

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ETS GROUP LIMITED
易通訊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8031)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of ETS Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.*

FINANCIAL SUMMARY

The Group's total revenue for the nine months ended 30 September 2023 was approximately HK\$57,941,000 representing a decrease of approximately 8.1% as compared with the total revenue of approximately HK\$63,077,000 for the corresponding period in 2022.

Profit attributable to owners of the Company for the nine months ended 30 September 2023 was approximately HK\$5,623,000 as compared with the profit attributable to owners of the Company of approximately HK\$1,949,000 for the corresponding period in 2022.

Profit per share for the nine months ended 30 September 2023 was approximately HK1.9 cents (Profit per share for nine months ended 30 September 2022: approximately HK0.7 cents).

The board of Directors recommends the payment of an interim dividend of HK15 cent per share for the nine months ended 30 September 2023 (2022: nil).

UNAUDITED RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2023 together with the comparative figures for the corresponding periods ended 30 September 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	19,844	20,831	57,941	63,077
Other income		2,000	2,500	8,537	4,893
Other gain/(losses) – net		(1)	(44)	9	(89)
Employee benefits expenses		(16,531)	(16,769)	(49,336)	(51,565)
Depreciation and amortization		(533)	(1,598)	(1,762)	(4,908)
Other operating expenses		(2,753)	(4,200)	(8,779)	(8,664)
Share of loss of an associate		(45)	–	(194)	–
Operating profit		1,981	720	6,416	2,744
Finance costs		(476)	(5)	(506)	(122)
Profit before tax		1,505	715	5,910	2,622
Income tax expense	4	(40)	(185)	(287)	(673)
Profit for the period		1,465	530	5,623	1,949
Total comprehensive income for the period		1,465	530	5,623	1,949
Profit attributable to owners of the Company		1,465	530	5,623	1,949
Total comprehensive income attributable to owners of the Company		1,465	530	5,623	1,949
Earnings per share attributable to owners of the Company – Basic and diluted (HK cents)	6	0.5	0.2	1.9	0.7

NOTES TO THE FINANCIAL INFORMATION

For the nine months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 June 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 9 January 2012 (the “Listing Date”).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group’s unaudited condensed consolidated third quarterly financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and basis adopted in preparing the unaudited condensed consolidated third quarterly financial information were consistent with those applied for the consolidated financial statements of the Group for the year ended 31 December 2022.

The HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”). For those which are effective for accounting periods beginning on or after 1 January 2023, the adoption has no material impact on how the results and financial positions of the Group for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

3. REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Outsourcing inbound contact service	3,475	3,174	10,054	9,109
Staff insourcing service	12,876	11,522	36,481	34,891
Contact service centre facilities management service	2,099	3,106	7,091	9,521
Financial services	529	884	1,694	4,755
Others	865	2,145	2,621	4,801
	<u>19,844</u>	<u>20,831</u>	<u>57,941</u>	<u>63,077</u>

4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at a rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the nine months period ended 30 September 2023.

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax	<u>40</u>	<u>185</u>	<u>287</u>	<u>673</u>

No provision for deferred taxation has been made in the financial statements since there is no material timing difference.

5. INTERIM DIVIDENDS

The Board recommends the payment of an interim dividend of HK15 cent per share for the nine months ended 30 September 2023 (2022: nil).

6. EARNINGS PER SHARE

The calculation of basic earnings per share for the nine months ended 30 September 2023 is based on (i) the unaudited consolidated profit attributable to the owners of the Company of approximately HK\$5,623,000 (Profit attributable to the owners of the Company for nine months ended 30 September 2022: approximately HK\$1,949,000) and (ii) the weighted average number of 295,625,000 ordinary shares issued during the nine months ended 30 September 2023 (during the nine months ended 30 September 2022: the weighted average number of 280,000,000 ordinary shares issued).

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the nine months ended 30 September 2023 and nine months ended 30 September 2022.

7. MOVEMENT OF RESERVES

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Convertible bonds equity reserve HK\$'000	Merger reserve HK\$'000	Retained profits HK\$'000	
Balance as at 31 December 2021 (audited) and 1 January 2022	2,800	25,238	1,734	25,624	43,751	99,147
Profit for the period	-	-	-	-	1,949	1,949
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,949	1,949
Balance at 30 September 2022 (unaudited)	2,800	25,238	1,734	25,624	45,700	101,096
Balance as at 31 December 2022 (audited) and 1 January 2023	2,800	25,238	1,734	25,624	34,455	89,851
Profit for the period	-	-	-	-	5,623	5,623
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	5,623	5,623
Final Dividend paid	-	-	-	-	(4,200)	(4,200)
Balance at 30 September 2023 (unaudited)	2,800	25,238	1,734	25,624	35,878	91,274

8. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED RESULTS

The unaudited condensed consolidated results of the Group for the nine months ended 30 September 2023 were approved by the Board on 6 November 2023.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK15 cent per share amounting to approximately HK\$44.30 million for the nine months ended 30 September 2023 (2022:Nil), which will be payable on Thursday, 30 November 2023 to the shareholders of the Company whose names appear on the Register of Members of the Company on Thursday, 23 November 2023.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 21 November 2023 to Thursday, 23 November 2023, on which date no share transfers will be registered. To qualify for the interim dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 November 2023.

FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

Description of the investments	Carrying amount as at 30 September 2023 <i>HK\$'000</i>
Unlisted equity securities at cost (FAFVTPL I)	–
Unlisted equity securities at cost (FAFVTPL II)	1,260
Total	<u>1,260</u>

FAFVTPL I

During 2019, the Group acquired an aggregate amount of 2,470 Shares of an unlisted company incorporated in Hong Kong, Oneshop limited (“**Oneshop**”), at approximately HK\$2 million representing approximately 18% of the total issued share capital of Oneshop. As at 30 September 2023, the Group held 2,470 Shares with no carrying amount after recording the impairment of the investment of FAFVTPL II in the year 2020.

FAFVTPL II

The Group invested 165,385 shares of Hong Kong Virtual Asset Exchange Limited (“VAX”) at HK\$12.9 million in VAX. VAX is an unlisted company currently applying to the SFC for obtaining licenses to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO for the regulation of virtual asset trading platforms in Hong Kong.

As at 30 September 2023, the Group held 165,385 shares which amount to carrying amount of approximately HK\$1,260,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

The Group is continuously engaged in the business of providing comprehensive multi-media contact services and contact centre system and financial services. The principal activities of the Group include provisions of outsourcing inbound contact service, outsourcing outbound contact service, staff insourcing service, contact service centre facilities management service and financial services.

The Hong Kong economy continued to revive in the third quarter of 2023, supported by inbound tourism and private consumption. Although the GDP and more detailed statistics for the third quarter of this year yet to be released, it is believed that the inbound tourism and private consumption will continue to underpin the local economic growth for the rest of the year. However, the difficult global economic environment and the evolving geopolitical situation will continue to weigh on Hong Kong’s economic performance in the near term.

The seasonally adjusted unemployment rate stayed low at 2.8% in July – September 2023, same as the level in June – August 2023. The underemployment rate also remained unchanged at 1.0% and the number of unemployed persons stayed low at 114,000. The exceptionally low unemployment rate, coupled with the mass migration wave and growth in aging population in the past years, resulted in an extremely tight labour market which in turn has driven up the difficulties and cost of hiring in Hong Kong. The Group has continued to expand our recruiting channels and resources so as to catch up with the demand of our insourcing services.

On 12 October 2023, Eastside Fortune (a direct wholly-owned subsidiary of the Company) entered into (i) the sales and purchase agreements with Ji Tao, Gu Lina and Huan Shuangyuan to dispose of in aggregate the entire equity interest in Gear Future Limited and its subsidiaries collectively Gear Asset Management Limited, which engages in asset management business and Gear Securities Investment Limited, which engages in trading of securities and provision of consultancy services related to securities (“**Disposal**”). The management of the Group is of the view that the Disposal provides a good opportunity for the Group to realize its investment in the Target Group and the proceeds from the Disposal. Moreover, the management of the Group is able to stay our focus on the sustainable development of providing comprehensive multi-media contact services.

The Group will continue to focus on expanding our system solutions business. We have strengthened our software development team to address the additional service demand and keep incorporating new developments, through our own R&D or cooperation with external partners, to our proprietary Marvel Contact Centre System in order to maintain our competitiveness in the system solution market.

Looking forward, improving local economic outlook, momentum of various service segments in the second half of the year and better focus in our core business, the management of the Group believed business growth will continue to extend into the coming year.

Conversion of Convertible Bonds

References are made to the announcement dated 11 August 2023. Under the terms and conditions of the convertible bonds, the subscriber, Pine Care Titanium Limited (“**Subscriber**”) converted HK\$9.5 million into 15,625,000 conversion shares at the conversion price of HK\$0.608 per conversion share, which represents (i) approximately 5.58% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.29% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares on 21 August 2023.

