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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)

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
(I) RENEWED CAMELPAINT BUILDING LEASE AND
(II) CHINA PAINT BUILDING LEASE**

The Board is pleased to announce that:

- (i) on 2 November 2015 (after trading hours the Stock Exchange), Epro Telecom and Always Beyond entered into the Renewed Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Building Property for an initial fixed term of one (1) year commencing from 2 November 2015 and expiring on 1 November 2016 (both days inclusive); and
- (ii) on 21 December 2015 (after trading hours the Stock Exchange), Epro Telecom and Stan Group entered into the China Paint Building Lease, pursuant to which Stan Group agreed to lease to Epro Telecom the China Paint Building Property for a fixed term of three (3) years commencing from 1 January 2016 and expiring on 31 December 2018 (both days inclusive).

GEM LISTING RULES IMPLICATIONS

At the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang and Stan Group is wholly-owned by Mr. YS Tang, an executive Director, each of Always Beyond and Stan Group is therefore connected person of the Company and the transactions contemplated under the each of the Renewed Camelpaint Building Lease and the China Paint Building Lease constitute a continuing connected transaction under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios of the Aggregated Proposed Annual Cap under the GEM Listing Rules is below 5%, the Renewed Camelpaint Building Lease and the China Paint Building Lease will be subject to the reporting, announcement but is exempt from the independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules. In the event that the monthly rent payable by the Group under the Renewed Camelpaint Building Lease and the China Paint Building Lease would exceed the Aggregated Proposed Annual Cap for each of the years ending 31 December 2016 and 2017, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

BACKGROUND

On 2 November 2013, the Group and Always Beyond entered into the Old Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to the Group the Camelpaint Building Property for a fixed term of two (2) years commencing from 2 November 2013 and expiring on 1 November 2015 (both days inclusive) at a monthly rent of HK\$225,170 (exclusive of rates, government rent and management fees). The Old Camelpaint Building Lease expired on 1 November 2015.

Mr. Tang and Always Beyond became connected persons of the Company on 21 July 2015, the date on which completion of the sale and purchase of 210,000,000 Shares took place, details of which are disclosed in the joint announcement of the Company and Million Top Enterprises Limited dated 21 July 2015. As the annual rent payable by the Group under the Old Camelpaint Building Lease is less than HK\$3,000,000 and the applicable percentage ratios under the GEM Listing Rules is below 5%, it is fully exempt from reporting, announcement, and Independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that:

- (i) on 2 November 2015 (after trading hours the Stock Exchange), Epro Telecom and Always Beyond entered into the Renewed Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Building Property for an initial fixed term of one (1) year commencing from 2 November 2015 and expiring on 1 November 2016 (both days inclusive); and
- (ii) on 21 December 2015 (after trading hours the Stock Exchange), Epro Telecom and Stan Group entered into the China Paint Building Lease, pursuant to which Stan Group agreed to lease to Epro Telecom the China Paint Building Property for a fixed term of three (3) years commencing from 1 January 2016 and expiring on 31 December 2018 (both days inclusive).

As at the date of this announcement, Epro Telecom is an indirect wholly-owned subsidiary of the Company.

RENEWED CAMELPAINT BUILDING LEASE

Details of the Renewed Camelpaint Building Lease are set out below:

Date:	2 November 2015
Parties:	(1) Always Beyond, as lessor (2) Epro Telecom, as lessee
Premises:	property situated at Factory on the 1/F including Flat Roof thereof of Block 1 of Camelpaint Building Block I & II, No. 62 Hoi Yuen Road, Kowloon, Hong Kong with a total saleable area of approximately 14,795 square feet
Term:	an initial fixed term of one (1) year commencing from 2 November 2015 and expiring on 1 November 2016 at the expiration of the original term, Epro Telecom has an option to renew the term for a further term of one (1) year
Monthly rent (exclusive of rates, government rent and management fees):	HK\$232,500

Annual Cap for the Renewed Camelpaint Building Lease

The historical amounts paid by the Group under the Old Camelpaint Building Lease for the each of the years ended 31 December 2013, 2014 and 2015 and the maximum annual aggregate amounts payable (the “**Annual Cap for the Renewed Camelpaint Building Lease**”) by Epro Telecom to Always Beyond for each of the years ending 31 December 2015, 2016 and 2017 are as follows:

	Historical amounts (approx.) for the years ended 31 December			Annual cap (approx.) for the years ending 31 December		
	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000
Old Camelpaint Building Lease	450	2,702	2,252	—	—	—
Renewed Camelpaint Building Lease	—	—	—	465	2,790	2,325

In arriving at the above Annual Cap for the Renewed Camelpaint Building Lease, the Directors have taken into account the following factors:

- (a) the historical amounts paid by the Group under the Old Camelpaint Building Lease for the each of the years ended 31 December 2013, 2014 and 2015;
- (b) the prevailing market rent of comparable properties in the vicinity of the Camelpaint Building Property; and
- (c) the agreed monthly rent payable by Epro Telecom under the Renewed Camelpaint Building Lease for each of the years ending 31 December 2015, 2016 and 2017.

