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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
GEAR CREDIT LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 20 December 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Vendor has agreed to sell and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Disposal Company, at the Consideration of HK\$11,000,000.

As at the date of this announcement, the Disposal Company is wholly and beneficially owned by the Vendor. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Company will cease to be consolidated into the consolidated financial statements of the Group.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirement under the GEM Listing Rules.

Completion is conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent set out under the Sale and Purchase Agreement. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

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THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 20 December 2024

Parties: (i) the Vendor; and
(ii) the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares free from all Encumbrances.

The Sale Shares represent the entire issued share capital of the Disposal Company as at the date of the Sale and Purchase Agreement and immediately before Completion.

Consideration

The total consideration (the "**Consideration**") for the Disposal is HK\$11,000,000, which shall be paid by the Purchaser to the Vendor and/or its nominee(s) in the following manner:

- (i) a deposit in the sum of HK\$500,000 (the "**Deposit**") shall be paid by the Purchaser to the Vendor or its nominee(s) by way of cheque upon the signing of the Sale and Purchase Agreement; and
- (ii) the balance of the Purchase Price in the sum of HK\$10,500,000 (subject to adjustments) (the "**Balance**") shall be paid by the Purchaser to the Vendor or its nominee(s) by way of issue of the Promissory Note to the Vendor at Completion.

The Promissory Note

The principal terms of the Promissory Note are as follows:

Issuer	:	the Purchaser
Issue date	:	Completion Date
Noteholder	:	the Vendor
Principal amount	:	HK\$10,500,000
Maturity	:	Payable in three (3) instalments as follows: <ul style="list-style-type: none">(i) the first instalment of HK\$3,000,000 together with the interest accrued shall be payable on or before 30 June 2025;(ii) second instalment of HK\$3,000,000 together with the interest accrued shall be payable on or before 31 December 2025; and(iii) third instalment of HK\$4,500,000 together with the interest accrued shall be payable on or before 30 June 2026.
Interest	:	6% per annum
Security	:	a share charge over the entire share capital of the Disposal Company to be given by the Purchaser, as chargor, in favour of the Vendor, as chargee

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, after taking into account, among others, (i) the past performance of the Disposal Company; (ii) the future prospects and earning capacity of the Disposal Company; and (iii) other factors as set out in the section headed "Reasons for and benefits of the Disposal" in this announcement.

Conditions Precedent

Completion shall be subject to and conditional upon:

- (a) the Purchaser having completed his due diligence review on the business, financial, legal and other aspects of the Disposal Company and there is no material adverse effect affecting the Disposal Company; the Purchaser to act reasonably throughout; and
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect.

Save for condition (a) above which may at any time be waived by the Purchaser in writing, none of the above conditions precedent are incapable of being waived by the parties to the Sale and Purchase Agreement.

If any of the above conditions is not fulfilled (or waived, as the case may be) on or before 27 December 2024 (or such other date as may be agreed between the Vendor and the Purchaser), the Sale and Purchase Agreement shall cease and determine, whereupon the Deposit shall be returned by the Vendor to the Purchaser forthwith and none of the parties thereto shall have any obligations, liabilities or claims against the other party thereunder save for any antecedent breaches of the terms thereof.

Completion

Subject to the fulfillment or waiver (as the case may be) of all the conditions precedent of the Sale and Purchase Agreement, Completion shall take place on or before 27 December 2024 (or such other date as may be agreed between the Vendor and Purchaser).

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Company will cease to be consolidated into the consolidated financial statements of the Group upon Completion.

INFORMATION OF THE DISPOSAL COMPANY

The Disposal Company is a company incorporated in Hong Kong with limited liability, which principally engaged in the provision of money lending services, and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

Financial information of the Disposal Company

Set out below is the financial information of the Disposal Company based on the audited financial statements of the Disposal Company for the two years ended 31 December 2023 and unaudited financial statements of the Disposal Company for the period from 1 January 2024 to 20 December 2024.

