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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2022**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of ETS Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.

FINANCIAL SUMMARY

The Group's total revenue decreased from approximately HK\$25,843,000 for the three months ended 31 March 2021 to approximately HK\$23,089,000 for the three months ended 31 March 2022.

Loss attributable to owners of the Company for the three months ended 31 March 2022 was approximately HK\$1,196,000, representing a decrease of approximately 305.50% as compared with the profit attributable to owners of the Company of approximately HK\$582,000 for the corresponding period in 2021.

Loss per share for the three months ended 31 March 2022 was approximately HK0.43 cents (Earnings per share for the three months ended 31 March 2021: approximately HK0.21 cents).

The board of Directors does not recommend an interim dividend for the three months ended 31 March 2022 (2021: nil).

UNAUDITED RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2022 together with the comparative figures for the corresponding period ended 31 March 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 31 March 2022

		Three months ended	
		31 March	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	23,089	25,843
Other income		1	6
Other (losses)/gains – net		(13)	135
Employee benefits expenses		(19,841)	(18,507)
Depreciation and amortization		(1,680)	(2,716)
Other operating expenses		(2,452)	(3,758)
		<hr/>	<hr/>
Operating (loss)/profit		(896)	1,003
Finance costs		(47)	(39)
		<hr/>	<hr/>
(Loss)/Profit before tax		(943)	964
Income tax expense	4	(253)	(382)
		<hr/>	<hr/>
(Loss)/Profit for the period		(1,196)	582
		<hr/>	<hr/>
Total comprehensive (expense)/ income for the period		(1,196)	582
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/Profit attributable to owners of the Company		(1,196)	582
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive (expense)/income attributable to owners of the Company		(1,196)	582
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/Earnings per share attributable to owners of the Company			
– Basic and diluted (<i>HK cents</i>)	5	(0.43)	0.21
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL INFORMATION

For the three months ended 31 March 2022

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 June 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 9 January 2012 (the “Listing Date”).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group’s unaudited condensed consolidated first quarterly financial information of the year 2022 has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and basis adopted in preparing the unaudited condensed consolidated first quarterly financial information of the year 2022 were consistent with those applied for the consolidated financial statements of the Group for the year ended 31 December 2021.

The HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”). For those which are effective for accounting periods beginning on or after 1 January 2022, the adoption has no material impact on how the results and financial positions of the Group for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

3. REVENUE

	Three months ended 31 March	
	2022	2021
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Outsourcing inbound contact services	2,925	3,166
Staff insourcing services	12,981	12,693
Contact service centre facilities management services	3,432	3,762
Financial services	2,667	4,843
Others*	1,084	1,379
	<u>23,089</u>	<u>25,843</u>

* “Others” segment which principally comprises system maintenance income, licencing income and sales of system and software income.

4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at a rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the three months period ended 31 March 2022.

	Three months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current income tax	253	382
Deferred income tax	—	—
	<u>253</u>	<u>382</u>

No provision for deferred taxation has been made in the financial statements since there is no material timing difference.

5. LOSS/EARNINGS PER SHARE

The calculation of basic loss/earnings per share for the three months ended 31 March 2022 is based on (i) the unaudited consolidated loss attributable to the owners of the Company of approximately HK\$1,196,000 (earnings per share for three months ended 31 March 2021: approximately HK\$582,000) and (ii) the weighted average number of 280,000,000 ordinary shares issued during the three months ended 31 March 2022 (during the three months ended 31 March 2021: the weighted average number of 280,000,000 ordinary shares issued).

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the three months ended 31 March 2022 and three months ended 31 March 2021.

