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MILLION TOP ENTERPRISES LIMITED

萬士達企業有限公司

(Incorporated in Hong Kong with limited liability)

ETS GROUP LIMITED

易通訊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8031)

JOINT ANNOUNCEMENT

**(1) CONDITIONAL PURCHASE OF APPROXIMATELY 66.07% OF
THE ENTIRE ISSUED SHARE CAPITAL OF
ETS GROUP LIMITED
BY MILLION TOP ENTERPRISES LIMITED;**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
MILLION TOP ENTERPRISES LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
ETS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR AGREED
TO BE ACQUIRED BY MILLION TOP ENTERPRISES LIMITED
AND PARTIES ACTING IN CONCERT WITH IT); AND**

(3) RESUMPTION OF TRADING

Financial adviser to Million Top Enterprises Limited



禹銘投資管理有限公司

YU MING INVESTMENT MANAGEMENT LIMITED

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor (the controlling shareholder of the Company) that on 5 June 2015 (after trading hours), the Offeror, the Vendor, the Offeror's Guarantor and the Vendor's Guarantors had entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, being 185,000,000 Shares for a total Consideration of HK\$222,000,000, equivalent to HK\$1.2 per Sale Share. The Sale Shares represent approximately 66.07% of the entire issued share capital of the Company as at the date of this joint announcement. Subject to the Conditions having been fulfilled and/or waived (as the case may be), Completion shall take place on the Completion Date.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 25,000,000 Shares, representing approximately 8.93% of the entire issued share capital of the Company. Upon Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 210,000,000 Shares, representing 75% of the entire issued share capital of the Company.

Accordingly, after Completion, the Offeror will be required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

After Completion has taken place, Yu Ming will make the Offer, which will be unconditional in all respects, on behalf of the Offeror in compliance with the Takeovers Code on the following basis:—

For each Offer Share.HK\$1.2 in cash

The Offer Price of HK\$1.2 per Offer Share equals to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

Principal terms of the Offer are set out under the paragraphs headed "Possible Unconditional Mandatory Cash Offer" of this joint announcement. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai, has been formed to advise the Independent Shareholders in respect of the Offer. Further announcement will be made as soon as possible after the Independent Board Committee has approved the appointment of the Independent Financial Adviser.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the respective boards of the Offeror and the Company to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the Form of Acceptance and Transfer) in connection with the Offer setting out, among other things, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders. Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

As the making of the Offer by the Offeror is subject to Completion having taken place and Completion is, subject to fulfilment and/or waiver (as the case may be) of the Conditions, scheduled to take place on the Completion Date (being 4 September 2015 unless the Vendor and the Offeror agree on another date), the Offeror will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the Composite Document to the Shareholders to within 7 days after Completion.

RESUMPTION OF TRADING

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 8 June 2015 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 11 June 2015.

WARNING

The Offer is a possibility only. Completion is conditional upon fulfillment and/or waiver (as the case may be) of the Conditions summarised in the section headed “Conditions Precedent” in this joint announcement and the Offer will only be made if Completion takes place. Accordingly, Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.

The Company was informed by the Vendor (the controlling shareholder of the Company) that, on 5 June 2015 (after trading hours), the Offeror, the Vendor, the Offeror’s Guarantor and the Vendor’s Guarantors had entered into the Sale and Purchase Agreement, details of which are summarised below.

THE SALE AND PURCHASE AGREEMENT

Date: 5 June 2015

- Parties:
- (i) the controlling shareholder of the Company, Excel Deal Holdings Limited, as vendor
 - (ii) the Offeror, Million Top Enterprises Limited, as purchaser
 - (iii) Mr. Ling Chiu Yum and Mr. Wong Wai Hon Telly as the Vendor’s guarantors
 - (iv) Mr. Tang Shing Bor, as the Offeror’s guarantor

As at the date of this joint announcement, the entire issued share capital of the Vendor is beneficially owned as to 47%, 46%, 5% and 2% by Mr. Wong Wai Hon Telly, Mr. Ling Chiu Yum, Ms. Chang Men Yee Carol and Ms. Ting Yee Mei respectively. Mr. Ling Chiu Yum, Mr. Wong Wai Hon Telly and Ms. Chang Men Yee Carol are executive Directors.

