*