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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)

SUPPLEMENTAL ANNOUNCEMENT
PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of ETS Group Limited (the “**Company**”) dated 1 June 2026 in relation to the placing of new shares under general mandate (the “**Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide Shareholders and potential investors of the Company with further information on the Placing, the intended use of the Placing proceeds and the business plan of the new business on jewellery, precious metals and luxury goods.

REASONS FOR THE PLACING

The Group operates in a challenging business environment, including rising labour and operating costs, increasing IT investment and maintenance expenses, cybersecurity requirements, rapid technological changes driven by AI-powered tools, and continued intense competition in the contact centre services sector. The Group is loss-making and for the year ended 31 December 2025, it recorded net cash used in operations of approximately HK\$7.1 million.

Against this background, the Board considers it important for the Group to preserve a prudent level of working capital while pursuing initiatives to modernise its existing operations, strengthen its system and software capabilities, and diversify its revenue streams. With a view to strengthening the Group's competitiveness and support its future development, the Placing is necessary and appropriate having regard to the Group's present financial position, operational needs and business development plans.

In reaching this view, the Board has taken into account, among other things, the following factors:

1. Although the Company had cash and cash equivalents of approximately HK\$48.4 million as at 31 December 2025, the Company's cash position had reduced to approximately HK\$31.7 million as at 2 June 2026. Such reduction was mainly attributable to substantial legal and professional fees incurred in connection with the general offer takeover completed earlier this year, as well as operating cash outflows in the ordinary course of business, including salary payments, rental payments, utilities, telecommunication facilities, hardware and software maintenance, on-going system development, and other operating expenses relating to the Group's existing call centre operations.
2. The provision of comprehensive multi-media contact centre services and contact centre system solutions is a labour-intensive business and the Group is required to provide office space and onsite equipment for callers to make calls. For the year ended 31 December 2025, employee benefits amounted to approximately HK\$74.0 million and accounted for approximately 82.2% of the Group's total expenses for the past year. The Group's monthly fixed overheads, which are required be paid on a monthly basis, amount to approximately HK\$7 million, mainly comprising rental expenses and utilities expenses, apart from staff costs.
3. In contrast, the timing and amount of receipt of the Group's revenue is less certain compared with the payment obligations in respect of staff salaries and rental expenses. As such, it is prudent for the Group, and consistent with its long-standing corporate practice, to keep an amount of cash to meet at least 3 to 4 month's overheads. This is of particular importance as a result of inflationary pressure and increasing risk of economic recession led by the Iranian war and surging oil prices.

4. The current system operated in the Group's multi-media contact centre was set up long time ago. With the advent of new technology and cybersecurity becoming increasingly important for protecting client data and safeguarding the integrity of the Group's call centre operations and services, the Group needs continual strengthening of its network protection, provision of advanced security training to relevant staff, and more comprehensive risk assessments on a regular basis in order to stay competitive and keep abreast of market changes. The current intense global competition in AI development has significantly driven up the cost of a wide spectrum of IT equipment, tools and systems, which in turn has imposed greater financial burdens on the Group. Moreover, rapid technological change, driven by advances in AI-powered tools such as natural language understanding, conversational agents and intelligent automation, continues to transform the call centre services landscape.
5. The Group has funding needs for upgrade of system infrastructure and software development, development of a new business segment in jewellery, precious metals and luxury goods, and general working capital. As stated in the Company's 2025 annual report, to further broaden the Group's revenue streams, the Company would launch a new strategic unit focusing on jewellery, precious metals and luxury goods in 2026. The Company will build a dedicated team and partner with an external production house and sales agents to accelerate market entry, control costs and manage risk while exploring this new business opportunity.

In the circumstances, the Board considers it prudent not to apply all or a substantial part of the Group's existing cash resources to system upgrades, business expansion or new business development, as doing so may adversely affect the stability of the Group's existing operations and its ability to meet ongoing payment obligations. The Placing therefore allows the Group to raise additional funds specifically for the following purposes:

1. **upgrade of system infrastructure and software development**, including enhancement of information technology infrastructure and cybersecurity capabilities, software development required for bidding for orders from existing customers, enhancement or expansion of the functions of the Group's existing self-developed contact centre software, development and deployment of AI-assisted functions for the Group's contact centre services and system solutions, development of new contact centre software to replace the Group's existing self-developed contact centre software which was setup a long time ago, development of new contact centre software for the development of contact centre business in mainland China, and design and development of systems for other clients;
2. **development of a new business segment in jewellery**, precious metals and luxury goods with a focus on jewellery sourcing, outsourced manufacturing and related trading activities under a cautious and asset-light model; and
3. **general working capital**, so as to maintain a healthy cash position and enhance the Group's financial flexibility.

