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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)

**FURTHER ANNOUNCEMENT
IN RELATION TO
DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF SHARES IN VAX**

References are made to the announcements of ETS Group Limited (the “**Company**”) dated 30 April 2021 and 25 June 2021 (the “**Announcements**”) in relation to, among other things, the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

THE SHAREHOLDERS’ AGREEMENT

As disclosed in the Announcements, pursuant to the terms and conditions of the Subscription Agreement, VAX irrevocably and unconditionally undertook and covenanted to the Subscriber that it would deliver to the Subscriber the Shareholders’ Agreement (in such form and substance satisfactory to the Subscriber) duly signed by VAX and each of the then existing shareholders of VAX within 90 Business Days from the date of Completion (i.e. 30 April 2021) (or such later date the Subscriber and VAX might agree).

As at the date of this announcement, VAX is owned as to approximately 53.75% by Excellence Magic Limited (“**Excellence Magic**”), approximately 11.05% by Nonagon Fintech (HK) Company Limited (“**Nonagon Fintech**”), approximately 10.51% by the Subscriber, approximately 5.08% by Coinsuper Fintech (HK) Co., Limited, approximately 3.73% by CapxChain Technology, approximately 3.18% by Mr. Ng Wai Leung Anthony (“**Mr. Ng**”), approximately 0.64% by Mr. Fok Siu Leung (“**Mr. Fok**”) and below 5% by each of the other six shareholders (the “**Existing Shareholders of VAX**”).

As at the date of this announcement, Excellence Magic is owned as to 50% by Mr. Ng and 50% by Mr. Fok and Nonagon Fintech is wholly-owned by Mr. Ng. As disclosed in the Announcements, CapxChain Technology is a company incorporated in Hong Kong and is indirectly wholly-owned by Mr. YS Tang, who is an executive Director and the Chief Executive Officer of the Company. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save as disclosed, each of the Existing Shareholders of VAX and its ultimate beneficial owners (where applicable) is an Independent Third Party.

The Board is pleased to announce that on 8 September 2021, the Shareholders' Agreement, which sets out the terms and conditions regulating the affairs, business, control and management of VAX, and the relationship between VAX and each of its shareholders, was entered into amongst VAX, the Subscriber and each of the other Existing Shareholders of VAX. Set out below is a summary of the principal terms of the Shareholders' Agreement.

Board composition and board resolutions

The Existing Shareholders of VAX agree with each other that unless and until otherwise agreed in writing by the shareholders, the board of directors shall consist of two directors, namely Mr. Ng and Mr. Fok.

The quorum for transacting business at the board meeting shall be two directors. The chairperson of the board of directors shall be appointed by the directors, and every meeting of the board of directors shall be chaired by such chairperson. The chairperson of the board of directors shall have a casting vote.

The Existing Shareholders of VAX shall be permitted to attend meetings of the board of directors and if the board of directors so authorises or requests, shareholders shall be permitted to speak at meetings of the board of directors, but not to vote nor be counted towards a quorum at any meeting of the board of directors.

Key decisions

In addition to and subject to the provisions in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the articles of association of VAX, the Existing Shareholders of VAX shall procure that certain matters, actions and conduct (including but not limited to (i) a substantial change in the nature of the principal business of VAX; (ii) the issue or allotment of any securities convertible into or carrying a right of subscription in respect of the shares of VAX; and (iii) the provision of any bond, guarantee, indemnity or suretyship or security of liabilities or obligations of any person other than a wholly-owned subsidiary of VAX) shall not take place, that no obligation or liability in connection therewith is entered into or accepted by or on behalf of VAX, and that no other step in relation thereto is taken, except with the unanimous agreement of the controlling shareholders of VAX (the “**VAX Controlling Shareholders**”).

The VAX Controlling Shareholders, which include Excellence Magic, Nonagon Fintech, Mr. Ng and Mr. Fok, collectively hold approximately 69.88% of the entire equity interests of VAX as at the date of this announcement.

Restriction on transfer

If any Existing Shareholder of VAX proposes to transfer any shares of VAX to a third party, the other shareholder(s) of VAX shall have the right of first refusal to purchase such shares.

Notwithstanding the aforementioned, (i) where applicable, any shareholder shall have the right to transfer its entire holding of shares of VAX to any other company which is its subsidiary, holding company or a subsidiary of such holding company; and (ii) unless agreed by the shareholders by way of an ordinary resolution, no shareholder shall transfer any of its shares to any person which is a direct competitor of VAX.

Pre-emption on issue of shares

VAX shall grant to each of its shareholders a right to subscribe up to a pro rata share of any new shares that VAX may, from time to time, propose to issue. In the event that none of its shareholders has exercised its pre-emptive right, VAX may issue any new shares at a price and on terms no more favourable to the subscribers thereof than that offered to its existing shareholders.

Drag-along right

If, at any time, the VAX Controlling Shareholders as a group shall enter into an agreement to sell the shares of VAX held by them that would result in the transfer of 50% or more of the shareholding in VAX to any third party, the VAX Controlling Shareholders as a group shall have the right to require each of the remaining shareholders to sell the shares of VAX held by each of them to the third party contemporaneously with the intended transfer by the VAX Controlling Shareholders as a group at the same price per share and on the same terms and conditions as are applicable to the shares of VAX to be sold by the VAX Controlling Shareholders as a group.

If the VAX Controlling Shareholders as a group sell less than all of the shares of VAX held by them, each of the remaining shareholders shall sell an applicable percentage (which shall mean a percentage reflecting the percentage of shares held by the VAX Controlling Shareholders as a group which are subject to the intended transfer) of the shares of VAX held by each of them to the third party.

Finance

VAX may issue convertible bonds convertible to shares or such other class of shares of VAX.

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

Hong Kong, 8 September 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.