6. MOVEMENT OF RESERVES

	Attributable to owners of the Company					
	Share capital	Share premium	Convertible bonds equity reserve	Merger reserve	Retained profits	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2021 (unaudited)	<u>2,800</u>	<u>25,238</u>	<u>–</u>	<u>25,624</u>	<u>62,371</u>	<u>116,033</u>
Profit for the period	–	–	–	–	582	582
Total other comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>582</u>	<u>582</u>
Balance at 31 March 2021 (unaudited)	<u><u>2,800</u></u>	<u><u>25,238</u></u>	<u><u>–</u></u>	<u><u>25,624</u></u>	<u><u>62,953</u></u>	<u><u>116,615</u></u>
Balance at 1 January 2022 (unaudited)	<u>2,800</u>	<u>25,238</u>	<u>1,734</u>	<u>25,624</u>	<u>43,751</u>	<u>99,147</u>
(Loss)/Profit for the period	–	–	–	–	(1,196)	(1,196)
Total other comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total comprehensive expense for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,196)</u>	<u>(1,196)</u>
Interim dividend paid	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Balance at 31 March 2022 (unaudited)	<u><u>2,800</u></u>	<u><u>25,238</u></u>	<u><u>1,734</u></u>	<u><u>25,624</u></u>	<u><u>42,555</u></u>	<u><u>97,951</u></u>

7. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED RESULTS

The unaudited condensed consolidated results of the Group for the three months ended 31 March 2022 were approved by the Board on 6 May 2022.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and prospects

The Group is continuously engaged in the business of providing comprehensive multi-media contact services and contact centre system and financial services. The principal activities of the Group include provisions of outsourcing inbound contact service, outsourcing outbound contact service, staff insourcing service, contact service centre facilities management service and financial services.

During the period under review, the fifth wave of COVID-19 pandemic reached its highest level in Hong Kong causing serious lockdown of a lot of economic and social activities, and further triggered new fears of its potential impact on overall recovery. The high infection rate together with prolonged mandatory quarantine measures created massive chaos to business activities across all industries. The economic outlook was uncertain, with signs of slowdown in gross domestic economic growth accompanied by weakened private domestic consumption and subdued investment spending. The unfavorable market sentiment and forecast hindered the development of our business especially in the financial sector and system solution segment.

The management of the Group continues to exercise cost control discipline and at the same time actively looks out for opportunities to further develop our business. The Group believes that Hong Kong is now well positioned to capture the next important wave of blockchain technology adopted in the financial industry, and the regulated financial services on digital asset will become a trend of the worldwide capital market in the coming future.

As a strategic investment, the Group acquired 1,000,000 shares (“Subscription Shares”) at 31 March 2022, representing approximately 40% of the issued share capital of MetaSTO Group Limited (“META”) at HK\$1 million. META is an unlisted company that provides services in regard of securities tokenization and related businesses. The management of the Group believes that the investment in META can further maximize the synergy with our traditional financial services as well as our investment in Hong Kong Virtual Asset Exchange Limited (“VAX”), a company which is currently applying to the SFC for obtaining licenses to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO for the regulation of virtual asset trading platforms in Hong Kong (as stated in the announcements dated 30 April 2021 and 25 June 2021).

Looking forward, as the number of new cases of COVID-19 infection has substantially lowered, followed by further relaxation on corresponding economic and social restrictions, the management of the Group expects local business activities will swiftly rebound within the second quarter of 2022. Furthermore, the introduction of the Employment Support Scheme 2022 shall add positive spins to support our ongoing development strategies in the coming future.

FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

Description of the investments

	<i>HK\$'000</i>
Equity securities listed in Hong Kong (FAFVTPL I)	223
Unlisted equity securities at cost (FAFVTPL II)	–
Unlisted equity securities at cost (FAFVTPL III)	2,200
Unlisted equity securities at cost (FAFVTPL IV)	<u>1,000</u>
Total	<u><u>3,423</u></u>

FAFVTPL I

The Group had acquired 60,000 shares of the Tracker Fund listed shares (stock code: 2800) (“Listed shares”). Listed shares in the year 2020 amounted approximately HK\$1,449,641.

As at 31 March 2022, the Group held 10,000 Listed shares which amount to carrying amount of approximately HK\$222,800.

FAFVTPL II

During 2019, the Group acquired an aggregate amount of 2,470 Shares of an unlisted company incorporated in Hong Kong, Oneshop limited (“Oneshop”), at approximately HK\$2 million representing approximately 18% of the total issued share capital of Oneshop. As at 31 March 2022, the Group held 2,470 Shares with no carrying amount after recording the impairment of the investment of FAFVTPL II in the year 2020.

FAFVTPL III

The Group invested 165,385 shares of Hong Kong Virtual Asset Exchange Limited (“VAX”) at HK\$12.9 million in VAX. VAX is an unlisted company currently applying to the SFC for obtaining licenses to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO for the regulation of virtual asset trading platforms in Hong Kong.