The Board also considers that the Placing is an appropriate fund-raising method as it can be completed within a relatively short timeframe, does not involve interest expenses or repayment obligations as compared with debt financing, and may broaden the shareholder base of the Company. In light of the Group's loss-making position, its continuous operating cash requirements and the potential instability of cash inflow, the Board considers that equity financing is more suitable than relying solely on internal resources or debt financing.

The Placing Price and placing commission were determined after arm's length negotiations with the Placing Agent, and the Board considers the Placing to be in the interests of the Company and the Shareholders as a whole.

EXPECTED USE OF EXISTING CASH BALANCE

As at 2 June 2026, the Company had cash and cash equivalents of approximately HK\$31.7 million. The Company expects to apply its existing cash balance primarily for existing operations and general corporate purposes, as follows:

Expected use of existing cash balance	Approximate Amount	Expected time of utilisation
Payment of legal and professional fee and daily operating expenditure, including salary, rental expenses, utilities expenses and other operating expenses	HK\$30 million	June 2026 to August 2026
Payment of office decoration and office maintenance expenses	HK\$1.7 million	By the end of July 2026
Total	HK\$31.7 million	

BUSINESS PLAN WITH THE GROUP'S EXISTING BUSINESSES

The Group's existing principal business is the provision of comprehensive multi-media contact centre services and contact centre system solutions in Hong Kong. This includes outsourcing inbound contact centre services, staff insourcing services, contact centre facilities management services, and sales of software and systems to corporate clients.

The Company intends to continue its existing contact centre services and contact centre system solutions business, and to improve its competitiveness and operating efficiency through upgrading its system infrastructure, cybersecurity protection, software capabilities and AI-assisted service functions.

Rapid technological change, including advances in AI-powered tools such as natural language understanding, conversational agents and intelligent automation, continues to transform the contact centre services landscape. The Group therefore intends to continue investing in AI-related development through internal resources and collaboration with external technology specialists.

Upon the request of existing customers, enhancement of information technology infrastructure and software development is a prerequisite for bidding for certain orders. The Board therefore considers that such enhancement and development is necessary for the Group to maintain and expand its existing business.

The Company intends to apply approximately HK\$6.85 million, representing approximately 40% of the net proceeds from the Placing, towards upgrading its system infrastructure and software development.

The Group's plan for its existing businesses includes:

1. working with independent external software company(ies) to enhance or expand the functions of the Group's existing self-developed contact centre software to fulfil customer needs;
2. developing a new contact centre software to replace the existing self-developed contact centre software;
3. developing a new contact centre software for the development of contact centre business in mainland China;
4. working with independent external software company(ies) to design and develop systems for other clients; and
5. to significantly upgrade the Group's information technology infrastructure and software capabilities, including computer servers, network configuration and cybersecurity of the Company's contact centre.

The expected time of utilisation for the proceeds allocated to upgrade of system infrastructure and software development is approximately 12 to 18 months after completion of the Placing.

The Board considers that these initiatives are important for maintaining the competitiveness of the Group's existing contact centre business, responding to customer requirements and exploring further business opportunities in Hong Kong and mainland China.

PLAN WITH THE NEW BUSINESS ON JEWELLERY, PRECIOUS METALS AND LUXURY GOODS

The Company intends to develop a new business segment involving jewellery, precious metals and luxury goods on a cautious and phased basis. As stated in the Company's 2025 annual report, to further broaden the Group's revenue streams, the Company would launch a new strategic unit focusing on jewellery, precious metals and luxury goods in 2026. The Company intends to apply approximately HK\$6.85 million from the net proceeds of the Placing as initial funding for the new business.

Business plan and business model

The proposed business model of the new business will mainly comprises:

1. *Trading*

The Group intends to engage in the sourcing and sale of finished goods worldwide. A subsidiary of the Company has obtained the required certification and licence which permits it to carry on precious metals and stones business in Hong Kong.

Under the trading model, the Group intends to source finished products, including jewellery, precious metals and luxury goods, from suppliers and resell such finished products to customers. The sourcing function will be carried out by the Group through its dedicated team. The Group intends to hire staff and/or consultants with relevant experience and/or qualifications in jewellery appraisal, to support product selection, quality assessment and sourcing activities.