CHINA PAINT BUILDING LEASE

Details of the China Paint Building Lease are set out below:

Date:	21 December 2015
Parties:	(1) Stan Group, as lessor (2) Epro Telecom, as lessee
Premises:	3/F, part of 4/F and 6/F, China Paint Building, 1163 Canton Road, Kowloon, Hong Kong with a total saleable area of approximately 13,664 square feet for the period commencing from 1 January 2016 and expiring on 31 July 2016 3/F, 4/F and part of 6/F, China Paint Building, 1163 Canton Road, Kowloon, Hong Kong with a total saleable area of approximately 17,664 square feet for the period commencing from 1 August 2016 and expiring on 31 December 2018
Term:	a fixed term of three (3) years commencing from 1 January 2016 and expiring on 31 December 2018
Monthly rent (inclusive of rates, government rent and management fees):	HK\$177,632 for the period commencing from 1 January 2016 and expiring on 31 July 2016 HK\$229,632 for the period commencing from 1 August 2016 and expiring on 31 December 2018
Rent free period:	One (1) month for each of the years ending 31 December 2016 and 2017

Annual Cap for the China Paint Building Lease

The maximum annual aggregate amounts payable (the “**Annual Cap for the China Paint Building Lease**”) by Epro Telecom to Stan Group for each of the years ending 31 December 2016, 2017 and 2018 are as follows:

	Annual cap (approx.)		
	for the years ending 31 December		
	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
China Paint Building Lease	2,162	2,526	2,756

In arriving at the above Annual Cap for the China Paint Building Lease, the Directors have taken into account the following factors:

- (a) the prevailing market rent of comparable properties in the vicinity of the China Paint Building Property; and
- (b) the agreed monthly rent payable by Epro Telecom under the China Paint Building Lease for each of the years ending 31 December 2016, 2017 and 2018.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE LEASES

The Group is principally engaged in the businesses of providing comprehensive multi-media contact services and contact centre system. The principal activities of the Group include outsourcing inbound contact service, outsourcing outbound contact service, staff insourcing service and contact service centre facilities management service and other services such as licencing and sale of systems and software.

Always Beyond is principally engaged in investment holding. As at the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang.

Stan Group is principally engaged in investment holding. As at the date of this announcement, the issued share capital of Stan Group is wholly-owned by Mr. YS Tang, an executive Director and the son of Mr. Tang.

Epro Telecom has occupied and used the Camelpaint Building Property for the operation of a business centre since 2007. In consideration of (i) the Camelpaint Building Property is fully equipped and well furnished for operating business centre business; (ii) additional costs and time involved if the Group

moves the business centre to other premises in nearby vicinity, the Directors (including the independent non-executive Directors) consider the entering into of the Renewed Camelpaint Building Lease is in the interests of the Company and its Shareholders as a whole.

The purpose of entering into the China Paint Building Lease is to open a new business centre in Mong Kok, Hong Kong and to relocate the main office of the Group. As the China Paint Building Property would provide premises for the business need of the Group and the terms thereof were determined after arm's length negotiations, the Directors (including the independent non-executive Directors) consider that the entering into the China Paint Building Lease is in the interests of the Company and its Shareholders as a whole.

The terms of the Leases (including the monthly rent) were determined after arm's length negotiations between the Group and the respective lessors with reference to the prevailing market rent for the comparable property in the vicinity. The Directors (including the independent non-executive Directors) consider that (i) each of the Leases was entered into in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms of each of the Leases and the Aggregate Proposed Annual Cap are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

AGGREGATE PROPOSED ANNUAL CAP

Given the similar nature of the transactions under, and the contracting parties to, the Renewed Camelpaint Building Lease and China Paint Building Lease, the Annual Cap for the Renewed Camelpaint Building Lease for each of the years ending 31 December 2016 and 2017 are aggregated with the Annual Cap for the China Paint Building Lease for each of the years ending 31 December 2016 and 2017 for the compliance with the requirements under the GEM Listing Rules. As such, the aggregate proposed annual cap for the Renewed Camelpaint Building Lease and China Paint Building Lease for each of the years ending 31 December 2016 and 2017 is HK\$4,951,952 and HK\$4,850,952 respectively (the respective **"Aggregate Proposed Annual Cap"**).

