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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)

**COMPLETION OF CONNECTED TRANSACTION
IN RELATION TO
THE ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

References are made to (i) the announcement of ETS Group Limited (the “**Company**”) dated 10 May 2021 and the circular of the Company dated 15 July 2021 (the “**Circular**”) in relation to, among other things, the Subscription; and (ii) the announcement of the Company dated 5 August 2021 in relation to the poll results of the EGM. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that all conditions precedent set out in the Subscription Agreement have been fulfilled and the completion of the issue of the Convertible Bonds in the principal amount of HK\$9.5 million to the Subscriber took place on 11 August 2021 in accordance with the terms and conditions of the Subscription Agreement.

The net proceeds from the Subscription, after deduction of related expenses, are approximately HK\$8.7 million. The Company intends to use such net proceeds for the purposes as disclosed in the Circular. None of the Convertible Bonds is converted as at the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon full conversion of the Convertible Bonds based on the initial Conversion Price, assuming there being no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds, are as follows:

Shareholders	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds at the initial Conversion Price (assuming there being no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds)	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Mr. Tang (<i>Note 1</i>)	210,000,000	75.00%	210,000,000	71.04%
The Subscriber (<i>Note 2</i>)	–	–	15,625,000	5.29%
Public Shareholders	70,000,000	25.00%	70,000,000	23.67%
Total	280,000,000	100.00%	295,625,000	100.00%

Notes:

- These interests were held by Million Top Enterprises, which was wholly and beneficially owned by Mr. Tang. Mr. Tang passed away on 14 May 2021 and his interests in the Shares form part of his estate.

2. According to the Subscription Agreement, a Bondholder shall have the right at any time during the Conversion Period to convert the whole or part (in multiples of HK\$1,000,000) of the outstanding principal amount of Convertible Bonds registered in its name into Conversion Shares at the Conversion Price, provided that only a portion of the principal amount of the Convertible Bonds may be converted such that, among others, (i) the conversion of such portion of the principal amount of the Convertible Bonds will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder(s) which exercised the Conversion Rights and parties acting in concert with it; and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules for the minimum percentage of Shares being held by the public as per Rule 11.23(7) of the GEM Listing Rules) of the issued Shares of the Company at the time in compliance with the GEM Listing Rules.

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

Hong Kong, 11 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yiu Sing and Mr. Yeung Ka Wing; 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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 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 Listed Company Information” page of the GEM website at 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.