
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in **ATLINKS GROUP LIMITED** (the “Company”), you should at once hand this circular, with the accompanying proxy form, to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ATLINKS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser

FRONTPAGE 富比

Capitalised terms used in the cover page shall have the same meanings as those defined in this circular.

This circular, for which the Directors of the Company 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 circular 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 circular misleading.

A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee is set out on page 13 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 25 of this circular.

A notice convening the EGM of the Company to be held at Equity Financial Press Limited, 2/F, 100 QRC, 100 Queen’s Road Central, Central, Hong Kong on Monday, 10 January 2022 at 2:00 p.m. is set out on pages 30 to 31 of this circular.

Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the completed proxy form to the Company’s share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the EGM or adjourned meeting as the case may be. Submission of a proxy form shall not preclude you from attending the EGM or any adjournment of such meeting and voting in person should you so wish and in such event, the proxy form will be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing novel coronavirus (“COVID-19”) outbreak, mass gatherings would potentially impose significant risk in terms of the spread of the virus. For the safety of our Shareholders, staff and stakeholders, the Company encourages Shareholders to appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of attending the EGM in person, by completing and returning the form of proxy accompanying this circular in accordance with the instructions printed thereon.

Shareholders and other persons attending the EGM should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the EGM, including:

- (a) Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue;
- (b) Every Shareholder or proxy is required to wear surgical face mask throughout the meeting, not wearing surgical face mask will not be permitted access to the meeting venue;
- (c) No corporate gifts will be distributed;
- (d) No refreshment will be served;
- (e) Hand sanitizer will be available at the entrance of the venue; and
- (f) Other safe distancing measures as appropriate.

The Company seeks the understanding and cooperation of all Shareholders to minimize the risk of spreading COVID-19.

This circular, together with a form of proxy will remain on the GEM’s website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.atlinks.com.

CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Atlinks Asia”	Atlinks Asia Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company”	Atlinks Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8043)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Equity Financial Press Limited, 2/F, 100 QRC, 100 Queen’s Road Central, Central, Hong Kong on Monday, 10 January 2022 at 2:00 p.m., Hong Kong for the Independent Shareholders to consider the resolutions set out in the EGM Notice, and any adjournment thereof
“EGM Notice”	the notice included in this circular in respect of the EGM to consider and, if thought fit, approve the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, namely Ms. Lam Lai Ting Maria Goretti, Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine
“Independent Financial Adviser”	Frontpage Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders with regard to the transactions contemplated under the Kan Tsang Framework Agreement
“Independent Shareholders”	Shareholders other than those who have a material interest in the Kan Tsang Framework Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the GEM Listing Rules) of the Company and is/are independent of the Company and the connected person(s) of the Company (as defined under the GEM Listing Rules)
“Kan Tsang”	Kan Tsang New Technology Development Limited, a company incorporated in Hong Kong and wholly owned by Mr. Long Hak Kan
“Kan Tsang Framework Agreement”	the framework agreement entered into between Atlinks Asia and Kan Tsang on 29 November 2021, pursuant to which Atlinks Asia agrees enter into agreements to purchase and Kan Tsang agrees to manufacture and sell the Products for a term of three years commencing from 1 January 2022 and ending on 31 December 2024
“Latest Practicable Date”	17 December 2021, being the latest practicable date for the purposes of ascertaining certain information contained in this circular
“percentage ratios”	the percentage ratios as defined under Rule 19.07 of the GEM Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Products”	cordless phone products with Atlinks Asia’s software masked onto the CPU
“Proposed Annual Caps”	the proposed annual caps under the Kan Tsang Framework Agreement for each of the three years ending 31 December 2022, 2023 and 2024
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“TOHL”	Talent Ocean Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 51% and 49% by Ms. Chu Lam Fong and Mr. Tong Chi Hoi respectively
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD

ATLINKS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8043)

Executive Directors:

Mr. Tong Chi Hoi (*Chief Executive Officer*)
Mr. Jean-Alexis René Robert Duc
Ms. Ho Dora
Mr. Long Shing

Registered Office:

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Non-executive Directors:

Mr. Long Hak Kan (*Chairman*)
Mr. Didier Paul Henri Goujard

*Head office and principal place of
business in Hong Kong:*

Unit 1818, 18/F
Nan Fung Commercial Centre
19 Lam Lok Street
Kowloon Bay
Hong Kong

Independent Non-executive Directors:

Ms. Lam Lai Ting Maria Goretti
Ms. Chan Cheuk Man Vivian
Mr. Lee Kit Ying Catherine

22 December 2021

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company on 29 November 2021, in relation to, among others, the Kan Tsang Framework Agreement conditionally entered into between Atlinks Asia and Kan Tsang for the manufacture and purchase of the Products.

The purpose of this circular is to provide you with, among other things (i) further information on the details of the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM.

THE KAN TSANG FRAMEWORK AGREEMENT

On 29 November 2021, Atlinks Asia, an indirect wholly-owned subsidiary of the Company, and Kan Tsang entered into the Kan Tsang Framework Agreement pursuant to which, Atlinks Asia will procure Kan Tsang to manufacture and purchase from Kan Tsang the Products subject to the terms and conditions thereof.

LETTER FROM THE BOARD

PRINCIPAL TERMS

The principal terms of the Kan Tsang Framework Agreement are as follows:

Date

29 November 2021

Term

The term of the Kan Tsang Framework Agreement is three years commencing from 1 January 2022 to 31 December 2024.

Parties

- (i) Atlinks Asia; and
- (ii) Kan Tsang

Scope of Transactions

The Parties agreed with each other that, Atlinks Asia or members of the Group and Kan Tsang may enter into, the standard program placement agreements during the Term for the purchase of the Products in the ordinary and usual course of business within the limit of the Proposed Annual Caps. Each such program placement agreement is to be made on arm's length basis and be on normal commercial terms.

Pricing Policy

The pricing for the Products will be on normal commercial terms and negotiated on an arm's length basis, on similar basis as the Group transacts business with other independent third party vendors and shall be on terms which are no less favourable to the Group than those provided by independent third party vendors or which Kan Tsang provides to Independent Third Parties for similar products.

