

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**ETS GROUP LIMITED**

**易通訊集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8031)**

**(I) TERMINATION OF CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE 2017 CAMELPAINT BUILDING LEASE; AND  
(II) NEW CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE 2018 CAMELPAINT BUILDING LEASE**

**TERMINATION OF THE 2017 CAMELPAINT BUILDING LEASE**

Reference is made to the 2017 Announcement in relation to the 2017 Camelpaint Building Lease dated 1 November 2017 and entered into between Epro Telecom, an indirect non-wholly owned subsidiary of the Company, and Always Beyond in relation to the leasing of certain property located in the Camelpaint Building to Epro Telecom.

On 28 May 2018, Epro Telecom and Always Beyond have entered into the Termination Agreement, pursuant to which the parties thereto agreed to terminate the 2017 Camelpaint Building Lease on 31 May 2018.

**THE 2018 CAMELPAINT BUILDING LEASE**

On 28 May 2018, Epro Telecom and Always Beyond have entered into the 2018 Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Building Property for a fixed term of two (2) years commencing from 1 June 2018.

## **GEM LISTING RULES IMPLICATION**

At the date of this announcement, Always Beyond is controlled by the family members of Mr. Tang, and Always Beyond is therefore a connected person of the Company and the transactions contemplated under the 2018 Camelpaint Building Lease constitute continuing connected transactions on the part of the Company under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios of each of the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and the Annual Cap for the 2018 Camelpaint Building Lease for the years ending 31 December 2019 and 2020 under the GEM Listing Rules is below 5%, the 2018 Camelpaint Building Lease is subject to the reporting and 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 2017 Camelpaint Building Lease, the 2018 Camelpaint Building Lease and/or the China Paint Building Lease would exceed the Aggregate Proposed Annual Cap for the year ending 31 December 2018 or the Annual Cap for the 2018 Camelpaint Building Lease for the years ending 31 December 2019 and 2020, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

## **INTRODUCTION**

Reference is made to the 2017 Announcement in relation to the 2017 Camelpaint Building Lease dated 1 November 2017 and entered into between Epro Telecom, an indirect non-wholly owned subsidiary of the Company, and Always Beyond in relation to the leasing of certain property located in the Camelpaint Building to Epro Telecom.

On 28 May 2018, Epro Telecom and Always Beyond have entered into the Termination Agreement, pursuant to which the parties thereto agreed to terminate the 2017 Camelpaint Building Lease on 31 May 2018.

On 28 May 2018, Epro Telecom and Always Beyond have entered into the 2018 Camelpaint Building Lease, pursuant to which Always Beyond agreed to lease to Epro Telecom the Camelpaint Building Property for a fixed term of two (2) years commencing from 1 June 2018.

## THE 2018 CAMELPAINT BUILDING LEASE

Details of the 2018 Camelpaint Building Lease are set out below:

Date:	28 May 2018
Parties:	(i) Epro Telecom, as the lessee  (ii) Always Beyond, as the lessor
Premises:	certain property situated at Factories A & B and part of D 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 8,100 square feet
Term:	a fixed term of two (2) years commencing from 1 June 2018 and expiring on 31 May 2020 (both days inclusive)
Monthly rent (exclusive of rates, government rent and management fees):	HK\$106,272
Rent free period:	four (4) months

## ANNUAL CAP FOR THE 2018 CAMELPAINT BUILDING LEASE

The historical amounts paid by the Group under the 2015 Camelpaint Building Lease and/or the 2017 Camelpaint Building Lease for each of the years ended 31 December 2016 and 2017 and the year ending 31 December 2018 and the maximum annual aggregate amount payable (“**Annual Cap for the 2018 Camelpaint Building Lease**”) by Epro Telecom to Always Beyond under the 2018 Camelpaint Building Lease for each of the years ending 31 December 2018, 2019 and 2020 are as follows:

	Historical amounts (approx.)			Annual cap (approx.)		
	for the years ended/ending 31 December			for the years ending 31 December		
	2016	2017	2018	2018	2019	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
the 2015 Camelpaint Building Lease	2,790	2,325	–	–	–	–
the 2017 Camelpaint Building Lease	–	479	1,198	–	–	–
the 2018 Camelpaint Building Lease	–	–	–	744	1,275	531

In arriving at the above Annual Cap for the 2018 Camelpaint Building Lease, the Directors have taken into account the following factors:

- (a) the historical amounts paid by the Group under the 2015 Camelpaint Building Lease and/or the 2017 Camelpaint Building Lease for each of the years ended 31 December 2016 and 2017 and the year ending 31 December 2018;
- (b) the decrease in the saleable area of the premises under the 2018 Camelpaint Building Lease as compared to that under the 2017 Camelpaint Building Lease;
- (c) the prevailing market rent of comparable properties in the vicinity of the Camelpaint Building Property; and
- (d) the agreed monthly rent payable by Epro Telecom under the 2018 Camelpaint Building Lease for each of the years ending 31 December 2018, 2019 and 2020.

#### **REASONS FOR AND BENEFITS OF THE TERMINATION OF THE 2017 CAMELPAINT BUILDING LEASE AND THE ENTERING INTO OF THE 2018 CAMELPAINT BUILDING LEASE**

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, system maintenance, sale of systems and software and securities service.

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.