Since the closing price per Share as quoted on the Stock Exchange on the Maturity Date of HK\$0.46 was lower than the then applicable Conversion Price on the Maturity Date of HK\$0.608, under the terms and conditions of the Convertible Bonds, the Company shall pay to the Subscriber an amount in cash equivalent to the difference between (a) 105% of the Remaining Principal Amount at Maturity; and (b) the multiplication of such number of Conversion Shares issued by the Company by virtue of the Mandatory Conversion Mechanism at Maturity and the closing price of the Share as quoted on the Stock Exchange on the Maturity Date. Accordingly, the Company had paid HK\$2,787,500 to the Subscriber.

Financial review

For the nine months ended 30 September 2023, the Group's unaudited total revenue was approximately HK\$57.9 million, representing a decrease of approximately HK\$5.2 million as compared with the total revenue of the corresponding period in 2022 (2022: approximately HK\$63.1 million). The other income increased from approximately HK\$4.9 million for the nine months ended 30 September 2022 to approximately HK\$8.5 million for the nine months ended 30 September 2023 mainly due to recovery of allowance for expected loss of the financial assets.

The unaudited employee benefits expenses decreased from approximately HK\$51.6 million for the nine months ended 30 September 2022 to approximately HK\$49.3 million for the nine months ended 30 September 2023. The decrease of employee benefits expenses was mainly due to cease to employ the contact centre agents. The unaudited other operating expenses slightly increased from approximately HK\$8.7 million for the nine months ended 30 September 2022 to approximately HK\$8.8 million for the nine months ended 30 September 2023. The other operating expenses mainly include expected credit loss, auditors' remuneration, insurance, legal and professional expenses, expenses relating to short-term leases and rates, repair and maintenance, subcontracting expenses, telephone expenses, travelling, entertainment and utilities expenses.

The Group's unaudited depreciation and amortization expenses decreased from approximately HK\$4.9 million for the nine months ended 30 September 2022 to approximately HK\$1.8 million for the nine months ended 30 September 2023. The unaudited finance costs remained increased from approximately HK\$0.1 million for the nine months ended 30 September 2022 to approximately HK\$0.5 million for the nine months ended 30 September 2023.

The increase of profit was mainly attributed to increase of other income in related to the recovery of the expected loss of the financial assets.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Corporate Governance Code (the "Code") in Appendix 15 to the GEM Listing Rules throughout the nine months ended 30 September 2023.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specified enquiry on the Directors, all Directors confirmed that they have complied with the required standard of dealings concerning securities transactions for the nine months ended 30 September 2023.

SHARE OPTION SCHEME

During the nine months ended 30 September 2023, no share option was granted, exercised, expired or lapsed under the share option scheme conditionally adopted by the shareholders of the Company on 4 May 2021 and became unconditional on 6 May 2021 (the “**Share Option Scheme**”).

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Apart from the Share Option Scheme, at no time during the nine months ended 30 September 2023 was any of the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the Shares in, or debentures of, the Company, or had exercised any such rights.

NON-COMPETITION UNDERTAKING

As disclosed in the announcement of the Company dated 24 October 2019, Gear Credit Limited (“**Gear Credit**”), which is an indirect wholly-owned subsidiary of the Company, has obtained a money lender’s licence under the Money Lenders Ordinance (“**MLO**”) and commenced its money lending business.

Prior to the commencement of business of Gear Credit, on 21 October 2019, Mr. Tang Shing Bor (“**Mr. Tang**”) (our Chairman and non-executive Director until 14 May 2021 when he passed away), Mr. Tang Yiu Sing (“**Mr. YS Tang**”) (our Chief Executive Officer and executive Director), H.K. Sources Finance Limited (“**HK Sources**”) and Kong Way Credit Company Limited (“**Kong Way**”, together with Mr. Tang, Mr. YS Tang and HK Sources, the “**Covenantors**”) entered into a deed of non-competition (the “**Deed of Non-competition**”) in favour of the Company (for itself and as trustee of the members of the Group) with a view to safeguard the interest of the Company and the Shareholders as a whole.

As at the date of the Deed of Non-competition, (i) Mr. Tang is the controlling shareholder of HK Sources, which is a company incorporated in Hong Kong with limited liability and a holder of a money lender’s licence under the MLO and is principally engaged in the provision of mortgage loan; and (ii) Mr. YS Tang is the sole shareholder of Kong Way, which is a company incorporated in Hong Kong with limited liability and a holder of a money lender’s licence under the MLO and is principally engaged in the provision of loans for individuals and small and medium enterprises. Subject to the terms and conditions of the Deed of Non-competition, each of the Covenantors irrevocably and unconditionally, jointly and severally, undertakes to and covenants with the Company (for itself and as trustee for the benefit of the members of the Group) that during the continuation of the Deed of Non-competition, other

than the aforementioned shareholding interests held by Mr. Tang and Mr. YS Tang in HK Sources and Kong Way respectively, each of the Covenantors shall not, and shall procure each of his/its close associates (other than any members of the Group) not to, whether on his/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group (including but not limited to the provision of comprehensive multi-media contact services, contact centre system, staff insourcing and financial services engaged by the Group and the money lending business engaged by the Group through Gear Credit and/or other member(s) of the Group) in Hong Kong and any other country or jurisdiction to which the Group markets, supplies or otherwise provides such service and/or in which any members of the Group carries on business mentioned above from time to time (the “**Restricted Business**”).