To ensure the price provided by Kan Tsang shall be no less favourable to the Group, Atlinks Asia shall obtain independent quotations from at least two unrelated third-party vendors to manufacture and sell the Products not less frequently than on a semi-annual basis. To determine the adequacy of obtaining quotations on a semi-annual basis, the Group has taken into account the historical purchase prices for the Products, which have remained stable throughout 2021. As such, it considered that conducting the exercise on a semi-annual basis was sufficient to ensure the price provided was no less favourable to the Group.

The details of the Product prices are generally fixed in individual placement agreements or purchase orders entered into between the Group and its vendors from time to time. The final price for the Product purchased from Kan Tsang shall, in any event, be lower than that as quoted by two unrelated third-party vendors mentioned

LETTER FROM THE BOARD

above. Kan Tsang has provided an undertaking to the Group not to supply the Products or other cordless phone product to any third party. In the event that Kan Tsang obtains consent from the Group to sell cordless phone products to third parties, the Group shall require Kan Tsang to provide the price of such products offered to third party customers for reference checking.

Payment Terms

Among others, the purchase price, payment time and method, delivery times, product specifications and other specific terms or conditions for the transactions contemplated under the Kan Tsang Framework Agreement shall be fixed in individual placement agreements or purchase orders on a case-by-case basis. Such terms will differ depending on the particular requirements of the products to be purchased and will normally be settled by way of electronic funds transfer made within 90 days.

PROPOSED ANNUAL CAPS

The Directors estimate that the maximum amount of purchases for the Products under the Kan Tsang Framework Agreement on an annual basis will not exceed the Proposed Annual Caps below for each of the three years ending 31 December 2024:

Financial Period	Proposed Annual Caps US\$'000
For the year ending 31 December 2022	8,000
For the year ending 31 December 2023	8,500
For the year ending 31 December 2024	9,000

Basis for determining the Proposed Annual Caps

In arriving at the Proposed Annual Caps, the Directors have taken into account the following major factors: (i) the historical purchase amounts for the Products for the two years ended 31 December 2020 and ten months ended 31 October 2021 as set out below; (ii) estimated demand for the Products based on the purchase orders placed by the Group and the projections for the remainder of 2021 and the potential further increase in purchases upon the expected launch of a new model of cordless phone in the first quarter of 2022; (iii) the prevailing quoted price for the Products offered to the Group by Kan Tsang and other Independent Third Party vendors. In particular, the Directors took the estimated purchase amount for the year ending 31 December 2021 as a baseline, and calculated an increase in the volume purchased of approximately 16% mainly due to the combined effects of (i) removal of the production limitations of the Original Vendor which hindered the overall purchase amounts for the Products in 2021 and the resulting purchase pressure imposed on the Group in 2021 (which amounted to approximately 9% of annual purchase quantities as at 31 October 2021) and (ii) the expected purchases with respect to the launch of the new model of cordless phone product (with Atlinks Asia's software masked onto the CPU) estimated based on the average purchase volume placed for new models of Products launched by the Group

LETTER FROM THE BOARD

during 2020 and 2021 which is expected to contribute to an additional annual purchase quantities of approximately 10%, and taking into account the lower average purchase price for the Products quoted by Kan Tsang to arrive at the Proposed Annual Caps for the year ending 31 December 2022, and thereafter a conservative growth rate of approximately 6% per annum for the two years ending 31 December 2023 and 2024, in light of the Group's strategy to drive growth and promote the Products in the coming three years.

In consideration of the above, the Directors consider that the Proposed Annual Caps for the Kan Tsang Framework Agreement are fair and reasonable.

HISTORICAL PURCHASE AMOUNTS

The historical transaction amounts for the purchases of the Products by the Group are as follows:

Financial Period	Purchase amount <i>(Note)</i> <i>US\$'000</i>
Year ended 31 December 2019	3,319
Year ended 31 December 2020	7,181
Ten months ended 31 October 2021	5,940

Note: The purchase amounts for the Products represented approximately 12.7%, 30.3% and 27.1% of the total cost of sales of the Group for the two years ended 31 December 2019 and 2020 and the ten months ended 31 October 2021, respectively.

By extrapolating the purchase amount for the Products for the ten months ended 31 October 2021 and based on the current purchase orders placed by the Group for the Products, the Group estimates the annual purchase amount for the Products for the year ending 31 December 2021 will be approximately US\$7.2 million.

As at the Latest Practicable Date, the Group had been purchasing the Products under an existing purchasing agreement with an independent vendor (the "**Original Vendor**"), which is based in Shenzhen, PRC.

REASONS FOR AND BENEFITS OF THE KAN TSANG FRAMEWORK AGREEMENT

As part of the Group's ongoing cost control measures, the Group has attempted to negotiate with the Original Vendor to provide the Products at a lower cost to the Group given the increasing scale of production, but the Original Vendor was unable or unwilling to provide the Products at a more favourable price point.

The Group has also reached out to the Group's other existing vendors to negotiate opening new production lines for production of the Products at more favourable rates than that provided by the Original Vendor. The Group was informed by the other existing vendors that none of them could provide the Products at a lower price point.

LETTER FROM THE BOARD

Thus, the Group explored other options to seek suitable vendors (i) to fulfill its demand for higher production capacity at a more favourable price point (as part of the Group's cost control measures) in line with the Group's expected increase in demand for the Products; (ii) with the relevant technical expertise to produce the Products to the quality and technical specifications required by the Group; (iii) with well-established production facilities to provide a stable and reliable supply of the Products; and (iv) that can satisfy the Group's production capacity needs (for easier quality control and better operation and production efficiency). An option considered by the Group was to engage a new third-party vendor with production facilities located in Shenzhen and Vietnam. Preliminary discussions and negotiations began in early October 2021, however, after a thorough evaluation was conducted on production of a model of the Product, the potential vendor concluded in mid-November 2021 that it would be unable to quote at a lower price point than the Original Vendor, citing constraints in machinery and significant labour time for assembly. In light of the same, the Group's management considered it may not be feasible to engage new third-party vendors that could meet the requirements above in time to support the Group's expected growth in production for the coming year.