As at the date of this joint announcement, the Offeror owns 25,000,000 Shares, representing approximately 8.93% of the entire issued share capital of the Company. Save as aforesaid, the Offeror and the Offeror's Guarantor (being the ultimate beneficial owner of the Offeror) are not connected with the Company or its connected persons (as defined under the GEM Listing Rules) and not parties acting in concert with the Vendor or any of its ultimate beneficial owners.

The Offeror's Guarantor is Mr. Tang Shing Bor, who is the sole ultimate beneficial owner of the Offeror.

Sale Shares and the Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Offeror has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, being 185,000,000 Shares, free from all Encumbrances and together with all rights and benefits attaching or accruing to them on or after Completion. The Sale Shares represent approximately 66.07% of the entire issued share capital of the Company as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 25,000,000 Shares, representing approximately 8.93% of the entire issued share capital of the Company. Upon Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 210,000,000 Shares, representing 75% of the entire issued share capital of the Company.

The Consideration for the Sale Shares is HK\$222,000,000, equivalent to HK\$1.2 per Sale Share and is payable by the Offeror in the following manner:—

- (i) HK\$44,400,000 is required to be paid as the Deposit upon the signing of the Sale and Purchase Agreement and the Deposit has been paid to the Vendor; and
- (ii) HK\$177,600,000, being the remaining balance of the Consideration, shall be paid to the Vendor upon Completion.

The Deposit is subject to refund or forfeiture in accordance with the provisions set out in the Sale and Purchase Agreement, in the case that the sale and purchase of the Sale Shares does not proceed to Completion.

The Consideration was determined following arm's length negotiations between the Offeror and the Vendor, after taking into consideration (i) the financial position of the Group; and (ii) the prevailing market prices of the Shares on the Stock Exchange.

Conditions Precedent

Completion is conditional upon the fulfillment and/or waiver (as the case may be) of the following Conditions: –

- (i) as at Completion, the Shares remain listed and traded on GEM, and no notification being received from the Stock Exchange or the SFC prior to Completion that the listing of the Shares on GEM will or may be, for whatever reason, withdrawn or suspended for more than 10 consecutive Business Days (excluding any suspension for the purposes of obtaining clearance from the SFC and/or Stock Exchange for this joint announcement or any other announcement in relation to the Sale and Purchase Agreement provided the suspension for the aforesaid clearance shall not in any event exceed one month from the first day of suspension); and
- (ii) as at Completion, all Warranties remain true, accurate and complete in all material respects and not misleading in any material respect.

The Vendor shall use all reasonable endeavours to fulfil the Conditions.

The Offeror may waive any of the Conditions by notice in writing to the Vendor. If the Conditions are not satisfied or waived as at 3:00 p.m. on the Completion Date, the Offeror shall have the right to terminate the Sale and Purchase Agreement in writing and the Vendor shall refund the Deposit in full to the Offeror. Upon refund of the Deposit as mentioned above, the Sale and Purchase Agreement (except certain provisions thereof which are expressly provided to survive termination) will terminate and cease to have any effect.

Warranties and Undertakings

The Vendor and the Vendor's Guarantors have given Warranties to the Offeror which is customary in the circumstances, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to the Group.

The Vendor has undertaken to the Offeror, among other things, that prior to Completion, (i) each member of the Group will carry on its business in a manner consistent with its existing practice and the Vendor will procure that each member of the Group will not, without first obtaining the prior written consent of the Offeror, enter into any contract or commitment of an unusual or onerous nature or other than in the normal and ordinary course of business; (ii) it will keep the Offeror reasonably informed of all significant matters relating to the Group's business, assets and prospects; and (iii) it will ensure that the Group will not carry out certain actions pending Completion.

The Vendor has also undertaken to the Offeror that (i) before the Offer closes, lapses or is withdrawn, the Vendor will not dispose of any Shares beneficially owned by the Vendor (other than the sale of the Sale Shares pursuant to the Sale and Purchase Agreement or any Shares pursuant to the Offer) to persons who are not considered by the Stock Exchange as public under the GEM Listing Rules; and (ii) in the event that the Shares held by the public immediately following the close of the Offer is less than the minimum public float requirement under the GEM Listing Rules other than solely as a result of the acquisition of any Shares by the Offeror pursuant to the Offer, then for the purpose of enabling the Company to satisfy the minimum public float requirement under the GEM Listing Rules, the Vendor will dispose all of the Shares beneficially owned by the Vendor to persons who are considered by the Stock Exchange as public under the GEM Listing Rules.