As at 31 March 2022, the Group held 165,385 shares which amount to carrying amount of approximately HK\$2,200,000.

FAFVTPL IV

At 31 March 2022, the Group has invested 1,000,000 shares representing approximately 40% of the issued share capital of META, as enlarged by the allotment and issue of the Subscription Shares, at HK\$1 million in META. META is an unlisted company providing consultancy services in regard of asset tokenization through professional process management services.

Financial review

The Group’s total revenue decreased from approximately HK\$25.8 million for the three months ended 31 March 2021 to approximately HK\$23.1 million for the three months ended 31 March 2022. The decreased of revenue mainly contributed by the decrease of the revenue generated from financial services. The employee benefits expenses increased from approximately HK\$18.5 million for the three months ended 31 March 2021 to approximately HK\$19.8 million for the three months ended 31 March 2022 mainly due to the increase of employment for staff insourcing services. The other operating expenses decreased from approximately HK\$3.8 million for the three months ended 31 March 2021 to approximately HK\$2.5 million for the three months ended 31 March 2022 mainly due to the decrease of subcontracting charges and rental expenses.

The Group’s depreciation and amortization expenses decreased from approximately HK\$2.7 million for the three months ended 31 March 2021 to approximately HK\$1.7 million for the three months ended 31 March 2022. The Group’s finance costs increased from approximately HK\$39,000 for the three months ended 31 March 2021 to approximately HK\$47,000 for the three months ended 31 March 2022.

The unaudited profit attributable to owners of the Company decreased from approximately HK\$0.6 million for the three months ended 31 March 2021 to loss attributable to owners of the Company approximately HK\$1.2 million for the three months ended 31 March 2022, mainly due to the decrease of revenue in the period under review.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Corporate Governance Code (the “Code”) in Appendix 15 to the GEM Listing Rules throughout the three months ended 31 March 2022.

CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specified enquiry on the Directors, all Directors confirmed that they have complied with the required standard of dealings concerning securities transactions for the three months ended 31 March 2022.

SHARE OPTION SCHEME

During the three months ended 31 March 2022, no share option was granted, exercised, expired or lapsed under the share option scheme conditionally adopted by the shareholders of the Company on 4 May 2021 and became unconditional on 6 May 2021 (the “Share Option Scheme”).

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Apart from the Share Option Scheme, at no time during the three months ended 31 March 2022 was any of the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the Shares in, or debentures of, the Company, or had exercised any such rights.

NON-COMPETITION UNDERTAKING

As disclosed in the announcement of the Company dated 24 October 2019, Gear Credit Limited (“Gear Credit”), which is an indirect wholly-owned subsidiary of the Company, has obtained a money lender’s licence under the Money Lenders Ordinance (“MLO”) and commenced its money lending business.

Prior to the commencement of business of Gear Credit, on 21 October 2019, Mr. Tang Shing Bor (“Mr. Tang”) (our Chairman and non-executive Director until 14 May 2021 when he passed away), Mr. Tang Yiu Sing (“Mr. YS Tang”) (our Chief Executive Officer and executive Director), H.K. Sources Finance Limited (“HK Sources”) and Kong Way Credit Company Limited (“Kong Way”, together with Mr. Tang, Mr. YS Tang and HK Sources, the “Covenantors”) entered into a deed of non-competition (the “Deed of Non-competition”) in favour of the Company (for itself and as trustee of the members of the Group) with a view to safeguard the interest of the Company and the Shareholders as a whole.