Therefore, one of the options explored was engaging Kan Tsang, a business owned by Mr. Long Hak Kan as a replacement vendor for the Products on a non-exclusive basis. The Group had considered the manufacturing capabilities and in-depth knowledge in wireless product solutions of Kan Tsang by referencing to product range, customer list and factory audit reports. The Group also considered that as there were no fixed obligations to purchase the Products from Kan Tsang in the Kan Tsang Framework Agreement, it was free to engage other independent vendors if they could provide the Products on more favourable terms. After exploring other available options, including obtaining quotations and terms from other independent vendors, it was decided that Kan Tsang could offer more competitive pricing for the Products while maintaining the same standard in terms of specifications, quality, delivery times, etc.

INFORMATION OF THE PARTIES

Information on the Company and Atlinks Asia

The Group is principally engaged in designing, developing and selling home and office telecommunication products to retailers, telecommunication operators and distributors customers all around the world under three brands, namely Alcatel, Swissvoice and Amplicomms. Atlinks Asia is an indirect wholly owned subsidiary of the Company, principally engaged in the trading and development of telecommunications equipment.

Information on Kan Tsang

Kan Tsang is principally engaged in the research and development, design and manufacturing of electroacoustic products and components for reputable Chinese and overseas companies in the information and communications technology sector. Kan Tsang is a company incorporated in Hong Kong and wholly owned by Mr. Long Hak Kan.

LETTER FROM THE BOARD

INTERNAL CONTROLS

The Company has adopted the following internal control measures to ensure that the continuing connected transactions are in accordance with the terms of the Kan Tsang Framework Agreement and are not less favourable than those available from Independent Third Parties:

1. the Company will supervise the continuing connected transaction in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The Director of Products & Asia Operations Management of the Group will conduct regular checks to review and assess whether the transactions contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of the Kan Tsang Framework Agreement, with the Head of Operations & Logistics and the Group Financial Controller to monitor the transaction amounts not less frequently than on a quarterly basis to ensure the relevant annual caps is not exceeded, and for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing policy. In particular the relevant costing team, headed by the Materials Director, charged with monitoring the price of the Products shall review the pricing on a quarterly basis, furnish the particulars to the product team for endorsement by the Director of Products & Asia Operations Management and provide the same to the Chief Executive Officer of the Company for sign-off. Each time a new quotation or price offer is received for a Product, whether from Kan Tsang or an Independent Third Party vendor, a price comparison will be conducted by the product team and the prevailing price list will be updated accordingly. Before entering into any individual placement agreement and/or purchase order for the Products with Kan Tsang, the Operations & Logistics department will compare and the Finance department will review the pricing against the prevailing lowest quoted price for the Product set out in the quotations from independent vendors to ensure the prices charged for a specific transaction are fair and reasonable and no less favourable than the prices offered by other Independent Third Party vendors;
2. the Company's external auditors will conduct an annual review on the pricing and the annual caps of the continuing connected transaction under the Kan Tsang Framework Agreement; and
3. the Company (including the Audit Committee) will review at least twice a year the analysis reports and the improvement measures prepared by the Company's management in relation to the continuing connected transaction under the Kan Tsang Framework Agreement.

In addition to the internal control measures above, the independent non-executive Directors shall conduct an annual review of the continuing connected transactions under the Kan Tsang Framework Agreement pursuant to the requirements of Chapter 20 of the GEM Listing Rules

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

As Mr. Long Hak Kan, a non-executive Director and chairman of the Board, is also the director and sole shareholder of Kan Tsang, Kan Tsang is therefore a connected person of the Company under the GEM Listing Rules. The transactions contemplated under the Kan Tsang Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios in respect of the Proposed Annual Caps are higher than 5% and over HK\$10,000,000, the Kan Tsang Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

At the Board meeting convened to consider the Kan Tsang Framework Agreement, Mr. Long Hak Kan and Mr. Long Shing were regarded as having a material interest and accordingly abstained from voting on the relevant resolutions approving the Kan Tsang Framework Agreement and the transactions contemplated thereunder.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the independent non-executive Directors, namely, Ms. Lam Lai Ting Maria Goretti, Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine, has been formed to consider, and to advise the Independent Shareholders, amongst other things, as to whether the Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

Frontpage Capital has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the Continuing Connected Transactions and the Proposed Annual Caps.

Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular, which contains its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 14 to 25 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

EGM

A notice convening the EGM of the Company to be held at Equity Financial Press Limited, 2/F, 100 QRC, 100 Queen's Road Central, Central, Hong Kong on Monday, 10 January 2022 at 2:00 p.m. is set out on pages 30 to 31 of this circular. At the EGM, ordinary resolutions shall be proposed for the approval of the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Eiffel Global held 300,000,000 Shares, representing 75% of the total issued Shares of the Company. Eiffel Global is owned as to 75% by TOHL, a company controlled by Ms. Chu Lam Fong, the spouse of Mr. Long Hak Kan. As such Eiffel Global is considered to have a material interest in the Kan Tsang Framework Agreement, and Eiffel Global and its associates shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps.

A proxy form for use at the EGM is enclosed with this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM or any adjournment of such meeting and voting in person should you so wish and in such event, the proxy form will be deemed to be revoked.

In light of the epidemic situation of COVID-19, Shareholders may consider appointing the chairman of the EGM as his/her proxy to vote on the resolutions, instead of attending the EGM in person.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 7 January 2022 to Monday, 10 January 2022 (both days inclusive) in order to determine entitlements for attending and voting at the EGM. In order to qualify for attending and voting at the EGM, all share transfer accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. (Hong Kong time) on Thursday, 6 January 2022.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose view have been set out in the letter from the Independent Board Committee) consider that (i) the Kan Tsang Framework Agreement is entered into in the usual and ordinary course of business of the Group, are conducted on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and the proposed annual caps for each of the three years ending 31 December 2024 under the Kan Tsang Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore recommend the Independent Shareholders to vote in favour of the resolutions set out in the EGM Notice.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 14 to 25 of this circular and the information set out in the appendix of this circular.