The Vendor and the Vendor's Guarantors have also undertaken to the Offeror that (i) none of them would disclose or use information in relation to the business, accounts or finances of the Group, or any clients' or customers' transactions or affairs of any member of the Group; (ii) none of them would solicit, interfere with, employ or endeavour to entice away from the Group any person who has during the last 24 months preceding the date of the Sale and Purchase Agreement been, a client, customer or employee of the Group, during the Restricted Period; (iii) none of them, their associates and companies they control would carry on a business, or be interested or involved in a business, which competes or is likely to compete, directly or indirectly, with the Restricted Business in Hong Kong during the Restricted Period; and (iv) if any new business opportunity that relates to the Restricted Business has been offered or known to them or their associates or companies they control during the Restricted Period, they would first offer such opportunity to the Group and use their best endeavours to procure such opportunity is offered to the Group on terms no less favourable than the terms offered to them.

Guarantee

The Vendor's Guarantors have entered into the Sale and Purchase Agreement in order to guarantee the due and punctual performance and discharge of all the obligations by the Vendor under the Sale and Purchase Agreement.

The Offeror's Guarantor has entered into the Sale and Purchase Agreement in order to guarantee the due and punctual performance and discharge of all the obligations by the Offeror under the Sale and Purchase Agreement.

Completion

Subject to the Conditions having been fulfilled and/or waived (as the case may be), Completion shall take place on the Completion Date.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Upon Completion, the Offeror and parties acting in concert with it will be interested in 210,000,000 Shares, representing 75% of the entire issued share capital of the Company. Accordingly, after Completion, the Offeror will be required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

After Completion has taken place, Yu Ming will make the Offer, which will be unconditional in all respects, on behalf of the Offeror in compliance with the Takeovers Code on the following basis:–

For each Offer Share. HK\$1.2 in cash

The Offer Price of HK\$1.2 per Offer Share equals to the purchase price per Sale Share payable by the Offeror to the Vendor under the Sale and Purchase Agreement.

As at the date of this joint announcement, there are 280,000,000 Shares in issue and there are no outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Based on the Offer Price of HK\$1.2 per Offer Share, the entire issued share capital of the Company is valued at HK\$336,000,000. Upon Completion, the Offeror and parties acting in concert with it will be interested in 210,000,000 Shares, the total number of the Offer Shares will be 70,000,000 Shares. In the event that the Offer is accepted in full by other Independent Shareholders, the aggregate amount payable by the Offeror under the Offer will be HK\$84,000,000.

Offer Price

The Offer Price of HK\$1.2 per Offer Share represents:

- (i) a discount of approximately 34.1% to the closing price of HK\$1.82 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 34.4% to the average closing price of approximately HK\$1.83 per Share for the last five trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 30.6% to the average closing price of approximately HK\$1.73 per Share for the last ten trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 20.0% to the average closing price of approximately HK\$1.50 per Share for the last thirty trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 2.24 times over the audited net asset value of the Group attributable to the Shareholders of approximately HK\$0.37 per Share as at 31 December 2014.

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$2.02 on 3 June 2015 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.22 on 16, 17 and 27 March 2015.

Confirmation of Financial Resources

The Offeror intends to finance the Offer by way of internal financial resources. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Effect of Accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Overseas Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Stamp Duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay to the Stamp Office the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Tax Advice

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any person as a result of this acceptance or rejection of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer, net of seller's Hong Kong ad valorem duty, will be made as soon as possible but in any event within 7 business days (as defined under the Takeovers Code) from the date on which the duly completed acceptances of the Offer and the relevant documents of title of the Shares in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Other Arrangements

Save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner or parties acting in concert with it has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement:—

- (i) save for the Sale Shares and the 25,000,000 Shares already owned by the Offeror and parties acting in concert with it, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;
- (iii) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;

- (iv) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (v) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM since 2012. The Group is principally engaged in providing multi-media contact services and contact centre system in Hong Kong.

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 December 2013 and 2014 respectively, as extracted from the annual report of the Company for the year ended 31 December 2014.

