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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 PROVISION OF LOAN FACILITY TO  
AN INDEPENDENT THIRD PARTY**

**PROVISION OF LOAN FACILITY**

The Board announces that on 26 October 2022 (after trading hours of the Stock Exchange), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Facility Letter with the Borrower, the Mortgagor and the Guarantor, pursuant to which the Lender agreed to grant a secured loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 3 months at an interest rate of 14% per annum.

As security for the due and punctual performance of the Borrower's obligations under the Facility Letter, the Borrower has procured and (i) the Guarantor has executed the Guarantee in favour of the Lender and (ii) the Borrower and the Mortgagor have executed the Second Legal Charge in favour of the Lender.

**GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Facility Letter is/are more than 5% but less than 25%, the entering into of the Facility Letter constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## PROVISION OF LOAN FACILITY

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The Lender and the Borrower have not entered into any transactions within the past twelve months that need to be aggregated with the Loan pursuant to Rule 19.22 of the GEM Listing Rules.

The principal terms of the Facility Letter are set out as follows:

Date:	26 October 2022
Parties:	(a) Gear Credit Limited, as the Lender; (b) Hong Kong Credit Finance Limited, as the Borrower; (c) Central Pacific Limited, as the Mortgagor; and (d) Lui Tsz Leung, as the Guarantor
Principal amount of the Second Loan:	HK\$15,000,000  The Loan will be funded by internal resources of the Group
Interest rate:	14% per annum, payable monthly
Drawdown period:	The offer will be automatically withdrawn if the Borrower does not drawdown the Second Loan within seven (7) days from the date of the Facility Letter
Prepayment:	The Borrower shall have an option at any time to make early repayment of the whole or part of the Loan after the date of the loan drawdown, provided that (a) the Borrower shall have given to the Lender prior notice within reasonable time in writing of its intention to make such early repayment, specifying the amount to be repaid and the date on which the early repayment is to be made; and (b) the Borrower shall, on the date of early repayment, pay to the Lender all accrued interest on the amount to be early repaid

Repayment: Interest will be paid on monthly basis over the term of the loan and principal amount of the Loan will be repaid in one lump sum on 3 calendar months after the date of advance

Security: Secured by the Guarantee and the Second Legal Charge over the property located at Apartment 6A on 6/F & Car Parking Space No. 6A 12–14 Wong Nai Chung Gap Road, Hong Kong

## **Guarantee**

Pursuant to the terms of the Guarantee, the Guarantor provide a guarantee in favour of the Lender as security for, including but not limited to, the payment of all moneys, obligations and liabilities due, owing or incurred to the Lender under the terms of the Facility Letter and the Second Legal Charge.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Guarantor and its respective associate(s) are Independent Third Parties.

## **Second Legal Charge**

As security for the payment of all moneys, obligations and liabilities due, owing or incurred to the Lender under Facility Letter, the Borrower and the Mortgagor entered into the Second Legal Charge over the Property with a market value of approximately HK\$75,000,000 based on a valuation conducted by an independent property surveyor on 19 October 2022 in favour of the Lender.

The terms of the Facility Letter were determined at after arm's length negotiations between the Lender, the Borrower and the Mortgagor with reference to the prevailing commercial practice, the financial background of the Borrower, the market value of the security provided and the amount of the Loan.

## **INFORMATION OF THE BORROWER, MORTGAGOR AND THE GUARANTOR**

The Borrower is a company incorporated in Hong Kong with limited liability and is wholly-owned by TSIM Ming Chui. The Mortgagor is a company incorporated in the Hong Kong with limited liability and is wholly-owned by Mr. LUI Tsz Leung. The Guarantor is a merchant.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, save as disclosed above, each of the Borrower, the Mortgagor, the Guarantor and its ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SECOND FACILITY LETTER**

The Company is an investment holding company and the Group is principally engaged in providing comprehensive multi-media contact services, contact centre system, staff insourcing and financial services in Hong Kong. The Lender, being an indirect wholly-owned subsidiary of the Company, is principally engaged in the provision of financial services including commercial and personal lending. The Lender is a registered money lender holding a money lender's licence under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). The Directors are of the view that the entering into of the Facility Letter is a transaction carried out as part of the ordinary and usual course of business of the Group.

The entering into of the Facility Letter is subject to, inter alia, the satisfaction of credit assessment of the Borrower, Mortgagor and the Guarantor by the Lender including but not limited to assessing the value of the Property by an independent property surveyor. Taking into account that the Loan was granted for a short term with collaterals provided by the Mortgagor, the Directors consider that the credit risks are low.

Taking into consideration that (i) the provision of money lending services to the Borrower by the Lender pursuant to the Facility Letter is in the ordinary and usual course of business of the Group and will generate stable revenue to the Group from the interest income; and (ii) the terms of the Facility Letter were determined at after arm's length negotiations between the Group, the Borrower, the Mortgagor and the Guarantor with reference to the prevailing commercial practice, the financial background of the Borrower, the market value of the security provided and the amount of the Loan, the Board (including the independent non-executive Directors) considers that (i) the Facility Letter was entered into in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms of the Facility Letter is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Facility Letter is/are more than 5% but less than 25%, the entering into of the Second Facility Letter constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

“Board”	board of Directors of the Company
“Borrower”	Hong Kong Credit Finance Limited, a company incorporated in Hong Kong with limited liability
“Company”	ETS Group Limited (Stock code: 8031), a company incorporated in Cayman Islands with limited liability, the Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“Facility Letter”	the facility letter dated 26 October 2022 and entered into amongst the Lender, the Borrower, the Mortgagor and the Guarantor in relation to the grant of the Loan in the principal amount of HK\$15,000,000 to the Borrower for a term of 3 months at an interest rate of 14% per annum
“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
“Guarantee”	the guarantee dated 26 October 2022 and executed by the Guarantor in favour of the Lender, pursuant to which, the Guarantor shall provide a guarantee in favour of the Lender as security for, including but not limited to, the payment of all moneys, obligations and liabilities due, owing or incurred to the Lender under the terms of the Facility Letter and the Second Legal Charge
“Guarantor”	Mr. Lui Tsz Leung, an individual who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party and is not connected with other existing borrowers of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China

“Independent Third Party”	Person who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Lender”	Gear Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Loan”	the secured term loan facility in the amount of HK\$15,000,000 granted by the Lender to the Borrower pursuant to the Facility Letter
“Mortgagor”	Central Pacific Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Mr. LUI Tsz Leung
“Property”	a property located at Apartment 6A on 6/F & Car Parking Space No. 6A 12–14 Wong Nai Chung Gap Road, Hong Kong with a total saleable area of approximately 2,480 sq. feet
“Second Legal Charge”	an all monies second legal charge over a commercial property located in Hong Kong provided in favour of the Lender as security for the Facility Letter
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 26 October 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](http://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](http://www.etsgroup.com.hk).*