Yours faithfully,
For and on behalf of the Board of
ATLINKS GROUP LIMITED
Tong Chi Hoi
Chief Executive Officer and executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps.

ATLINKS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

22 December 2021

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 22 December 2021 (“**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed by the Board to consider the terms of the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps and to advise the Independent Shareholders whether, in our opinion, the Kan Tsang Framework Agreement was entered in the ordinary and usual course of business of the Group on normal commercial terms, and whether the terms of the Kan Tsang Framework Agreement and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Having considered the terms of the Kan Tsang Framework Agreement and the advice from the Independent Financial Adviser as set out on pages 14 to 25 of this Circular, we are of the opinion that the Kan Tsang Framework Agreement and the Proposed Annual Caps are entered in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Kan Tsang Framework Agreement and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Kan Tsang Framework Agreement and the transactions contemplated thereunder including the Proposed Annual Caps.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Lam Lai Ting Maria Goretti

Chan Cheuk Man Vivian

Lee Kit Ying Catherine

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



22 December 2021

*To the Independent Board Committee and the Independent Shareholders of
Atlinks Group Limited*

Dear Sirs or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the proposed annual caps, which constitute continuing connected transactions for the Company. Details of the terms of the Continuing Connected Transactions and the proposed annual caps are set out in the letter from the board (the “**Board Letter**”) contained in the circular of the Company dated 22 December 2021 and issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

References are made to the announcements of the Company dated 29 November 2021. On 29 November 2021, the Company and Kan Tsang entered into the Kan Tsang Framework Agreement to govern the Continuing Connected Transactions between the Group and the Kan Tsang for the period from 1 January 2022 to 31 December 2024.

As Kan Tsang is a company wholly owned by Mr. Long, a non-executive Director, chairman of the Board and a controlling shareholder of the Company, as at the date of this Circular, Kan Tsang is a connected person of the Company under the Listing Rules and the transactions contemplated under the Kan Tsang Framework Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable Percentage Ratios relating to the proposed annual caps for the transactions contemplated under the Continuing Connected Transactions and the respective annual caps are higher than 5% and over HK\$10,000,000 on an annual basis, the Continuing Connected Transactions and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 20 of the Listing Rules.

Mr. Long and Mr. Long Shing are regarded as having a material interest in the transactions contemplated under the Kan Tsang Framework Agreement and have abstained from voting on the board resolution approving the Kan Tsang Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Ms. Lam Lai Ting Maria Goretti, Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Continuing Connected Transactions and the proposed annual caps. Our role as Independent Financial Adviser is to give our opinion and recommendation as to whether the Continuing Connected Transactions and the proposed annual caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and whether the Independent Shareholders should vote in favour of the Continuing Connected Transactions and the proposed annual caps.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered, among other things, (i) the Kan Tsang Framework Agreement; (ii) the 2020 annual report of the Company; (iii) the 2021 interim report of the Company; and (iv) other information as set out in the Circular.

We have also relied on all relevant information, opinions and facts supplied and represented by the Company, the Directors and the management of the Company. We have assumed that all such information, opinions, facts and representations provided to us or contained or referred to in the Circular, for which the Company is fully responsible, were true and accurate in all respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and the Company has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information provided by the Directors and the representatives of the Company, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Group and any of their respective subsidiaries and associates.

OUR INDEPENDENCE

We are not connected with the Directors, chief executive and substantial Shareholders of the Company, Kan Tsang or any of their respective subsidiaries or associates and do not have any shareholding, direct or indirect, in any member of the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company as at the Latest Practicable Date. There is no arrangement exists whereby we will receive any benefits from the Company or the Directors, chief executive and substantial Shareholders of the Company, Kan Tsang or any of their respective subsidiaries or associates for our services to the Company in connection with this

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appointment aside from our professional fees. Therefore, we consider ourselves eligible to act as the Independent Financial Adviser to the Company under the requirements of the Listing Rules. We have not acted as the independent financial adviser to the Company's other transactions in the past two years.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations in respect of the Continuing Connected Transactions and the proposed annual caps, we have taken into consideration the following principal factors and reasons:

1. Background

Information in relation to the Group

The Group is principally engaged in designing, developing and selling home and office telecommunication products to retailers, telecommunication operators and distributors customers all around the world under three brands, namely Alcatel, Swissvoice and Amplicomms.

According to the 2020 annual report of the Company, the Group recorded a consolidated revenue of EUR29.8 million (2019: EUR31.6 million), representing a decrease of 5.6% as compared with the previous year. Profit attributable to the Shareholders of the Company amounted to EUR0.5 million (2019: loss of EUR1.7 million). The Directors considered that the decrease in revenue is mainly due to the impact of the lockdown imposed in some of the countries in Europe and in Latin America and temporary halt of business of its customers to contain the outbreak of the novel coronavirus disease ("COVID-19") during the year ended 31 December 2020. The Directors considered that the improvement in profit attributable to the Shareholders is due to the increase in the Group's gross profit margin, which was mainly driven by the cost control measures implemented over materials and subcontracting charges and the appreciation in Euros against USD when comparing the year ended 31 December 2020 to the corresponding period in 2019.

The following table below sets forth the breakdown of the revenue of the Group for the year ended 31 December 2019 and 2020 according to product categories:

Product category	Year ended 31 December		Year-on-year (%)
	2019 (EUR'000)	2020 (EUR'000)	
Home telephone	23,093	20,446	-11.5%
Senior products	4,823	6,090	26.3%
Office telephone	3,264	2,976	-8.8%
Others	413	318	-23.0%
Total	31,593	29,830	-5.6%

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Information in relation to Kan Tsang

Kan Tsang is principally engaged in the research and development, design and manufacturing electroacoustic products and components for reputable Chinese and overseas companies in the information and communications technology sector.