	For the year ended	
	31 December	
	2014	2013
<i>HK\$ '000</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	176,044	169,741
Profit before tax	15,767	31,258
Profit attributable to owners of the Company	14,335	25,722

The audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2014 were approximately HK\$104.8 million, which was equivalent to approximately HK\$0.37 per Share and the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2013 were approximately HK\$96.6 million, which was equivalent to approximately HK\$0.35 per Share.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion (assuming that there are no other changes in the issued share capital and shareholding in the Company from the date of this joint announcement up to Completion):

	As at the date of this joint announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it (<i>Note 1</i>)	25,000,000	8.93%	210,000,000	75.00%
The Vendor (<i>Note 2</i>)	210,000,000	75.00%	25,000,000	8.93%
Other public Shareholders	45,000,000	16.07%	45,000,000	16.07%
Total	<u>280,000,000</u>	<u>100.00%</u>	<u>280,000,000</u>	<u>100.00%</u>

Notes:

1. The Offeror is interested in 25,000,000 Shares as at the date of this joint announcement and is wholly and beneficially owned by Mr. Tang Shing Bor. Prior to Completion, the Offeror's interest is regarded as part of the public float.
2. The Vendor is beneficially owned as to 47% by Mr. Wong Wai Hon Telly, 46% by Mr. Ling Chiu Yum, 5% by Ms. Chang Men Yee Carol and 2% by Ms. Ting Yee Mei respectively.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability. Save for holding 25,000,000 Shares and entering into the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation. The directors of the Offeror are Mr. Tang Shing Bor and his son, Mr. Tang Yiu Sing.

Mr. Tang Shing Bor is the sole ultimate beneficial owner of the Offeror. He has over 40 years' experience in property investment and development, food and beverage industry, and retail industry in Hong Kong.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the existing businesses of the Group. As at the date of this joint announcement, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this joint announcement, the Offeror has not identified such investment or business opportunities.

Save for the proposed change of composition of the Board as described below, the Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

Proposed Change of Composition of the Board

It is the current intention of the Offeror that each of Mr. Ling Chiu Yum, Mr. Wong Wai Hon Telly, Ms. Chang Men Yee Carol and Mr. Suen Fuk Hoi will resign as executive Director with effect from the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code.

Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement will be made as and when appropriate.

Maintaining the Listing Status of the Company

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Directors and the directors of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:—

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

GENERAL

Independent Board Committee

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting in respect of the Offer.

The Independent Board Committee, comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai, has been formed to advise the Independent Shareholders in respect of the Offer. Further announcement will be made as soon as possible after the Independent Board Committee has approved the appointment of the Independent Financial Adviser.

Despatch of Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the respective boards of the Offeror and the Company to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the Form of Acceptance and Transfer) in connection with the Offer setting out, among other things, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser (to be appointed) to the Independent Board Committee in respect of

the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders. Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

As the making of the Offer by the Offeror is subject to Completion having taken place and Completion is, subject to fulfilment and/or waiver (as the case maybe) of the Conditions, scheduled to take place on the Completion Date (being 4 September 2015 unless the Vendor and the Offeror agree on another date), the Offeror will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the Composite Document to the Shareholders to within 7 days after Completion.

Disclosure of Dealings

All associates of the Offeror and the Company respectively (including a person who owns or controls 5% or more of any class of relevant securities as defined in Note 4 to Rule 22 of the Takeovers Code) are hereby reminded to disclose their dealings in any relevant securities of the Company in accordance with Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in the relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 8 June 2015 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 11 June 2015.

WARNING

The Offer is a possibility only. Completion is conditional upon fulfillment and/or waiver (as the case may be) of the Conditions summarised in the section headed “Conditions Precedent” in this joint announcement and the Offer will only be made if Completion takes place. Accordingly, Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:—

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday, Sunday, public holiday or a day on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal in force in Hong Kong at any time between 7:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for transaction of business and banks in Hong Kong are generally open for normal banking business throughout their normal business hours
“Company”	ETS Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM (stock code: 8031)

