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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)

CONVERSION OF CONVERTIBLE BONDS

References are made to the announcements of ETS Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 10 May 2021 and 11 August 2021 in relation to, among other matters, the subscription of Convertible Bonds by Pine Care Titanium Limited as the Subscriber. Capitalised terms used herein have the same meanings as defined in the announcement of the Company dated 10 May 2021 unless the context defines otherwise.

As disclosed in the Company’s announcement dated 10 May 2021, the Initial Maturity Date in respect of the Convertible Bonds would be the day falling on the second anniversary of the issue of the Convertible Bonds. As further disclosed in the Company’s announcement dated 11 August 2021, completion of the Subscription took place on 11 August 2021. As such, the Initial Maturity Date falls on 11 August 2023. As the Initial Maturity Date has not been extended, the Convertible Bonds had therefore matured on 11 August 2023. No conversion right had been exercised during the Conversion Period.

Under the terms and conditions of the Convertible Bonds, at Maturity, provided that there are any Convertible Bonds which remain outstanding on the Maturity Date (being, the Remaining Principal Amount at Maturity), subject to the Conversion Restriction(s), the Subscriber is required to mandatorily convert all or such maximum portion of the Remaining Principal Amount at Maturity into Conversion Shares at the then applicable Conversion Price on the Maturity Date. As such, the Subscriber has converted the Remaining Principal Amount at Maturity, being HK\$9.5 million, into 15,625,000 Conversion Shares at the Conversion Price of HK\$0.608 per Conversion Share, which represents (i) approximately 5.58% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Since the closing price per Share as quoted on the Stock Exchange on the Maturity Date of HK\$0.460 was lower than the then applicable Conversion Price on the Maturity Date of HK\$0.608, under the terms and conditions of the Convertible Bonds, the Company shall pay to the Subscriber an amount in cash equivalent to the difference between (a) 105% of the Remaining Principal Amount at Maturity; and (b) the multiplication of such number of Conversion Shares issued by the Company by virtue of the Mandatory Conversion Mechanism at Maturity and the closing price of the Share as quoted on the Stock Exchange on the Maturity Date. Accordingly, the Company shall pay HK\$2,787,500 to the Subscriber.

As additional time is required for the Company to arrange for the allotment and issue of the Conversion Shares and the payment of HK\$2,787,500 to the Subscriber pursuant to the Mandatory Conversion Mechanism at Maturity, the Conversion Shares shall be allotted and issued, and the relevant payment shall be made to the Subscriber by the end of August 2023.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after the allotment and issue of the 15,625,000 Conversion Shares:

| Name of Shareholder | Immediately before the allotment and issue of the Conversion Shares | | Immediately upon the allotment and issue of the Conversion Shares | |
|--------------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | Approximate % of shareholding | No. of Shares | Approximate % of shareholding |
| | | | | |
| Mr. Tang Shing Bor (<i>Note 1</i>) | 210,000,000 | 75.00% | 210,000,000 | 71.04% |
| The Subscriber | – | – | 15,625,000 | 5.29% |
| Other public Shareholders | 70,000,000 | 25.00% | 70,000,000 | 23.67% |
| Total | <u>280,000,000</u> | <u>100.00%</u> | <u>295,625,000</u> | <u>100.00%</u> |

Note:

- These interests were held by Million Top Enterprises Limited, which was wholly and beneficially owned by Mr. Tang Shing Bor. Mr. Tang Shing Bor passed away on 14 May 2021 and his interests in the Shares form part of his estate and are held by Mr. Tang Yiu Man Raymond and Mr. Tang Yiu Sing (being an executive Director and chief executive officer of the Company) as administrators of the estate of Mr. Tang Shing Bor.

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

Hong Kong, 11 August 2023

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. Cheung Kong Ting, Mr. Wong Kam Tai and Ms. Kwong Yuk Ying.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.etsgroup.com.hk.