2. Kan Tsang Framework Agreement

(i) Principal terms of the Kan Tsang Framework Agreement

Date of the agreement:	29 November 2021
Tenure of the agreement:	From 1 January 2022 to 31 December 2024
Purchaser of the Products:	Members of the Group
Seller of the Products:	Kan Tsang
Subject matter:	Pursuant to the Kan Tsang Framework Agreement, the Group and Kan Tsang agreed with each other that, they may enter into, or members of the Group and Kan Tsang may enter into, the standard program placement agreements during the Term for the purchase of the Products in the ordinary and usual course of business within the limit of the annual caps. Each such program placement agreement is to be made on arm's length basis and be on normal commercial terms.
Payment terms:	Among others, the purchase price, payment time and method, delivery times, product specifications and other specific terms or conditions for the transactions contemplated under the Kan Tsang Framework Agreement shall be fixed in individual placement agreements or purchase orders on a case-by-case basis. Such terms will differ depending on the particular requirements of the products to be purchased, and will normally be settled by way of electronic funds transfer made within 90 days.

(ii) Reasons and benefits for the Kan Tsang Framework Agreement

As advised by the management of the Company, the Group has been purchasing the Products from other vendors. As part of the Group's ongoing cost control measures, the Group has attempted to negotiate with the Original Vendor to provide the Products

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at a lower cost to the Group given the increasing scale of production, but the Original Vendor was unable or unwilling to provide the Products at a more favourable price point. The Group has also reached out to the Group's other existing vendors to negotiate re-allocation of the production of the Products. The Group was informed by the other existing vendors that none of them could provide the Products at a lower price point. After obtaining quotations and terms from other independent vendors and assessing the manufacturing capabilities and in-depth knowledge in wireless product solutions of Kan Tsang by referencing to product range, customer list and factory audit reports, it was decided that Kan Tsang could offer more competitive pricing for the Products while maintaining the same standard in terms of specifications, quality, delivery times, etc.

In assessing whether Kan Tsang could offer more competitive pricing for the Products, we have obtained and reviewed the quotations from Kan Tsang, the original vendor and another independent vendor in the fourth quarter of 2021. We note that the offering prices for the Products from Kan Tsang are the lowest among the three quotations and the payment terms are the same. Having considered the above reasons, we are of the view that the reasons for the Kan Tsang Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company, fair and reasonable so far as the Independent Shareholders are concerned, and in the interest of the Company and the Shareholders as a whole.

(iii) Pricing basis

The pricing for the Products will be on normal commercial terms and negotiated on an arm's length basis, on similar basis as the Group transacts business with other independent third party vendors and shall be on terms which are no less favourable to the Group than those provided by independent third party vendors. To ensure the accuracy of the terms available to the Group by independent third party vendors, the Group will obtain independent quotations from at least two unrelated third-party vendors to manufacture and sell the Products and not less frequently than on a semi-annual basis. The Group will also renew the review and comparison exercise whenever a new quotation or offering price for the Products is received from Kan Tsang or other vendors.

In order to assess the fairness and reasonableness of the pricing basis of Kan Tsang Framework Agreement, we have obtained and reviewed three random sample copies of relevant invoices per year in respect of the historical transactions between the Group and the original vendor for each of the two years ended 31 December 2019 and 2020 and the ten months ended 31 October 2021 and quotations for the Products received by the Group in the fourth quarter of 2021 from each of Kan Tsang, the original vendor and another Independent Third Party. Given that (i) the business arrangement for the Products between the Group and the original vendor is consistent throughout 2019 to 2021; (ii) the invoices are obtained on a random basis; and (iii) the samples we obtained are consistent and did not demonstrate any discrepancy to our understandings on the procurement arrangement of the Products between the Group and the original vendor, we are of the view that three samples for each of 2019, 2020 and 2021 are sufficient for us to understand the procurement arrangement and other major

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terms, such as payment terms, of the purchases of the Products from the original vendor. Based on our review of the invoices and quotations, we noted that the prices and payment terms of the Products offered to the Group by Kan Tsang are not less favourable than those offered by the original vendor and another independent vendor, and hence is in line with the pricing basis under the Kan Tsang Framework Agreement. Based on our discussion with the management and the samples that we have reviewed, the packaging fees and transportation fees of the Products were included in the purchase price or quoted price from the original vendor and Kan Tsang. We also note that the purchase prices for the Products from the original vendor have been remaining stable throughout 2021 and the offering price of Products are generally valid for or more than six months unless a price update is provided.

As advised by the management, the Group would negotiate with Kan Tsang for lower purchase price if its quoted price is higher than the most favorable price offered by other independent vendors. In the case Kan Tsang is not able to provide better price or terms, the Group would not purchase the Products from Kan Tsang. We are of the view that the Kan Tsang Framework Agreement is non-exclusive for the Group in nature and the transactions contemplated and annual caps contained do not impose any purchase obligation for the Group.

Having considered that (i) the obtained offering prices and payment terms offered to the Group by Kan Tsang are not less favourable as compared to the original vendor and another independent vendor; (ii) the Group will renew the review and comparison exercise whenever a new offering price or term is received; (iii) the Group would not purchase the Products from Kan Tsang in the case Kan Tsang is not able to provide better price or terms; (iv) the Kan Tsang Framework Agreement is non-exclusive for the Group in nature and the transactions contemplated and annual caps contained do not impose any purchase obligation for the Group; (v) the purchase price of the Products is not highly fluctuated in nature and the offering price are generally valid for or more than six months unless a price update is provided, we consider that the Company could ensure the price provided by Kan Tsang are no less favourable to the Group when it makes purchase orders with Kan Tsang. Therefore, we are of the view that the pricing basis for the Kan Tsang Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable insofar as the Independent Shareholders are concerned, and in the interest of the Company and Shareholders as a whole.

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(iv) Annual Caps and basis of determination

A summary of the Kan Tsang Framework Agreement under the Continuing Connected Transactions, which include (i) the historical transaction amounts for the two years ended 31 December 2020 and the ten months ended 31 October 2021; and (ii) the Proposed Annual Caps are set out in the table below:

	For the year ended/ending 31 December					
	2019	2020	2021	2022	2023	2024
	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>
Annual caps	N/A	N/A	N/A	8,000	8,500	9,000
Historical transaction amount <i>(Note)</i>	3,319	7,181	5,940 (January to October)	N/A	N/A	N/A

Note: The purchase amounts for the Products represents approximately 12.7%, 30.3% and 27.1% of our total cost of sales for the two years ended 31 December 2019 and 2020 and ten months ended 31 October 2021, respectively.

