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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE PROVISION OF  
LOAN FACILITY TO AN INDEPENDENT THIRD PARTY**

**PROVISION OF LOAN FACILITY**

The Board announces that on 6 October 2021 (after trading hours of the Stock Exchange), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Second Facility Letter with the Borrower and the Mortgagor, pursuant to which the Lender agreed to grant a secured loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 12 months at an interest rate of 12% per annum.

As security for the payment of all sums advanced by the Lender to the Borrower and outstanding in respect of the Second Loan and all interest accrued thereon and all other moneys and obligations in respect of moneys which the Borrower and/or the Mortgagor covenanted to pay to the Lender under the Second Facility Letter, the Borrower and the Mortgagor entered into the First Legal Charge over the Property in favour of the Lender subject to and upon the terms set out therein.

Pursuant to the terms and conditions of the Rent Assignment, the Mortgagor as the legal and beneficial owner of the Property also assigns to the Lender, among other things, all its rights, title, interest and benefits in its capacity as a lessor pursuant to the lease of the Property as security.

## **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Second Facility Letter is/are more than 5% but less than 25%, the entering into of the Second Facility Letter constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **PROVISION OF LOAN FACILITY**

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### **The Second Facility Letter**

The principal terms of the Second Facility Letter are set out as follows:

Date:	6 October 2021
Parties:	(a) Gear Credit Limited, as the Lender; (b) Ms. Tam Suk Fan Sindy, as the Borrower; and (c) Stavertt Pacific Company Limited, as the Mortgagor
Principal amount of the Second Loan:	HK\$15,000,000  The Second Loan will be funded by internal resources of the Group.
Interest rate:	12% per annum, payable monthly
Purpose:	The Second Loan is to fully repay the First Loan under the First Facility Letter
Drawdown period:	The offer will be automatically withdrawn if the Borrower does not drawdown the Second Loan within seven (7) days from the date of the Second Facility Letter

- Prepayment:** The Borrower shall have an option at any time to make early repayment of the whole or part of the Second Loan after the date of the loan drawdown, provided that (a) the Borrower shall have given to the Lender prior notice within reasonable time in writing of her intention to make such early repayment, specifying the amount to be repaid and the date on which the early repayment is to be made; and (b) the Borrower shall, on the date of early repayment, pay to the Lender all accrued interest on the amount to be early repaid
- Repayment:** Interest will be paid on monthly basis over the term of the loan and principal amount of the Second Loan will be repaid in one lump sum on 12 calendar months after the date of advance
- Security:** Secured by the First Legal Charge over the property located at Office No. 01 on 7/F, Tung Wai Commercial Building, Nos. 109–111 Gloucester Road, Hong Kong and the Rent Assignment

### **First Legal Charge and Rent Assignment**

As security for the payment of all sums advanced by the Lender to the Borrower and outstanding in respect of the Second Loan and all interest accrued thereon and all other moneys and obligations in respect of moneys which the Borrower and/or the Mortgagor covenanted to pay to the Lender under the Second Facility Letter, the Borrower and the Mortgagor entered into the First Legal Charge over the Property with a market value of approximately HK\$30,000,000 based on a valuation conducted by an independent property surveyor on 23 September 2021 in favour of the Lender.

Pursuant to the terms of the First Legal Charge, the total amount recoverable under the First Legal Charge shall be limited to the principal sum of HK\$15,000,000 with interest accrued thereon and all costs, charges and expenses referred therein.

Pursuant to the terms and conditions of the Rent Assignment, the Mortgagor as the legal and beneficial owner of the Property assigns to the Lender, among other things, all its rights, title, interest and benefits in its capacity as a lessor pursuant to the lease of the Property as security. The existing rental amount generated from the Property is approximately HK\$37,000 per month.

Taking into consideration of the above, the Board considers that the First Legal Charge and the Rent Assignment provided are sufficient to protect the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE BORROWER AND THE MORTGAGOR**

The Borrower is a merchant. The Mortgagor is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Sino Celestial Limited, which is in turn owned as to 50% by the Borrower and 50% by Kwan Shan, being the spouse of the Borrower, respectively.

