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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 DISPOSALS OF SHARES IN
HONG KONG VIRTUAL ASSET EXCHANGE LIMITED**

THE DISPOSALS

The Board would like to announce that on 30 December 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser A entered into the Sale and Purchase Agreement A, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser A has conditionally agreed to purchase, the Sale Shares A, representing approximately 3.8% of the total issued share capital in VAX for a total consideration of HK\$8.4 million.

The Board would also like to announce that on 30 December 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser B entered into the Sale and Purchase Agreement B, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser B has conditionally agreed to purchase, the Sale Shares B, representing approximately 3.0% of the total issued share capital in VAX for a total consideration of HK\$6.6 million.

As at the date of this announcement, the Vendor is legally and beneficially interested in 165,385 VAX Shares, representing approximately 6.8% of the total issued share capital in VAX. Upon completion of the Disposals, the Vendor will cease to have any interests in the VAX Group.

GEM LISTING RULES IMPLICATIONS

As the transactions contemplated under the Sale and Purchase Agreements involve the disposal of VAX Shares, the transactions contemplated under the Sale and Purchase Agreements shall be aggregated pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) under the Sale and Purchase Agreements, when aggregated, is/are more than 5% but less than 25%, the entering into of the Sale and Purchase Agreements constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

THE DISPOSALS

The Board would like to announce that on 30 December 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser A entered into the Sale and Purchase Agreement A, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser A has conditionally agreed to purchase, the Sale Shares A, representing approximately 3.8% of the total issued share capital in VAX for a total consideration of HK\$8.4 million.

The Board would also like to announce that on 30 December 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser B entered into the Sale and Purchase Agreement B, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser B has conditionally agreed to purchase, the Sale Shares B, representing approximately 3.0% of the total issued share capital in VAX for a total consideration of HK\$6.6 million.

THE SALE AND PURCHASE AGREEMENT A

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

Date: 30 December 2024

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

The Purchaser A is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investments holding. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Purchaser A and its ultimate beneficial owner is an Independent Third Party.

Assets to be disposed of

Pursuant to the terms and conditions of the Sale and Purchase Agreement A, the Vendor has conditionally agreed to sell, and the Purchaser A has conditionally agreed to purchase, the Sale Shares A, representing approximately 3.8% of the total issued share capital in VAX.

As at the date of this announcement, the Vendor is legally and beneficially interested in 165,385 VAX Shares, representing approximately 6.8% of the total issued share capital in VAX.

Consideration

The consideration for the sale and purchase of the Sale Shares A is HK\$8.4 million, which shall be paid and satisfied by the Purchaser A in cash upon completion of the Disposal A.

Basis of the Consideration

The consideration for the sale and purchase of the Sale Shares A was arrived at after arm's length negotiations between the Vendor and the Purchaser A on normal commercial terms, after taking into account, among others, (i) the fair value of the 165,385 VAX Shares of HK\$14,500,000 as at 31 October 2024 based on the valuation conducted by an independent valuer using market approach; (ii) the original subscription price of the 165,385 VAX Shares of HK\$12.9 million; and (iii) other reasons as set out in the section headed "Reasons for and benefits of the Disposals" in this announcement.

Conditions precedent

Completion of the Disposal A is conditional upon and subject to:

- (i) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement A and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (ii) all necessary consents and/or approvals required to be obtained on the part of the Purchaser A in respect of the Sale and Purchase Agreement A and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (iii) the representations and warranties given by the Vendor under the Sale and Purchase Agreement A remaining true and accurate and not misleading in all material respects; and
- (iv) the representations and warranties given by the Purchaser A under the Sale and Purchase Agreement A is remaining true and accurate and not misleading in all material respects.

Save for condition (iii) above which may at any time be waived by the Purchaser A in writing, and condition (iv) above which may at any time be waived by the Vendor in writing, all other conditions precedent set out above are incapable of being waived by the parties to the Sale and Purchase Agreement A. If the conditions precedent under the Sale and Purchase Agreement A have not been satisfied (or as the case may be, waived by the Purchaser A or the Vendor) on or before 31 December 2024 (or such later date as may be agreed between the parties thereto), the Sale and Purchase Agreement A shall cease and determine and thereafter, neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion of the Disposal A shall take place on the date (the “**Completion Date A**”) falling on the next Business Day after the fulfilment or waiver (as the case may be) of all the conditions precedent as set out in the Sale and Purchase Agreement A, or such other date as the Vendor and the Purchaser A may agree.

For the avoidance of doubt, completion of each of the Disposals is not inter-conditional.

THE SALE AND PURCHASE AGREEMENT B

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

- Date:** 30 December 2024
- Parties:** (i) the Purchaser B; and
- (ii) the Vendor.

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

Assets to be disposed of

Pursuant to the terms and conditions of the Sale and Purchase Agreement A, the Vendor has conditionally agreed to sell, and the Purchaser B has conditionally agreed to purchase, the Sale Shares B, representing approximately 3.0% of the total issued share capital in VAX.