As at the date of the Deed of Non-competition, (i) Mr. Tang is the controlling shareholder of HK Sources, which is a company incorporated in Hong Kong with limited liability and a holder of a money lender's licence under the MLO and is principally engaged in the provision of mortgage loan; and (ii) Mr. YS Tang is the sole shareholder of Kong Way, which is a company incorporated in Hong Kong with limited liability and a holder of a money lender's licence under the MLO and is principally engaged in the provision of loans for individuals and small and medium enterprises. Subject to the terms and conditions of the Deed of Non-competition, each of the Covenantors irrevocably and unconditionally, jointly and severally, undertakes to and covenants with the Company (for itself and as trustee for the benefit of the members of the Group) that during the continuation of the Deed of Non-competition, other than the aforementioned shareholding interests held by Mr. Tang and Mr. YS Tang in HK Sources and Kong Way respectively, each of the Covenantors shall not, and shall procure each of his/its close associates (other than any members of the Group) not to, whether on his/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group (including but not limited to the provision of comprehensive multi-media contact services, contact centre system, staff insourcing and financial services engaged by the Group and the money lending business engaged by the Group through Gear Credit and/or other member(s) of the Group) in Hong Kong and any other country or jurisdiction to which the Group markets, supplies or otherwise provides such service and/or in which any members of the Group carries on business mentioned above from time to time (the "Restricted Business").

Each of the Covenantors further undertakes that if he/it and/or any of his/its close associates is offered or becomes aware of any project or new business opportunity ("New Business Opportunity") that relates to the Restricted Business, whether directly or indirectly, he/it shall: (i) promptly in any event not later than three (3) Business Days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use his/its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to him/it and/or his/its close associates. If the Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within five (5) Business Days (the "5-day Offering Period") of receipt of notice from the Covenantors, the Covenantors and/or his/its close associates shall be permitted to invest in or participate in the New Business Opportunity on his/its own accord. The Covenantors agree to extend the five (5) Business Days to a maximum of ten (10) Business Days if the Company requires so by giving a written notice to the Covenantors within the 5-day Offering Period.

As disclosed in the Company's 2021 Annual Report, the Company had received written notices from all of the Covenantors in respect of any New Business Opportunity which competed or was likely to compete with the existing business of the Group which was offered or came to the knowledge of the Covenantors or their close associates (other than any member of the Group). Each of the Covenantors has made an annual declaration to the Company in respect of his/its compliance with his/its obligations under the Deed of Non-competition for the year ended 31 December 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed above, so far as the Directors are aware of, none of the Directors or the substantial/controllers of the Company has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group for the three months ended 31 March 2022.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests and short positions of the Directors and chief executives of the Company (the "Chief Executives") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or Chief Executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register required to be kept by the Company, or which were required, pursuant to Securities Transactions by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

Name of Directors/ Chief Executives	Capacity	Nature of interests	Number of shares/ underlying shares held	Percentage of the issued share capital of the Company as at 31 March 2022
Mr. Tang Shing Bor	Interest in a controlled corporation	Corporate interest	210,000,000 (Note)	75%

Note: These interests were held by Million Top Enterprises Limited under Mr. Tang Shing Bor's estate. Mr. Tang Shing Bor passed away on 14 May 2021 and his interests in the Shares form part of his estate.

Save as disclosed above, as at 31 March 2022, none of the Directors and/or Chief Executive had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the Securities Transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND/OR UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 31 March 2022, the following persons (not being a Director or Chief Executive) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Name of substantial shareholders	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital of the Company as at 31 March 2022
Million Top Enterprises Limited (<i>Note 1</i>)	Beneficial owner	210,000,000	75%
Pine Care Group Limited (“Pine Care Group”)	Interest in a controlled corporation	15,625,000	5.58%
Pine Care Titanium Limited (“Pine Care Titanium”) (<i>Note 2</i>)	Beneficial owner	15,625,000	5.58%

Notes:

1. Million Top Enterprises Limited was wholly and beneficially owned by Mr. Tang Shing Bor, the late non-executive Director.
2. Pine Care Titanium is the holder of the convertible bonds in a principal amount of HK\$9,500,000 at a conversion price of HK\$0.608 per conversion share (subject to adjustments) issued by the Company, of which a total of 15,625,000 conversion shares will be allotted and issued upon full conversion of the convertible bonds. Pine Care Titanium was wholly and beneficially owned by Pine Care Group. Under the SFO, Pine Care Group was deemed to be interested in the underlying Shares held by Pine Care Titanium.

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any other persons (other than Directors or Chief Executive) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the three months ended 31 March 2022 and is of the opinion that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the listed securities of the Company for the three months ended 31 March 2022.

By order of the Board
ETS Group Limited
Tang Yiu Sing

Executive Director and Chief Executive Officer

Hong Kong, 6 May 2022

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 will remain on the "Latest Listed Company Information" 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.