Reference is made to the announcement of the Company dated 31 July 2020 in relation to, among other things, the First Loan. As disclosed in the said announcement, on 31 July 2020, the Lender entered into the First Facility Letter with the Borrower and the Mortgagor, pursuant to which the Lender agreed to grant a secured loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 12 months at an interest rate of 13% per annum. As security for payment of all moneys, obligations and liabilities due, owing or incurred to the Lender under the First Facility Letter, the Borrower and the Mortgagor executed a first legal charge over the Property, and the Mortgagor executed an assignment of rent in respect of the Property, in favour of the Lender.

Pursuant to the terms and conditions of the Second Facility Letter, the Second Loan will be used to fully repay the First Loan under the First Facility Letter.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, save as disclosed above, each of the Borrower, the Mortgagor and its ultimate beneficial owner(s) (where applicable) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SECOND FACILITY LETTER**

The Company is an investment holding company and the Group is principally engaged in providing comprehensive multi-media contact services, contact centre system, staff insourcing and financial services in Hong Kong. The Lender, being an indirect wholly-owned subsidiary of the Company, is principally engaged in the provision of financial services including commercial and personal lending. The Lender is a registered money lender holding a money lender's licence under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). The Directors are of the view that the entering into of the Second Facility Letter is a transaction carried out as part of the ordinary and usual course of business of the Group.

The entering into of the Second Facility Letter is subject to, inter alia, the satisfaction of credit assessment of the Borrower and the Mortgagor by the Lender including but not limited to assessing the value of the Property by an independent property surveyor. Taking into account that the Second Loan was granted for a short term with collaterals provided by the Mortgagor, the Directors consider that the credit risks are low.

Taking into consideration that (i) the provision of money lending services to the Borrower by the Lender pursuant to the Second Facility Letter is in the ordinary and usual course of business of the Group and will generate stable revenue to the Group from the interest income;

and (ii) the terms of the Second Facility Letter (including the interest rate) were determined after arm's length negotiations between the Group, the Borrower and the Mortgagor with reference to the prevailing commercial practice, the financial background of the Borrower and the Mortgagor, the market value of the security provided and the amount of the Second Loan, the Directors (including the independent non-executive Directors) consider that (i) the Second Facility Letter was entered into in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms and conditions of the Second Facility Letter are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Second Facility Letter is/are more than 5% but less than 25%, the entering into of the Second Facility Letter constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meanings:

“Board”	board of Directors
“Borrower”	Tam Suk Fan Sindy, the borrower under the First Facility Letter and the Second Facility Letter, being an Independent Third Party
“Company”	ETS Group Limited, being a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8031)
“Director(s)”	director(s) of the Company
“First Facility Letter”	the facility letter dated 31 July 2020 and entered into amongst the Lender, the Borrower and the Mortgagor in relation to the grant of the First Loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 12 months at an interest rate of 13% per annum
“First Legal Charge”	the first legal charge over the Property dated 6 October 2021 and executed by the Borrower and the Mortgagor in favour of the Lender as security for the Second Facility Letter

“First Loan”	the secured term loan in the principal amount of HK\$15,000,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the First Facility Letter
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) together with its/their ultimate beneficial owner(s), to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined under the GEM Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s)
“Lender”	Gear Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Mortgagor”	Stavertt Pacific Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Sino Celestial Limited, which is in turn owned as to 50% by the Borrower and 50% by Kwan Shan, being the spouse of the Borrower, respectively, as at the date of this announcement
“Property”	a commercial property located at Office No. 01 on 7/F, Tung Wai Commercial Building, Nos. 109–111 Gloucester Road, Hong Kong with a total saleable area of approximately 1,975 sq. feet
“Rent Assignment”	the rent assignment dated 6 October 2021 and executed by the Mortgagor in favour of the Lender in relation to the assignment of rent in respect of the Property

“Second Facility Letter”	the facility letter dated 6 October 2021 and entered into amongst the Lender, the Borrower and the Mortgagor in relation to the grant of the Second Loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 12 months at an interest rate of 12% per annum
“Second Loan”	the secured term loan in the principal amount of HK\$15,000,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the Second Facility Letter
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 6 October 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](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).*