In determining the proposed annual caps, the Directors have taken into consideration the following factors in determining the annual caps for the three years ending 31 December 2024:

- (i) the historical purchase amounts for the Products for the two years ended 31 December 2020 and ten months ended 31 October 2021;
- (ii) the estimated demand for the Products; and
- (iii) the prevailing quoted price for the Products offered to the Group by Kan Tsang and other independent third party vendors.

To arrive at our view of the proposed annual caps for the Kan Tsang Framework Agreement for the three years ending 31 December 2024, we have considered the following factors:

Historical purchase amount

In assessing the fairness and reasonableness of how the Company formulating the annual caps using the historical purchase amount, we have obtained and reviewed the operating figures in relation to the sales and purchase of the Products. Based on our discussion with the management, we understand that it is the Group's strategic plan to gradually expand its business line of cordless phone products with Atlinks Asia's software masked onto the CPU.

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A summary of the historical transaction amount of the Products for amounts for the two years ended 31 December 2020 and the ten months ended 31 October 2021 are set out in the table below:

	For the year ended		For the ten months ended	
	2019	2020	31 October 2020	2021
			(January to October)	(January to October)
Quantity	230,855	515,328	428,218	434,190
Amount (US\$'000)	3,319	7,181	5,930	5,940

The Group's demand and purchase of the Products has been increasing throughout the two years ended 31 December 2020 and the ten months ended 31 October 2021. We note that despite the Group's overall revenue decreased for approximately 5.6% for the year ended 31 December 2020, the Group's purchase amount of the Products increased by approximately 116.4% for the same period. As advised by the Directors, the divergence between the decrease in overall sales and the increase in purchase amount of the Products is mainly attributable to the Group's strategic plan to boost its business line of the Products, i.e. cordless phone products with Atlinks Asia's software masked onto the CPU. The Directors considered that the purchase of the Products for the ten months ended 31 October 2021 remained at similar level to that of the corresponding period of 2020 is mainly attributable to limitation on production capacity of the original vendor.

Based on the above historical data and reasons, we consider that the historical sales and purchase amount of the Products has been increasing and it is reasonable and consistent with the Group's business strategic to further expand its business line related to the Products.

Estimated demand for the Products

As advised by the management, the Group would continue its business strategy in promoting the Products for the coming three years. Based on the procurement plan and purchase order made up to the Latest Practicable Date, the management estimated that the overall purchase quantity of the Products for 2021 would remain at a similar level as that of 2020, while the sales derived from the Products for 2021 is estimated to record a considerable growth as compared to that of 2020. The management considered that it is mainly due to the limitation on production capacity of the original vendor and has imposed considerable purchase pressure for early 2022. The Directors further advised that a new model of the Products is expected to be launched in the first quarter of 2022, which would also increase the demand of the Group's purchase amount of the Products

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for 2022. The management estimated that there would be an increase in purchase quantity for about 16%, 6% and 6% for the years ended 31 December 2022, 2023 and 2024 respectively.

In assessing the fairness and reasonableness of the above basis, we have obtained and reviewed (i) the outstanding purchase orders of the Products made between the Group and the original vendors; (ii) confirmed purchase orders of the Products on hands; (iii) the inventory level of the Products; (iv) development and promotion plan for a new model of the Products; and (v) the historical purchase quantity of the models of the Products which were newly launched in 2020 and 2021. Based on the documents we reviewed, we did not identify any material inconsistency with the estimated purchase amount for 2021. We note that the aggregate inventory level of the Products as at 31 October 2021 decreased for approximately 30% in quantity as compared to that as at 31 October 2020, while the corresponding sales remained at the same level for both of ten months ended 31 October 2020 and 2021. As such, we agree with the Company that there is certain purchase pressure of the Products, amounted of approximately 9% of the annual purchase quantity, for the Group to resume its previous inventory level. According to the development and promotion plan of the new model, we note that the purchase of such new model would be started in or around the first quarter of 2022, and an addition quantity amounted to approximately 10% of the overall purchase quantity would be required. Based on the information we reviewed, the Group launched 4 new models of the Products in 2020 and 2021 and the estimated additional purchase quantity of the new model to be launched in 2022 is approximately 80% of the average of those of the 4 models. As such, we do agree the estimation on the additional purchase quantity of the new model is made on a fair and reasonable basis. Having considered (i) the historical growth rate of purchase amount of the Products following the Group's business strategy to boost the sales of the Products; (ii) estimation of sales and purchase amount of the Products for 2021 based on secured sales or purchase orders which considered to be stable as compared to the ten months ended 31 October 2021; (iii) the launching of new models in the first quarter of 2022 which expected to contribute to an additional annual purchase quantity of the Products of approximately 10% as compared to 2021; (iv) the purchase pressure of the Products imposed (which amounted to approximately 9% of annual purchase quantity as at 31 October 2021) to the Group in 2021 as mentioned above; and (v) the expected on-going business strategy to boost and promote the Products in the coming three years, we are of the view that the Group's estimation that there would be an increase in purchase quantity for about 16%, 6% and 6% for the years ended 31 December 2022, 2023 and 2024 respectively is fair and reasonable.

Global market demand for household products

According to McKinsey Global Institute, the research arm of McKinsey & Company, the COVID-19 pandemic has created a shift in consumer habits as excess savings from COVID-19 lockdowns (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-consumer-demand-recovery-and-lasting-effects-of-covid-19>) have led to reduced consumption on travel and services but increased demand of

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household goods due to prolonged period at home. Therefore, as global demands begins to pick up, potential business opportunities would be raised to the Group from time to time. Given that the Kan Tsang Framework Agreement is non-exclusive in nature and the transactions contemplated and annual caps contained do not impose any purchase obligation for the Group, it is fair and reasonable for the Group to allocate additional annual caps to capture these potential business opportunities raised from this increasing market demand.

