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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  
THE 2018 STAN GROUP SERVICE AGREEMENT**

Reference is made to the 2016 Announcement in relation to, among others, the East Ocean Service Agreement, the SG Hotel Service Agreement and the 2016 Stan Group Service Agreement. The East Ocean Service Agreement and the 2016 Stan Group Service Agreement expired on 5 August 2016 and 31 July 2017 respectively, whereas the SG Hotel Service Agreement will expire on 28 September 2018.

On 29 August 2018 (after trading hours), Epro Online and Stan Group entered into the 2018 Stan Group Service Agreement, pursuant to which Epro Online agreed to provide call centre infrastructure and insourced agent support to Stan Group for a term of one (1) year commencing from 1 September 2018 and expiring on 31 August 2019 (both days inclusive).

**GEM LISTING RULES IMPLICATIONS**

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. Stan Group is therefore a connected person of the Company and the transactions contemplated under the 2018 Stan Group Service Agreement constitute continuing connected transactions on the part of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, Mr. Tang and Mr. YS Tang have material interests in the 2018 Stan Group Service Agreement and have abstained from voting on the relevant issues at the Board meeting for approving the 2018 Stan Group Service Agreement.

As the applicable percentage ratios of the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and the 2019 Proposed Annual Cap for the year ending 31 December 2019 under the GEM Listing Rules are less than 5%, the 2018 Stan Group Service Agreement will be subject to the reporting, announcement and annual review but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules. In the event that the fee payable to the Group under the SG Hotel Service Agreement and/or the 2018 Stan Group Service Agreement would exceed the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and/or the 2018 Stan Group Service Agreement would exceed the 2019 Proposed Annual Cap for the year ending 31 December 2019, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

## INTRODUCTION

Reference is made to the 2016 Announcement in relation to, among others, the East Ocean Service Agreement, the SG Hotel Service Agreement and the 2016 Stan Group Service Agreement. The East Ocean Service Agreement and 2016 Stan Group Service Agreement expired on 5 August 2016 and 31 July 2017 respectively, whereas the SG Hotel Service Agreement will expire on 28 September 2018.

On 29 August 2018 (after trading hours), Epro Online and Stan Group entered into the 2018 Stan Group Service Agreement, pursuant to which Epro Online agreed to provide call centre infrastructure and insourced agent support to Stan Group for a term of one (1) year commencing from 1 September 2018 and expiring on 31 August 2019 (both days inclusive).

## THE 2018 STAN GROUP SERVICE AGREEMENT

Details of the 2018 Stan Group Service Agreement are set out below:

Date:	29 August 2018
Parties:	(1) Stan Group, as the service user (2) Epro Online, as the service provider
Term:	a term of one (1) year commencing from 1 September 2018 and expiring on 31 August 2019 (both days inclusive) (the “ <b>Term</b> ”)
Nature of transactions:	Provision of call centre infrastructure and insourced agent support to Stan Group or its affiliates
Fee:	(1) a one-off set up charge of HK\$60,000; (2) a monthly workstation recurring charge and insourcing staff charge ranging from HK\$20,000 to HK\$26,500 per unit;

- (3) a monthly IT technical support and system administration charge of HK\$20,000; and
- (4) all other miscellaneous and optional charges in accordance with the fee schedule to the 2018 Stan Group Service Agreement.

The prices and charges under the 2018 Stan Group Service Agreement shall be charged at the market prices charged by Epro Online on its customers of similar size and scale of Stan Group or its affiliates.

### **Annual Cap for the 2018 Stan Group Service Agreement**

The maximum annual aggregate amounts (the “**Annual Cap for the 2018 Stan Group Service Agreement**”) payable to Epro Online by Stan Group for each of the two years ending 31 December 2018 and 2019 are as follows:

	<b>Annual cap (approx.) for the year ending 31 December</b>	
	<b>2018</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>The 2018 Stan Group Service Agreement</b>	1,300	1,400

In arriving at the Annual Cap for the 2018 Stan Group Service Agreement, the Directors have taken into account the estimated transaction amount of the services to be provided by Epro Online to Stan Group for the two years ending 31 December 2018 and 2019.

### **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE 2018 STAN GROUP SERVICE AGREEMENT**

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 provision of financial services including securities broking and asset management.

Stan Group is principally engaged in various businesses such as restaurant operation, hotel management, marketing, property investment, storage, wedding planning services and financing. 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.

Given that (i) the transactions contemplated under the 2018 Stan Group Service Agreement are in the ordinary and usual course of business of the Group and will contribute positively to the Group's income; (ii) the terms of the 2018 Stan Group Service Agreement (including the fee payable to the Group) were determined at after arm's length negotiations between the Group and Stan Group with reference to the market prices charged by the Group on its customers of

similar size and scale of Stan Group and its affiliates, the Directors (including the independent non-executive Directors but excluding Mr. Tang and Mr. YS Tang) consider that (a) the 2018 Stan Group Service Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms; and (b) the terms of the 2018 Stan Group Service Agreement and the Annual Cap for the 2018 Stan Group Service Agreement are fair and reasonable and the entering into of the 2018 Stan Group Service Agreement is in the interests of the Company and its Shareholders as a whole.