2. *Self-design*

Under the self-design model, the Group intends to source raw materials and engage external production house(s) and/or subcontractors for the design, processing and production of jewellery products. The external production house(s) and/or subcontractors will carry out the design and processing work in accordance with the Group's product direction, market positioning and customer requirements. Upon completion, the finished products will be delivered to the Group to sell the finished products to sales agents, customers or end users.

The Company currently expects to establish a working team comprising 3 personnel for the new business during the initial stage of operation. The proposed working team is expected to include: (i) 2 sourcing personnel, who will be responsible for identifying suppliers, sourcing finished products and raw materials, conducting preliminary assessments of product quality, and coordinating with production house(s) and subcontractors; and (ii) 1 administrative personnel, who will be responsible for inventory records, order coordination, logistics arrangements, documentation and other administrative support for the new business.

The Chairman of the Board Mr. Siu Man On will head the new business and lead the working team. Mr. Siu has extensive experience and network in the jewellery and luxury goods trading industry since 2018 and having previously owned and operated such business. His wealth of experience covers product sourcing, product category knowledge, market understanding, pricing, customer relationship management and customer base development which shall be an asset to the new business of the Group.

Prospect of the new business

The Board considers that in view of the continued trend of surging asset prices to guard against inflation, the jewellery, precious metals and luxury goods market may present valuable business opportunities for the Group and may diversify its business portfolio and income stream. In particular, the new business may enable the Group to capture opportunities arising from demand for such products in Hong Kong, mainland China and overseas markets.

As the new business is subject to market demand, product pricing, inventory turnover and other commercial risks, the Company will develop the new business on a prudent and phased approach.

Use of proceeds for the new business

The Company intends to apply approximately HK\$6.85 million from the net proceeds of the Placing as initial funding for the new business. The proceeds allocated to the new business are expected to be applied as follows:

Intended Use	Approximate Amount	Expected time of utilisation
Purchase of goods, including jewellery, precious metals and luxury goods	HK\$5 million	Approximately 3 to 5 months after completion of the Placing
Engagement of subcontractors for design and processing of jewellery	HK\$1 million	Approximately 3 to 5 months after completion of the Placing
Development of working team for the new business	HK\$0.85 million	Approximately 3 to 5 months after completion of the Placing
Total	<u>HK\$6.85 million</u>	

The Company will adopt a cautious and phased approach and will monitor market conditions, inventory turnover, customer demand and price volatility before committing further resources to developing the new business.

General working capital for the new business

The Group intends to apply approximately HK\$3.43 million, representing approximately 20% of the net proceeds from the Placing, for general working capital. The proceeds allocated to general working capital are expected to be applied towards the general operating expenses of the new business on jewellery, precious metals and luxury goods.

The amount will primarily support operational needs of the new business, including working capital requirements arising from credit terms, which are typically 30 to 60 days. The funds are expected to be utilised over approximately six months after completion of the Placing.

Expected total investment amount and financing plan

The Company expects that the total investment amount for the new business will be approximately HK\$12 million to HK\$15 million for optimal scale of operation.

The Company intends to apply approximately HK\$6.85 million from the net proceeds of the Placing as initial funding to kick start the new business. The remaining funding requirement for the new business is expected to be financed by other sources as and when necessary, including but not limited to, bank loans and financial assistance from the controlling shareholder of the Company.

The Company may also consider applying future operating cash flow generated from the contact centre business and after taking into account the working capital requirements of the Group's existing operations and financial obligations at the material time. In this regard, the Company expects that the proposed upgrade of the Group's call centre systems, software capabilities and AI-assisted service functions may enhance the Group's competitiveness, improve operational efficiency, which may in turn enable the Group to tender for or undertake customer projects that could not previously be undertaken, and reduce operating costs through more effective deployment of technology and manpower. Accordingly, the Company expects that, following implementation of the upgrade, the contact centre business may gradually improve its profitability and cash-generating ability. Nonetheless, the Company will only allocate such operating cash flow to the new business when it is satisfied that sufficient working capital is preserved to sustain the Group's current operations and to meet its financial obligations.

Save as disclosed above, all other information in the Announcement remains unchanged.

By order of the Board
ETS Group Limited
Siu Man On
Chairman

Hong Kong, 15 June 2026

As at the date of this announcement, the executive Director of the Company is Mr. Siu Man On; and the independent non-executive Directors of the Company are Ms. Kwong Yuk Ying, Dr. Xu Weihua and Mr. Wong Lap Chung.

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.

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