The prevailing quoted price for the Products offered to the Group by Kan Tsang

The proposed annual caps under the Kan Tsang Framework Agreement are based on the prevailing quoted price for the Products offered to the Group by Kan Tsang. Nevertheless, the transaction amount under the Kan Tsang Framework may also be affected by the fluctuation of purchase price of the Products. As advised by the management, the purchase price of the Products remained stable throughout the years and expected to remain at the similar level of current purchase price for the coming three years.

In arriving at our view on the purchase price, we considered the fluctuations in the average purchase price over the last three years. We have obtained and reviewed three samples of the past purchase orders or invoices made between the Group and its original vendor or other independent vendor for each of the key items of the Products at different period throughout 2021. Based on the samples we reviewed, did not identify any material inconsistency with the basis used by the management to estimate the purchase price for the coming three years. Despite we are unable to ascertain the exact fluctuation of the purchase price in the coming three years, we agree with the Company that the annual caps should be formulated with the prevailing quoted price for the Products offered to the Group by Kan Tsang.

Based on the above, we are of the view that the annual caps for the Kan Tsang Agreement is on normal commercial terms, fair and reasonable, and in the interest of the Company and Shareholders as a whole.

(v) *Internal Control Measures*

In order to ensure that (i) the terms offered by the Group to Kan Tsang under the Kan Tsang Framework Agreement are no more favourable than the terms offered by the Group to Independent Third Parties; and (ii) the annual caps are not exceeded, the Company has included the following procedures to supervise the Continuing Connected Transactions into the internal control system of the Company:

- (i) the Company will supervise the Continuing Connected Transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The Director of Products & Asia Operations Management of the Group will conduct regular checks to review and assess whether the transactions contemplated under the relevant

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Continuing Connected Transactions are conducted in accordance with the terms of the Kan Tsang Framework Agreement, with the Head of Operations & Logistics and the Group Financial Controller to monitor the transaction amounts on a quarterly basis to ensure the relevant annual caps is not exceeded and for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing policy. In particular, the relevant costing team headed by the Materials Director, charged with monitoring the price of the Products shall review the pricing on a quarterly basis, furnish the particulars to the product team for endorsement by the Director of Products & Asia Operations Management and provide the same to the Chief Executive Officer of the Company for sign-off. Each time a new quotation or price offer is received for a Product, whether from Kan Tsang or an Independent Third Party vendor, a price comparison will be conducted by the product team and the prevailing price list will be updated accordingly. Before entering into any individual placement agreement and/or purchase order for the Products with Kan Tsang, the Operations & Logistics department will compare the pricing against the prevailing lowest quoted price for the Product set out in the quotations from independent vendors to ensure the prices charged for a specific transaction are fair and reasonable and no less favourable than the prices offered by other Independent Third Party vendors;

- (ii) the Company's external auditors will conduct an annual review on the pricing and the annual caps of the continuing connected transaction under the Kan Tsang Framework Agreement; and
- (iii) the Company (including the Audit Committee of the Company) will review at least twice a year the analysis reports and the improvement measures prepared by the Company's management in relation to the continuing connected transaction under the Kan Tsang Framework Agreement.

In addition to the internal control measures above, the independent non-executive Directors will conduct an annual review of the continuing connected transactions under the Kan Tsang Framework Agreement pursuant to the requirements of Chapter 20 of the GEM Listing Rules.

As discussed with the management, by implementing the above procedures, the Directors consider that the Company has established sufficient internal control measures to ensure that the Kan Tsang Framework Agreement and the proposed annual caps are in the ordinary and usual course of business of the Group and on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

We have reviewed the corporate governance structure and internal control procedures and policies and are of the view that the above internal control measures are well established. We have obtained and reviewed samples of workings for price and terms comparisons between Kan Tsang and other vendors prepared, reviewed and approved by costing team, product team and Chief Executive Officer respectively. We

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note that before entering into any individual purchase order for the Products with Kan Tsang, the Operations & Logistics department will compare and the Finance Department will review the pricing against the prevailing lowest quoted price from independent vendors. As such, we are of the view that it could prevent the Group from entering into specific purchase order with Kan Tsang which the prices charged are less favourable than the prices offered by other independent vendors. We also note that the Company has engaged an external internal control consultant to review the sufficiency and implementation of the Group's internal control procedures on an annual basis. Furthermore, we have reviewed the engagement letter of the external consultant to understand their scope of review and 2020 internal control report prepared by them and were presented to the Directors and senior management team of the Company. In the report, we noted that there were no material adverse findings and a summary of the work performed and improvement suggestions by the external professional adviser have also been included.

Based on the above reasons, we are of the view that proper internal control procedures are in place to monitor the pricing and the transaction contemplated under the Kan Tsang Framework Agreement and the proposed annual caps and such procedures are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interest of the Company and Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, in particular (i) the growth of the historical and expected transaction amount for the three years ending 31 December 2021; (ii) the potential growth of the sales of the Products for the three years ended 31 December 2024; and (iii) the potential beneficial impact to be brought to the Group's performance by lowering the purchase price of the Products, we are of the view that the Continuing Connected Transactions and the proposed annual caps are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we would recommend that the Independent Board Committee advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the upcoming General Meeting to approve the Continuing Connected Transactions and the proposed annual caps.

Yours faithfully,
For and on behalf of
Frontpage Capital Limited
Wu Man Kit
Director

Note: Mr. Wu Man Kit is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Frontpage Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has 8 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Positions in the Shares

Name of Director	Name of Group member/ associated corporation	Capacity/ nature of interest	Number and class of securities	Approximate percentage of shareholding
Didier Paul Henri Goujard ("Mr. Goujard") <i>(Note 1)</i>	Eiffel Global	Interest in a controlled corporation	1,183 ordinary shares	11.83%
Jean-Alexis René Robert Duc ("Mr. Duc") <i>(Note 2)</i>	Eiffel Global	Beneficial owner	967 ordinary shares	9.67%
Ho Dora ("Ms. Ho") <i>(Note 2)</i>	Eiffel Global	Beneficial owner	350 ordinary shares	3.5%
Long Hak Kan <i>(Note 3)</i>	the Company	Interest of spouse	300,000,000 ordinary shares	75%
	Eiffel Global	Interest of spouse	7,500 ordinary shares	75%
	TOHL	Interest of spouse	510 ordinary shares	51%
Tong Chi Hoi ("Mr. Tong") <i>(Note 2)</i>	TOHL	Interest in a controlled corporation	490 ordinary shares	49%

Notes:

1. These shares were held by Argento Investments Limited (“**AIL**”), which is wholly owned by Mr. Goujard.
2. These shares were held by Eiffel Global, which was in turn owned as to 75% by TOHL, 11.83% by AIL, 9.67% by Mr. Duc and 3.5% by Ms. Ho. TOHL is owned as to 51% and 49% by Chu Lam Fong (“**Ms. Chu**”) and Mr. Tong, respectively.
3. Mr. Long Hak Kan is the spouse of Ms. Chu. He is deemed or taken to be interested in the Shares of which Ms. Chu is interested in under the SFO.