Each of the Covenantors further undertakes that if he/it and/or any of his/its close associates is offered or becomes aware of any project or new business opportunity (“**New Business Opportunity**”) that relates to the Restricted Business, whether directly or indirectly, he/it shall: (i) promptly in any event not later than three (3) Business Days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use his/its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to him/it and/or his/its close associates. If the Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within five (5) Business Days (the “**5-day Offering Period**”) of receipt of notice from the Covenantors, the Covenantors and/or his/its close associates shall be permitted to invest in or participate in the New Business Opportunity on his/its own accord. The Covenantors agree to extend the five (5) Business Days to a maximum of ten (10) Business Days if the Company requires so by giving a written notice to the Covenantors within the 5-day Offering Period.

As disclosed in the Company’s 2022 Annual Report, the Company had received written notices from all of the Covenantors in respect of any New Business Opportunity which competed or was likely to compete with the existing business of the Group which was offered or came to the knowledge of the Covenantors or their close associates (other than any member of the Group). Each of the Covenantors has made an annual declaration to the Company in respect of his/its compliance with his/its obligations under the Deed of Non-competition for the year ended 31 December 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed above, so far as the Directors are aware of, none of the Directors or the substantial/controllers shareholders of the Company has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group as at 30 September 2023.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company (the “**Chief Executives**”) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or Chief Executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register required to be kept by the Company, or which were required, pursuant to Securities Transactions by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

Name of Directors/ Chief Executives	Capacity	Nature of interests	Number of shares/ underlying shares held	Approximate percentage of the issued share capital of the Company as at 30 September 2023
Tang Yiu Sing	Joint administrator of the late Mr. Tang Shing Bor's estate	Corporate interest	210,000,000 <i>(Note)</i>	71.04%

Note: These interests were held by Million Top Enterprises Limited under the late Mr. Tang Shing Bor's estate. Mr. Tang Shing Bor passed away on 14 May 2021 and his interests in the Shares form part of his estate.

Save as disclosed above, as at 30 September 2023, none of the Directors and/or Chief Executive had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the Securities Transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND/OR UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 30 September 2023, the following persons (not being a Director or Chief Executive) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Name of substantial shareholders	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital of the Company as at 30 September 2023
Tang Yiu Man Raymond	Joint administrator of the late Mr. Tang Shing Bor's estate	210,000,000 (Note 1)	71.04%
Million Top Enterprises Limited	Beneficial owner	210,000,000	71.04%
Pine Care Group Limited ("Pine Care Group")	Interest in a controlled corporation	15,625,000	5.29%

Name of substantial shareholders	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital of the Company as at 30 September 2023
Pine Care Titanium Limited (“Pine Care Titanium”) (Note 2)	Beneficial owner	15,625,000	5.29%
Chime Corporation Limited (“Chime Corporation”) (Note 3)	Interest in a controlled corporation	15,625,000	5.29%
Jong Yat Kit	Joint and several administrator of Chime Corporation Limited	15,625,000	5.29%
Wong Tak Wai	Joint and several administrator of Chime Corporation Limited	15,625,000	5.29%

Notes:

1. These interests were held by Million Top Enterprises Limited under the late Mr. Tang Shing Bor’s estate. Mr. Tang Shing Bor passed away on 14 May 2021 and his interests in the Shares form part of his estate.
2. These interests were held by Pine Care Titanium after the conversion of the convertible bonds in a principal amount of HK\$9,500,000 at a conversion price of HK\$0.608 per conversion share into a total of 15,625,000 conversion shares issued and allotted by the Company on 11 August 2023. Pine Care Titanium was wholly and beneficially owned by Pine Care Group.
3. Chime Corporation Limited indirectly and substantially owns Pine Care Group.

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any other persons (other than Directors or Chief Executive) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2023 and is of the opinion that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the listed securities of the Company for the nine months ended 30 September 2023.

By order of the Board

ETS Group Limited

Tang Yiu Sing

Executive Director and Chief Executive Officer

Hong Kong, 6 November 2023

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. Cheung Kong Ting, Mr. Wong Kam Tai and Ms. Kwong Yuk Ying.

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.