



28 July 2015

To the Independent Shareholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
MILLION TOP ENTERPRISES LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
ETS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR AGREED
TO BE ACQUIRED BY MILLION TOP ENTERPRISES LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 5 June 2015 (after trading hours), the Offeror, the Vendor, the Offeror's Guarantor and the Vendor's Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror had conditionally agreed to acquire and the Vendor had conditionally agreed to sell the Sale Shares, being 185,000,000 Shares for a total Consideration of HK\$222,000,000, equivalent to HK\$1.2 per Sale Share. The Sale Shares represented approximately 66.07% of the entire issued share capital of the Company as at the Latest Practicable Date. On 21 July 2015, the Sale and Purchase Agreement became unconditional and Completion took place.

Prior to Completion, the Offeror and parties acting in concert with it were interested in 25,000,000 Shares, representing approximately 8.93% of the entire issued share capital of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it held 210,000,000 Shares, representing 75% of the entire issued share capital of the Company. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it).

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Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Astrum has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the terms of the Offer after the approval by the Independent Board Committee.

The purpose of this Composite Document is to provide you with, amongst other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the "Letter from the Independent Board Committee" containing its recommendation to the Independent Shareholders in respect of the Offer; and (iii) the "Letter from Astrum" containing its advice and recommendation to the Independent Board Committee in respect of the Offer.

UNCONDITIONAL MANDATORY CASH OFFER

Principal terms of the Offer

Yu Ming, on behalf of the Offeror, makes the Offer, which is unconditional in all respects, to all the Independent Shareholders for all the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) on the following basis:-

For each Offer Share HK\$ 1.2 in cash

The Offer Price of HK\$1.2 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror to the Vendor under the Sale and Purchase Agreement.

As at the Latest Practicable Date, there were 280,000,000 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

Further details of the Offer

Further details of the Offer including but not limited to the terms and conditions and the procedures for acceptance and settlement are set out in the "Letter from Yu Ming", Appendix I to this Composite Document and the accompanying Form of Acceptance and Transfer.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM since 2012. The Group is principally engaged in providing multi-media contact services and contact centre system in Hong Kong.

Set out below is a summary of the audited consolidated results of the Group for each of the three financial years ended 31 December 2012, 2013 and 2014 respectively and for the three months ended 31 March 2015, as extracted from the annual reports of the Company for the three years ended 31 December 2012, 2013 and 2014 and the first quarterly report of the Company for the three months ended 31 March 2015 respectively:-

	For the three months ended 31 March 2015	For the financial year ended 31 December		
	2014	2013	2012	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(audited)	(audited)	(audited)
Revenue	34,030	176,044	169,741	164,619
Profit before tax	2,416	15,767	31,258	16,020
Profit attributable to owners of the Company	1,906	14,335	25,722	14,187

The audited consolidated net assets of the Group attributable to Shareholders as at 31 December 2012, 2013 and 2014 were HK\$76,492,000, HK\$96,614,000 and HK\$104,789,000 respectively.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table set out the shareholding structure of the Company (a) immediately before Completion; and (b) immediately after Completion and as at the Latest Practicable Date:—

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	Number of Shares	Approx. %	Number of Shares	Approx. %
The Vendor (<i>Note 1</i>)	210,000,000	75.00	25,000,000	8.93
The Offeror (<i>Note 2</i>)	25,000,000	8.93	210,000,000	75.00
Other public Shareholders	45,000,000	16.07	45,000,000	16.07
Total	<u>280,000,000</u>	<u>100.00</u>	<u>280,000,000</u>	<u>100.00</u>

Notes:

- (1) The Vendor is owned as to 47% by Mr. Wong Wai Hon Telly, 46% by Mr. Ling Chiu Yum, 5% by Ms. Chang Men Yee Carol and 2% by Ms. Ting Yee Mei.
- (2) The Offeror is wholly and beneficially owned by Mr. Tang Shing Bor.

INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” and “Intentions of the Offeror regarding the Group” in the “Letter from Yu Ming” as set out on pages 5 to 13 of this Composite Document.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror regarding the Group” in the “Letter from Yu Ming” as set out on pages 5 to 13 of this Composite Document. The Board is aware of the intentions of the Offeror in respect of the Group and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole.

Maintaining the listing status of the Group

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The directors of the Offeror and the new directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange in the event that after the close of the Offer, the public float of the Company falls below 25%, they would take appropriate steps to restore the minimum public float as required under the GEM Listing Rules as soon as possible, to ensure that sufficient public float exists for the Shares.

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The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares.

RECOMMENDATION

The Independent Board Committee has been established to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on pages 19 to 20 of this Composite Document; and (ii) the "Letter from Astrum" as set out on pages 21 to 36 of this Composite Document. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

Yours faithfully,
By order of the Board
ETS Group Limited



Wong Wai Hon Telly
Chairman and Executive Director