(b) Substantial Shareholders’ interests

As at the Latest Practicable Date, to the best of the knowledge of the Directors, the following Shareholders had an interest or short position 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 required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Long position in the Shares

Name of Substantial Shareholder	Capacity/ Nature of interest	Number of Shares	Percentage of shareholding <small>(Note 3)</small>
Eiffel Global	Beneficial owner	300,000,000	75%
TOHL <small>(Note 1)</small>	Interest of controlled corporation	300,000,000	75%
Ms. Chu	Interest of controlled corporation	300,000,000	75%
Ng Ching Yi Doris (“ Ms. Ng ”) <small>(Note 2)</small>	Interest of spouse	300,000,000	75%

Notes:

1. TOHL is deemed or taken to be interested in all the Shares which are beneficially owned by Eiffel Global under the SFO. Eiffel Global is owned as to 75% by TOHL, 11.83% by AIL, 9.67% by Mr. Duc, and 3.5% by Ms. Ho respectively.
2. Ms. Ng is the spouse of Mr. Tong and she is deemed or taken to be interested in all the Shares of which Mr. Tong is interested under the SFO.
3. Percentage of shareholding calculated on the basis of 400,000,000 issued Shares as at the Latest Practicable Date.

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS**(a) Interest in contract or arrangement**

Save for Mr. Long Hak Kan and Mr. Long Shing's interest in the Kan Tsang Framework Agreement, none of the Directors was materially interested in any contract or arrangement which was subsisting as at the date of this circular which was significant in relation to the business of the Group.

(b) Interest in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2020, being the date to which the latest published financial statements of the Group were made up.

(c) Interest in competing business

As at the Latest Practicable Date, none of the Directors, controlling shareholders or any of their respective close associates were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the Company's business.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. CONSENT OF EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular or reference to its name has been made in this circular:

Name	Qualification
Frontpage Capital Limited	a licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO

As at the Latest Practicable Date, the above expert:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) had no direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

8. GENERAL

Should there be any inconsistencies between the English text and the Chinese text of the circular, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following document will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website ([https:// www.atlinks.com](https://www.atlinks.com)) from the date of this circular up to and including 10 January 2022:

- (a) the Kan Tsang Framework Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ATLINKS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of ATLINKS GROUP LIMITED (the “Company”) will be held at Equity Financial Press Limited, 2/F, 100 QRC, 100 Queen’s Road Central, Central, Hong Kong on Monday, 10 January 2022 at 2:00 p.m. (Hong Kong time) for the following purpose of considering and, if thought fit, passing with or without amendment, the following resolution as an ordinary resolution.

Words and expressions that are not expressly defined in this notice of EGM shall bear the same meaning as that defined in the circular to shareholders of the Company dated 22 December 2021 (the “Circular”).

ORDINARY RESOLUTION

1. “**THAT** (1) the entering into of the Kan Tsang Framework Agreement (a copy of which had been produced to the EGM marked “A” and initialed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder including the Proposed Annual Caps, be and is hereby confirmed and approved; and (2) any one or more directors of the Company be and are hereby authorised to do all such acts and things as they consider necessary and to sign and execute all such documents (including under the seal of the Company), and to take all such steps which in their opinion may be necessary, appropriate, desirable or expedient for the purpose of giving effect to the Kan Tsang Framework Agreement and completing the transactions contemplated thereby.”

By order of the Board
ATLINKS GROUP LIMITED
Mr. Tong Chi Hoi
Chief Executive Officer

Hong Kong, 22 December 2021

Notes:

1. All resolutions set out in this notice of EGM will be taken by poll pursuant to the GEM Listing Rules and the results of the poll will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.atlinks.com in accordance with the GEM Listing Rules.
2. A member of the Company entitled to attend and vote at the EGM will be entitled to appoint one or more proxies to attend and, on a poll, vote on his/her/its behalf. A proxy need not be a member of the Company. A member may appoint a proxy in respect of only part of his/her/its holding of shares in the Company. In light of the epidemic situation of COVID-19, shareholders may consider appointing the chairman of the Meeting as his/her proxy to vote on the resolutions, instead of attending the Meeting in person.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. A form of proxy in respect of the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish. In the event that you attend the EGM after having lodged the form of proxy, it will be deemed to have been revoked.
4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).
5. Where there are joint registered holders of any Share, any one of such persons may vote at the EGM or any adjournment thereof (as the case may be), either personally or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint registered holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
6. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 7 January 2022 to Monday, 10 January 2022 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 January 2022.
7. Members of the Company or their proxies shall produce documents of their proof of identity when attending the EGM.
8. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.atlinks.com and on the HKExnews website of the Stock Exchange at www.hkex.com.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors are Mr. TONG Chi Hoi, Mr. Jean-Alexis René Robert DUC, Ms. HO Dora and Mr. LONG Shing; the non-executive Directors are Mr. LONG Hak Kan and Mr. Didier Paul Henri GOUJARD; and the independent non-executive Directors are Ms. LAM Lai Ting Maria Goretti, Ms. CHAN Cheuk Man Vivian and Ms. LEE Kit Ying Catherine.

This notice, for which the Directors of the Company 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 notice 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 in this notice misleading.

This notice will remain on the GEM's website at www.hkgem.com on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at www.atlinks.com.