Epro Telecom has occupied and used the property located in the Camelpaint Building leased from Always Beyond for ancillary office use and operation of contact centre since 2007. In consideration of the relocation plan (i) centralizing all outsourced contact centre services at China Paint Building Property offering more efficient operation management and internal communication; and (ii) optimizing any spare and un-utilized space resources as a means of cost saving, the Directors (including the independent non-executive Directors) consider the termination of the 2017 Camelpaint Building Lease and the entering into of the 2018 Camelpaint Building Lease is in the interests of the Company and its Shareholders as a whole.

The terms of the 2018 Camelpaint Building Lease (including the monthly rent) were determined after arm's length negotiations between the Group and Always Beyond 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) the termination of the 2017 Camelpaint Building Lease and the entering into of the 2018 Camelpaint Building Lease was in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms of the 2018 Camelpaint Building Lease, the Annual Cap for the 2018 Camelpaint Building Lease 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**

As disclosed in the 2015 Announcement, the maximum annual aggregate amounts payable (the “**Annual Cap for the China Paint Building Lease**”) by Epro Telecom to Stan Group under the China Paint Building Lease for each of the years ended 31 December 2016 and 2017 and for the year ending 31 December 2018 are approximately HK\$2,162,000, HK\$2,526,000 and HK\$2,756,000 respectively.

Given the similar nature of the transactions under, and the contracting parties to, the 2017 Camelpaint Building Lease, the 2018 Camelpaint Building Lease and the China Paint Building Lease, the Annual Cap for the 2018 Camelpaint Building Lease for the year ending 31 December 2018 is aggregated with the historical amount paid by the Group under the 2017 Camelpaint Building Lease and the Annual Cap for the China Paint Building Lease for the year ending 31 December 2018 for the compliance with the requirements under the GEM Listing Rules. As such, the aggregate proposed annual cap for the 2017 Camelpaint Building Lease, the 2018 Camelpaint Building Lease and the China Paint Building Lease for the year ending 31 December 2018 is approximately HK\$4,698,000 (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 Always Beyond is therefore a connected person of the Company and the transactions contemplated under the 2018 Camelpaint Building Lease constitute continuing connected transactions on the part of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, each of Mr. Tang and Mr. YS Tang (being the son of Mr. Tang) has material interests in the 2018 Camelpaint Building Lease and had abstained from voting on the relevant issues at the Board meeting for approving the 2018 Camelpaint Building Lease.

As the applicable percentage ratios of each of the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and the Annual Cap for the 2018 Camelpaint Building Lease for the years ending 31 December 2019 and 2020 under the GEM Listing Rules is below 5%, the 2018 Camelpaint Building Lease is subject to the reporting and 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 2017 Camelpaint Building Lease, the 2018 Camelpaint Building Lease and/or the China Paint Building Lease would exceed the Aggregate Proposed Annual Cap for the year ending 31 December 2018 or the Annual Cap for the 2018 Camelpaint Building Lease for the years ending 31 December 2019 and 2020, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

Details of the 2018 Camelpaint 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 2018 Camelpaint Building Lease.

## DEFINITIONS

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

“2015 Announcement”	the announcement of the Company dated 21 December 2015 in relation to, among others, the China Paint Building Lease
“2015 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 certain property located in the Camelpaint Building which expired on 1 November 2017
“2017 Announcement”	the announcement of the Company dated 1 November 2017 in relation to the 2017 Camelpaint Building Lease
“2017 Camelpaint Building Lease”	the lease dated 1 November 2017 and entered into between Epro Telecom and Always Beyond, pursuant to which Always Beyond agreed to lease to Epro Telecom certain property located in the Camelpaint Building for a term of one (1) year commencing from 2 November 2017 and expiring on 1 November 2018 (both days inclusive), which will be terminated on 31 May 2018 pursuant to the Termination Agreement
“2018 Camelpaint Building Lease”	the lease dated 28 May 2018 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 a fixed term of two (2) years commencing from 1 June 2018 and expiring on 31 May 2020 (both days inclusive)
“Aggregate Proposed Annual Cap”	has the meaning ascribed to it under the paragraph headed “Aggregate Proposed Annual Cap” 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
“Annual Cap for the 2018 Camelpaint Building Lease”	has the meaning ascribed to it under the paragraph headed “Annual Cap for the 2018 Camelpaint Building Lease” of this announcement
“Annual Cap for the China Paint Building Lease”	has the meaning ascribed to it under the paragraph headed “Aggregate Proposed Annual Cap” of this announcement

“Board”	board of directors of the Company
“Camelpaint Building Property”	property situated at Factories A & B and part of D of 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 8,100 square feet, being the subject matter of the 2018 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 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
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 the chief executive officer of the Company and the son of Mr. Tang
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 28 May 2018 and entered into between Epro Telecom and Always Beyond, pursuant to which the parties thereto agreed to terminate the 2017 Camelpaint Building Lease on 31 May 2018
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 28 May 2018

*As at the date of this announcement, the executive Directors are Mr. Tang Yiu Sing and Mr. Yeung Ka Wing; the non-executive Director is Mr. Tang Shing Bor; and the independent non-executive Directors are Mr. Wong Sik Kei, Mr. Cheung Kong Ting and Mr. Wong Kam Tai.*

*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 Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.etsgroup.com.hk).*