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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)

**SUPPLEMENTAL ANNOUNCEMENT TO
THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021
AND CHANGE IN USE OF PROCEEDS**

Reference is made to the annual report of ETS Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2021 (the “**Annual Report**”). Capitalised terms used herein shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

The Company would like to provide to the Shareholders and potential investors of the Company the following additional information to the Annual Report:

USE OF PROCEEDS FROM ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

As disclosed on page 66 of the Annual Report, the completion of the issue of the Convertible Bonds took place on 11 August 2021 and the net proceeds from the issue of Convertible Bonds amounted to approximately HK\$8.7 million. The status of the use of such net proceeds from the issue of Convertible Bonds during the year ended 31 December 2021 and as at the date of this announcement was as follows:

Purpose of net proceeds	Intended use of net proceeds	Actual use of net proceeds during the year ended 31 December 2021	Remaining balance of unutilised net proceeds as at 31 December 2021	Actual use of net proceeds as at the date of this announcement	Remaining balance of unutilised net proceeds as at the date of this announcement
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>	<i>('000)</i>
Expansion of the financial services business of the Group, including costs of hiring additional staff (“ Staff Hiring ”) for business development purposes of the Group’s securities and asset management business as and when suitable candidates are available (“ Financial Services Business Expansion ”)	6,200	–	6,200	1,183	5,017
Potential office relocation and renovation expenses of the Group’s securities and asset management business (“ Office Relocation ”)	1,500	807	693	807	693
Replenishment of working capital and general corporate purposes of the Group (“ Working Capital ”)	1,000	1,000	–	1,000	–
Total	8,700	1,807	6,893	2,990	5,710

As at the date of this announcement, the Group has applied approximately HK\$2,990,000 of the net proceeds from the issue of Convertible Bonds in accordance with the proposed applications as set out in the circular of the Company dated 15 July 2021. As at the date of this announcement, the unutilised net proceeds from the issue of Convertible Bonds amounted to approximately HK\$5,710,000 (the “**Unutilised Net Proceeds**”).

Since (i) the Company is continuing to identify suitable candidate(s) in respect of the Staff Hiring; and (ii) in light of the current market condition and the uncertainties brought about by the novel coronavirus disease (COVID-19) pandemic, the Company adopts a cautious and prudent approach in its investment strategy and expansion of its financial services businesses, it is expected that there will be a delay in the application of the Unutilised Net Proceeds. It is expected that the Unutilised Net Proceeds in respect of the Financial Services Business Expansion of approximately HK\$5,017,000 will be utilised on or before 31 December 2023.

Regarding the Unutilised Net Proceeds in respect of the Office Relocation of approximately HK\$807,000, given that the relocation and renovation of the Group's office of its securities and asset management business was already completed in December 2021, the Board has resolved to change the allocation of the Unutilised Net Proceeds in respect of the Office Relocation of approximately HK\$693,000, such that the remaining amount will be applied towards the Working Capital instead, which is expected to be utilised on or before 31 December 2022. The Board is of the view that the change in use of the Unutilised Net Proceeds in respect of the Office Relocation would not affect the business of the Group as a whole and would have allowed the Company to deploy its financial resources more efficiently and therefore, is in the best interests of the Company and its Shareholders as a whole.

The above additional information provided in this announcement does not affect other information contained in the Annual Report and save as disclosed above, the contents in the Annual Report remain unchanged.

By order of the Board

ETS Group Limited

Tang Yiu Sing

Executive Director and Chief Executive Officer

Hong Kong, 24 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yiu Sing and Mr. Yeung Ka Wing; and the independent non-executive directors of the Company 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 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 publication and on the Company's website at www.etsgroup.com.hk.