## **AGGREGATE PROPOSED ANNUAL CAP**

As disclosed in the 2016 Announcement, the maximum annual aggregate amounts (the “**Annual Cap for the East Ocean Service Agreement and the SG Hotel Service Agreement**”) payable to Epro Telecom by East Ocean under the East Ocean Service Agreement and by SG Hotel under the SG Hotel Service Agreement for the year ending 31 December 2018 is HK\$2,400,000.

As at the date of this announcement, the issued share capital of SG Hotel is wholly-owned by Stan Group.

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

Given the similar nature of the transactions under, and the relationship between contracting parties to, the East Ocean Service Agreement, the SG Hotel Service Agreement and the 2018 Stan Group Service Agreement, the Annual Cap for the East Ocean Service Agreement and the SG Hotel Service Agreement for the year ending 31 December 2018 are aggregated with the Annual Cap for the 2018 Stan Group Service Agreement 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 East Ocean Service Agreement, the SG Hotel Service Agreement and the 2018 Stan Group Service Agreement for the year ending 31 December 2018 is HK\$3,700,000 (the “**Aggregate Proposed Annual Cap**”), while the annual cap for the 2018 Stan Group Service Agreement for the year ending 31 December 2019 is HK\$1,400,000 (the “**2019 Proposed Annual Cap**”).

## **GEM LISTING RULES IMPLICATIONS**

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. Stan Group is therefore a connected person of the Company and the transactions contemplated under the 2018 Stan Group Service Agreement constitute continuing connected transactions on the part of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, Mr. Tang and Mr. YS Tang have material interests in the 2018 Stan Group Service Agreement and have abstained from voting on the relevant issues at the Board meeting for approving the 2018 Stan Group Service Agreement.

As the applicable percentage ratios of the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and the 2019 Proposed Annual Cap for the year ending 31 December 2019 under the GEM Listing Rules are less than 5%, the 2018 Stan Group Service Agreement will be subject to the reporting, announcement and annual review but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules. In the event that the fee payable to the Group under the SG Hotel Service Agreement, the East Ocean Service Agreement and/or the 2018 Stan Group Service Agreement would exceed the Aggregate Proposed Annual Cap for the year ending 31 December 2018 and/or the 2018 Stan Group Service Agreement would exceed the 2019 Proposed Annual Cap for the year ending 31 December 2019, the Company will comply with Rule 20.52 of the GEM Listing Rules as applicable.

Details of the 2018 Stan Group Service Agreement will be included in the Company's relevant annual reports and accounts 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 Stan Group Service Agreement.

## **DEFINITIONS**

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

"2016 Announcement"	an announcement of the Company dated 29 July 2016 in relation to the East Ocean Service Agreement, SG Hotel Service Agreement and 2016 Stan Group Service Agreement
"2016 Stan Group Service Agreement"	an agreement dated 29 July 2016 and entered into between Epro Online and Stan Group, pursuant to which Epro Online agreed to provide call centre infrastructure and insourced agent support to Stan Group, which expired on 31 July 2017
"2018 Stan Group Service Agreement"	an agreement dated 29 August 2018 and entered into between Epro Online and Stan Group, pursuant to which Epro Online agreed to provide call centre infrastructure and insourced agent support to Stan Group for a term of one (1) year commencing from 1 September 2018 and expiring on 31 August 2019 (both days inclusive)
"2019 Proposed Annual Cap"	has the meaning ascribed to it under the paragraph headed "Aggregate Proposed Annual Cap" of this announcement

“Aggregate Proposed Annual Cap”	has the meaning ascribed to it under the paragraph headed “Aggregate Proposed Annual Cap” of this announcement
“Annual Cap for the 2018 Stan Group Service Agreement”	has the meaning ascribed to it under the paragraph headed “Annual Cap for the 2018 Stan Group Service Agreement” of this announcement
“Board”	board of directors of the Company
“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
“East Ocean”	East Ocean Gourmet Group 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
“East Ocean Service Agreement”	an agreement dated 29 July 2015 and entered into between Epro Telecom and East Ocean, pursuant to which Epro Telecom agreed to provide inbound customer enquiry hotline and seat reservation hotline support to East Ocean, which expired on 5 August 2016
“Epro Online”	Epro Online 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
“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 Sing 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
“SG Hotel”	SG Hotel Group Management Limited, a company incorporated in Hong Kong with limited liability and entire issued share capital of which is wholly and beneficially owned by Stan Group as at the date of this announcement
“SG Hotel Service Agreement”	an agreement dated 29 September 2015 and entered into between Epro Telecom and SG Hotel (under the business name of Tang’s Living), pursuant to which Epro Telecom agreed to provide staff insourcing services to SG Hotel for a fixed term of three years commenced from 29 September 2015 and expiring on 28 September 2018 (both days inclusive)
“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 of which 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
“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, 29 August 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM 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).*