As at the date of this announcement, the Vendor is legally and beneficially interested in 165,385 VAX Shares, representing approximately 6.8% of the total issued share capital in VAX.

Consideration

The consideration for the sale and purchase of the Sale Shares B is HK\$6.6 million, which shall be paid and satisfied by the Purchaser B upon completion of the Disposal B in the following manner:

- (i) as to HK\$2,500,000 shall be paid and satisfied by the Purchaser in cash; and
- (ii) as to HK\$4,100,000 by way of issue of the Promissory Note to the Vendor.

The Promissory Note

The principal terms of the Promissory Note are as follows:

Issuer:	the Purchaser B
Issue date:	Completion Date B
Noteholder:	the Vendor
Principal amount:	HK\$4.1 million
Maturity date:	31 March 2025
Interest:	6% per annum
Security:	a share charge over 73,118 VAX Shares to be given by the Purchaser B, as chargor, in favour of the Vendor, as chargee

Basis of the Consideration

The consideration for the sale and purchase of the Sale Shares B was arrived at after arm's length negotiations between the Vendor and the Purchaser B on normal commercial terms, after taking into account, among others, (i) the fair value of the 165,385 VAX Shares of HK\$14.5 million as at 31 October 2024 based on the valuation conducted by an independent valuer using market approach; (ii) the original subscription price of the 165,385 VAX Shares of HK\$12.9 million; and (iii) other reasons as set out in the section headed "Reasons for and benefits of the Disposals" in this announcement.

Conditions precedent

Completion of the Disposal B is conditional upon and subject to:

- (i) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement B and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (ii) all necessary consents and/or approvals required to be obtained on the part of the Purchaser B in respect of the Sale and Purchase Agreement B and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (iii) the representations and warranties given by the Vendor under the Sale and Purchase Agreement B remaining true and accurate and not misleading in all material respects; and
- (iv) the representations and warranties given by the Purchaser B under the Sale and Purchase Agreement B is remaining true and accurate and not misleading in all material respects.

Save for condition (iii) above which may at any time be waived by the Purchaser B in writing, and condition (iv) above which may at any time be waived by the Vendor, all other conditions precedent set out above are incapable of being waived by the parties to the Sale and Purchase Agreement B. If the conditions precedent under the Sale and Purchase Agreement B have not been satisfied (or as the case may be, waived by the Purchaser B or the Vendor) on or before 31 December 2024 (or such later date as may be agreed between the parties thereto), the Sale and Purchase Agreement B shall cease and determine and thereafter, neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion of the Disposal B shall take place on the date (the “**Completion Date B**”) falling on the next Business Day after the fulfilment or waiver (as the case may be) of all the conditions precedent as set out in the Sale and Purchase Agreement B, or such other date as the Vendor and the Purchaser B may agree.

For the avoidance of doubt, completion of each of the Disposals is not inter-conditional.

INFORMATION ON THE VAX GROUP

VAX is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO.

The VAX Group is a virtual asset exchange which provides trading platform and support services for institutions looking to invest in virtual assets, and the financial technology sector.

As at the date of this announcement, VAX holds 100% direct equity interests in 四川瓦可思網絡科技有限公司 (for transliteration purpose only, Sichuan VAX Network Technology Co. Ltd.[#]), which is a company established in the PRC with limited liability and is principally engaged in the provision of software development, data processing, maintenance services for trading platform and technical support in information technology.

As at the date of this announcement, VAX holds 100% direct equity interests in Hong Kong Virtual Asset (TCSP) Company Limited, which is a company incorporated in Hong Kong with limited liability holding the Trust or Company Service Provider (TCSP) licence obtained from the Registry for Trust and Company Service Providers in Hong Kong.

Financial information of the VAX Group

Set out below is the financial information of the VAX Group based on the audited consolidated financial statements of the VAX Group for the year ended 31 December 2022 and the two unaudited consolidated financial statements of the VAX Group for the year ended 31 December 2023 and ten months ended 31 October 2024.

	For the Ten months ended 31 October 2024	For the year ended 31 December 2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	(unaudited)	(unaudited)	(audited)
Revenue	6	438	127
Profit/(loss) before taxation	(4,870)	(4,508)	(3,474)
Profit/(loss) after taxation	(4,874)	(4,514)	(3,474)

The total assets, total liabilities and net assets of the VAX Group as at 31 October 2024 according to its unaudited consolidated financial statements were approximately US\$14.0 million, approximately US\$6.7 million and approximately US\$7.3 million respectively.

INFORMATION ON THE PURCHASERS

The Purchaser A is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investments holding. The Purchaser is wholly and beneficially owned by Dr. Ambrose So Shu Fai, who is a merchant.

The Purchaser B is a merchant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers and where appropriate, its ultimate beneficial owner is an Independent Third Party as at the date of this announcement.