	For the period from 1 January 2024 to 20 December 2024 HK\$'000 (unaudited)	For the period from 1 January to 31 December 2023 HK\$'000 (audited)	2022 HK\$'000 (audited)
Revenue	217	1,432	3,657
Profit/(loss) before taxation	6,166	(12,063)	(1,796)
Profit/(loss) after taxation	6,166	(12,038)	(1,748)

The total assets, total liabilities and net assets of the Disposal Company as at 20 December 2024 according to its unaudited financial statements were approximately HK\$4,786,000, HK\$51,000 and HK\$4,735,000, respectively.

INFORMATION ON THE PURCHASER

The Purchaser is a Hong Kong citizen and a merchant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company. As such, the financial information of the Disposal Company will cease to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record an unaudited gain on the Disposal of approximately HK\$6,265,000. Such unaudited gain is estimated after taking into account of, among other things, (i) the Consideration of HK\$11,000,000; (ii) the carrying amount of the Disposal Company's unaudited net assets of approximately HK\$4,735,000 as at 20 December 2024. The exact amount to be recorded in the consolidated statement of profit or loss of the Group is subject to audit, and therefore may be different from the figure provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only. The actual amount of gain on the Disposal to be recorded by the Group will depend on the financial position of the Disposal Company and the value of the Sale Shares on the Completion Date, and therefore may be different from the amount mentioned above.

The net proceeds from the Disposal, after deducting the expenses directly attributable thereto, will amount to approximately HK\$10,850,000. It is intended that the net proceeds will be used for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of comprehensive multi-media contact centre services as well as system solutions (the “**System Solutions Business**”), including the provision of outsourcing inbound and outbound contact services, staff insourcing service, contact centre facilities management service and multi-media contact centre system.

As disclosed in the announcement of the Company dated 9 August 2024 in relation to, among other things, the interim results of the Company for the six months ended 30 June 2024, the Group has been continuously focusing on the development of the System Solutions Business and collaborating with other expert companies to develop its Marvel Contact Centre System. The Directors are of the view that the Disposal offers an opportunity for the Group to dispose of its interests in the Disposal Company and realise the gain arising from the Disposal, and to better allocate its resources for the development of its existing business and/or investments in other business opportunities in respect of the System Solutions Business.

Taking into account, among others, (i) that the Disposal is in line with the business strategy of the Group; (ii) the financial position of the Disposal Company for the two years ended 31 December 2023; (iii) the expected gain on the Disposal of approximately HK\$6,265,000, the Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been agreed after arm’s length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements but is exempt from the Shareholders’ approval requirement under the GEM Listing Rules.

Completion is conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent set out under the Sale and Purchase Agreement. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Balance”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Board”	the board of Directors

“Company”	ETS Group Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on GEM of the Stock Exchange (stock code: 8031)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Accounts”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Adjustments of Consideration”
“Completion Date”	on or before 27 December 2024 (or such other date as may be agreed between the Vendor and Purchaser)
“Consideration”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Deposit”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Disposal Company”	Gear Credit Limited (基業信貸有限公司), being 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 and immediately prior to the Completion
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest or deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange

“Group”	the Company and its subsidiaries, from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined under the GEM Listing Rules) of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“NTAV”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Adjustments of Consideration”
“Proforma Completion Accounts”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Adjustments of Consideration”
"Promissory Note"	the 6% coupon promissory note to be issued by the Purchaser in favour of the Vendor in aggregate principal amount of HK\$10,500,000 for settling part of the Consideration
“Purchaser”	Lui Tsz Chung, being a Hong Kong citizen and merchant and the purchaser to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 December 2024 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	8,460,000 ordinary shares of HK\$1.00 each in the share capital of the Disposal Company, representing the entire issued capital thereof immediately prior to the Completion
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”	Future Data Limited, being a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 20 December 2024

As at the date of this announcement, the executive director of the Company is Mr. Tang Yiu Sing; and the independent non-executive directors of the Company are Mr. Wong Kam Tai, Ms. Kwong Yuk Ying and Ms. Tsang Lee Mei.

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.

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