GEM LISTING RULES IMPLICATIONS

At the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang and the issued share capital of Stan Group is wholly-owned by Mr. YS Tang, an executive Director, and Always Beyond and Stan Group are therefore connected persons of the Company and the transactions contemplated under the each of the Renewed Camelpaint Building Lease and the China Paint Building Lease constitute a continuing connected transaction under Chapter 20 of the GEM Listing Rules. Accordingly, each of Mr. Tang and Mr. YS Tang has material interests in the Renewed Camelpaint Building Lease and the China Paint Building Lease and had abstained from voting on the relevant issues at the Board meeting for approving the Renewed Camelpaint Building Lease and the China Paint Building Lease.

As the applicable percentage ratios of the Aggregated Proposed Annual Cap under the GEM Listing Rules is below 5%, the Renewed Camelpaint Building Lease and the China Paint Building Lease will be subject to the reporting, announcement but is exempt from the independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules. In the event that the monthly rent payable by the Group under the Renewed Camelpaint Building Lease and the China Paint Building Lease would exceed the Aggregated Proposed Annual Cap for each of the years ending 31 December 2016 and 2017, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

Details of the Renewed Camelpaint Building Lease and the China Paint Building Lease will be included in the Company's relevant annual reports in compliance with Rule 20.47 of the GEM Listing Rules.

The Company will also comply with Rules 20.53 and 20.54 of the GEM Listing Rules in relation to the annual review of the transactions entered into pursuant to the Renewed Camelpaint Building Lease and the China Paint Building Lease.

DEFINITIONS

In this announcement, the following expressions will have the following meanings unless the context requires otherwise:

“Aggregate Proposed Annual Cap”	collectively, the Annual Cap for the Renewed Camelpaint Building Lease and the Annual Cap for the China Paint Building Lease
“Annual Cap for the China Paint Building Lease”	has the meaning ascribed to it under the paragraph headed “Annual Cap for the China Paint Building Lease” of this announcement
“Annual Cap for the Renewed Camelpaint Building Lease”	has the meaning ascribed to it under the paragraph headed “Annual Cap for the Renewed Camelpaint Building Lease” of this announcement
“Always Beyond”	Always Beyond Limited, a company incorporated in Hong Kong with limited liability, which is controlled by the family members of Mr. Tang as at the date of this announcement
“Board”	board of directors of the Company
“Camelpaint Building Property”	property situated at Factory on the 1/F including Flat Roof thereof of Block 1 of Camelpaint Building Block I & II, No. 62 Hoi Yuen Road, Kowloon, Hong Kong with a total saleable area of approximately 14,795 square feet, being the subject matter of the Old Camelpaint Building Lease and the Renewed Camelpaint Building Lease

“China Paint Building Lease”	the lease dated 21 December 2015 and entered into between Epro Telecom and Stan Group, pursuant to which Stan Group agreed to lease to Epro Telecom the China Paint Building Property for a fixed term of three (3) years commencing from 1 January 2016 and expiring on 31 December 2018 (both days inclusive)
“China Paint Building Property”	3/F, part of 4/F and 6/F, China Paint Building, 1163 Canton Road, Kowloon, Hong Kong with a total saleable area of approximately 13,664 square feet for the period commencing from 1 January 2016 and expiring on 31 July 2016; and 3/F, 4/F and part of 6/F, China Paint Building, 1163 Canton Road, Kowloon, Hong Kong with a total saleable area of approximately 17,664 square feet for the period commencing from 1 August 2016 and expiring on 31 December 2018, being the subject matter of the China Paint Building Lease
“Company”	ETS Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Epro Telecom”	Epro Telecom Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leases”	collectively, the Renewed Camelpaint Building Lease and the China Paint Building Lease
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Mr. Tang”	Mr. Tang Shing Bor, a non-executive Director and a Controlling Shareholder and the father of Mr. YS Tang

“Mr. YS Tang”	Mr. Tang Yiu Sing, an executive Director and chief executive officer of the Company and the son of Mr. Tang
“Old Camelpaint Building Lease”	the leased dated 2 November 2013 and entered into between the Group and Always Beyond, pursuant to which Always Beyond agreed to lease to the Group the Camelpaint Building Property for a fixed term of two (2) years commencing from 2 November 2013 and expiring on 1 November 2015 (both days inclusive), which expired on 1 November 2015
“Renewed Camelpaint Building Lease”	the lease dated 2 November 2015 and entered into between Epro Telecom and Always Beyond, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Building Property for an initial fixed term of one (1) year commencing from 2 November 2015 and expiring on 1 November 2016 (both days inclusive) which may be renewed for a further term of one (1) year at the option of Epro Telecom
“Stan Group”	Stan Group (Holdings) Limited, a company incorporated in Hong Kong with limited liability and entire issued share capital is wholly and beneficially owned by Mr. YS Tang as at the date of this announcement
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 21 December 2015

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yiu Sing and Mr. Yeung Ka Wing; the non-executive director of the Company is Mr. Tang Shing Bor; and the independent non-executive directors of the Company are Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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 Company Announcements” 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.