“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	4 September 2015 or such other date as the Vendor and the Offeror may agree, or if such date is not a Business Day, the immediate following date which is a Business Day
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“Conditions”	the conditions precedent to Completion which are summarised in this joint announcement under the section headed “Conditions Precedent”
“Consideration”	consideration payable for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, being HK\$222,000,000
“Deposit”	the deposit of HK\$44,400,000, being 20% of the Consideration, which is subject to refund or forfeiture in accordance with the provisions set out in the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company from time to time
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement or similar encumbrance(s) whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance and Transfer”	the form of acceptance and transfer in respect of the Offer to be despatched together with the Composite Document
“GEM”	the Growth Enterprise Market 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
“Independent Board Committee”	the independent board committee of the Board, comprising all independent non-executive Directors, namely Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai, formed to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee in respect of the Offer
“Independent Shareholder(s)”	registered holders of the Shares, other than the Offeror and parties acting in concert with it
“Last Trading Day”	5 June 2015, being the last day on which Shares were traded before the suspension of trading in the Shares pending the release of this joint announcement
“Offer”	the unconditional mandatory cash offer for all the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) to be made by Yu Ming on behalf of the Offeror at the Offer Price following Completion
“Offer Period”	commencing from 10 June 2015, being the date of this joint announcement and ending on the date of the close of the Offer
“Offer Price”	HK\$1.2 per Offer Share
“Offer Share(s)”	70,000,000 Shares that are subject to the Offer
“Offeror”	Million Top Enterprises Limited, a company incorporated in Hong Kong with limited liability and the purchaser of the Sale Shares under the Sale and Purchase Agreement

“Offeror’s Guarantor”	Mr. Tang Shing Bor, being the sole ultimate beneficial owner of the Offeror
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as stated in the register of members of the Company is (are) outside Hong Kong
“Restricted Business”	the businesses undertaken by the Group in Hong Kong, which include (i) outsourcing inbound contact service (which includes but not limited to general enquiry hotlines, promotion hotlines, customer service hotlines, order hotlines, registration hotlines, emergency hotlines and helpdesk hotlines); (ii) outsourcing outbound contact service (which includes but not limited to telemarketing services, customer retention services, cross-selling and customer satisfaction surveys); (iii) staff insourcing service (which includes but not limited to the provision of contact service staff for customer service, telemarketing, data entry and other backend support); and (iv) contact service centre facilities management service (which includes but not limited to (a) leasing of contact centre facilities in the form of workstation, (b) IVRS hosting service and (c) contact centre system hosting solution)
“Restricted Period”	a period commencing from the Completion Date and ending on the date falling 2 years from the Completion Date
“Sale and Purchase Agreement”	the agreement dated 5 June 2015 entered into amongst the Offeror, the Vendor, the Offeror’s Guarantor and the Vendor’s Guarantors in relation to the sale and purchase of the Sale Shares
“Sale Shares”	185,000,000 Shares legally and beneficially owned by the Vendor, representing approximately 66.07% of the entire issued share capital of the Company as at the date of this joint announcement, and each a Sale Share
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) with a par value of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC
“Vendor”	Excel Deal Holdings Limited, a company incorporated under the laws of the British Virgin Islands, the controlling shareholder of the Company which is interested in 210,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement
“Vendor’s Guarantors”	Mr. Wong Wai Hon Telly and Mr. Ling Chiu Yum, being the beneficial owners as to 47% and 46% of the entire issued share capital of the Vendor respectively, and each an executive Director as at the date of this joint announcement
“Warranties”	means the warranties, representations and/or undertakings given or made by the Vendor and the Vendor’s Guarantors under the Sale and Purchase Agreement
“Yu Ming”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the board of directors
MILLION TOP ENTERPRISES LIMITED
Tang Yiu Sing
Director

By Order of the Board
ETS GROUP LIMITED
Wong Wai Hon, Telly
Chairman

Hong Kong, 10 June 2015

As at the date of this joint announcement, the directors of the Offeror are Mr. Tang Shing Bor and Mr. Tang Yiu Sing. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Vendor and parties acting in concert with them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Ling Chiu Yum (Honorary Chairman), Mr. Wong Wai Hon Telly (Chairman), Ms. Chang Men Yee Carol (Chief Executive Officer) and Mr. Suen Fuk Hoi (Company Secretary) as executive directors; and Mr. Wong Sik Kei, Mr. Ngan Chi Keung and Mr. Yung Kai Tai as independent non-executive directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

This announcement will remain on the “Latest Company Announcements” 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.