FINANCIAL EFFECT OF THE DISPOSALS AND USE OF PROCEEDS

Upon completion of the Disposals, the Group will cease to have any interests in the VAX Group.

Subject to further audit procedures to be performed by the auditor of the Company, the Group is expected to record a gain from the Disposals of approximately HK\$0.5 million which is estimated based on the gross proceeds from the Disposals (before deducting relevant expenses and taxes) of HK\$15 million less the fair value of the 165,385 VAX Shares as at 31 October 2024 of approximately HK\$14.5 million as appraised by an independent valuer. The actual amount of gain or loss as a result of the Disposals to be recorded by the Group will be subject to review and final audit by the auditor of the Company.

The net proceeds from the Disposals, after deducting the expenses directly attributable to the Disposals of approximately HK\$0.3 million and tax payable of approximately HK\$7,000, will amount to approximately HK\$14.7 million. It is intended that the net proceeds to be used for the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is principally engaged in the provision of comprehensive multi-media contact centre services as well as system solutions, including the provision of outsourcing inbound and outbound contact services, staff insourcing service, contact centre facilities management service and sales of multi-media contact centre system.

The Board believes that the Disposals would allow the Group to realise the investment in the VAX Group. Furthermore, taking into the consideration (i) that the Total Consideration represents the fair value of the 165,385 VAX Shares of HK\$14,500,000 as appraised by an independent valuer; (ii) the original subscription price of the 165,385 VAX Shares of HK\$12.9 million when the Vendor entered into the relevant subscription agreement on 30 April 2021; and (iii) the expected gain from the Disposals, the Disposals represent a good opportunity to realise the value of the 165,385 VAX Shares at a favourable price and to better allocate its resources for the development of the Group's existing business. Having regard to the aforementioned, the Directors believe that the terms of the Disposals (including the Total Consideration) are on normal commercial terms, fair and reasonable, and the Disposals are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the transactions contemplated under the Sale and Purchase Agreements involve the disposal of the VAX Shares, the transactions contemplated under the Sale and Purchase Agreements shall be aggregated pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) under the Sale and Purchase Agreements, when aggregated, is/are more than 5% but less than 25%, the entering into of the Sale and Purchase Agreements constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

None of the Directors has a material interest in the Disposals and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreements and the respective transactions contemplated thereunder.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	ETS Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8031)
“Completion Date A”	has the meaning ascribed thereto in the paragraph headed “Completion” under the section headed “The Sale and Purchase Agreement A” in this announcement
“Completion Date B”	has the meaning ascribed thereto in the paragraph headed “Completion” under the section headed “The Sale and Purchase Agreement B” in this announcement
“Director(s)”	the director(s) of the Company
“Disposal A”	the proposed disposal of the Sale Shares A by the Vendor to the Purchaser A pursuant to the terms and conditions of the Sale and Purchase Agreement A

“Disposal B”	the proposed disposal of the Sale Shares B by the Vendor to the Purchaser B pursuant to the terms and conditions of the Sale and Purchase Agreement B
“Disposals”	collectively, the Disposal A and the Disposal B
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) (as defined under the GEM Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Promissory Note”	the 6% coupon promissory note to be issued by the Purchaser B in favour of the Vendor in the principal amount of HK\$4.1 million for settling part of the consideration under the Sale and Purchase Agreement B
“Purchaser A”	Perfect Gain Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Dr. Ambrose So Shu Fai as at the date of this announcement, and the purchaser to the Sale and Purchase Agreement A
“Purchaser B”	Mr. Leung Tak Fai, being a merchant and the purchaser to the Sale and Purchase Agreement B
“Purchasers”	collectively, the Purchaser A and the Purchaser B

“Sale and Purchase Agreement A”	the conditional sale and purchase agreement dated 30 December 2024 entered into between the Vendor and the Purchaser A in respect of the Disposal A
“Sale and Purchase Agreement B”	the conditional sale and purchase agreement dated 30 December 2024 entered into between the Vendor and the Purchaser B in respect of the Disposal B
“Sale and Purchase Agreements”	collectively, the Sale and Purchase Agreement A and the Sale and Purchase Agreement B
“Sale Shares A”	92,267 VAX Shares, representing approximately 3.8% of total issued share capital of VAX, which is beneficially owned by the Vendor as at the date of this announcement
“Sale Shares B”	73,118 VAX Shares, representing approximately 3.0% of total issued share capital of VAX, which is beneficially owned by the Vendor as at the date of this announcement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Consideration”	a total sum of HK\$15.0 million, being the total consideration for the Sale Shares A and Sale Shares B
“VAX”	Hong Kong Virtual Asset Exchange Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO
“VAX Group”	VAX and its subsidiaries
“VAX Shares”	issued shares of VAX
“Vendor”	ETS Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States of America dollar(s), the lawful currency of United States of America
“%”	per cent.

the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

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

Hong Kong, 30 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.