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ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of ATLINKS Group Limited (the “**Company**”) in relation to the Share Offer for the Listing of securities on GEM of the Stock Exchange dated 30 December 2017, the Company’s announcement of offer price and allotment results dated 18 January 2018 (the “**Allotment Results Announcement**”) and the interim report for the six months ended 30 June 2019 dated 9 August 2019 (the “**Interim Report**”) in relation to the use of the Net Proceeds (as defined below) from the Share Offer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

PLANNED USE OF PROCEEDS

According to the Allotment Results Announcement and the Interim Report, the actual amount of the net proceeds from the Share Offer after deducting underwriting commission and other relevant expenses was approximately HK\$23.1 million (the “**Net Proceeds**”). As disclosed in the Prospectus, the Net Proceeds would be applied to (i) developing the office telephone products, (ii) developing the elderly telecommunications products, (iii) strengthening and enhancing our sales channels, (iv) expanding the staff team, (v) developing the other products including IP cameras and smart home products, (vi) expanding the geographical coverage and (vi) being used as general working capital. As at 30 November 2019, according to the unaudited management accounts of the Group, the Group had used approximately HK\$12.0 million, representing approximately 51.95% of the Net Proceeds, and the remaining balance of the Net Proceeds was approximately HK\$11.1 million.

CHANGE OF USE OF PROCEEDS

Having carefully considered the current challenging business environment of office telephone products and future development needs of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has reviewed the utilisation of the Net Proceeds and resolved to reallocate part of the Net Proceeds.

The changes to and the utilisation of the Net Proceeds from the Share Offer are set out below:

Uses of the Net Proceeds	Original allocation	Revised allocation	Utilised Net Proceeds as of the date of this announcement	Remaining balance of the Net Proceeds as of the date of this announcement
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Developing the office telephone products	2.9	1.5	0.5	1.0
Developing the elderly telecommunications products	5.3	8.3	3.1	5.2
Strengthening and enhancing our sales channels	3.7	5.1	2.9	2.2
Expanding the staff team	5.8	2.9	2.8	0.1
Developing the other products including IP cameras and smart home products	1.3	0.0	0.0	0.0
Expanding the geographical coverage	3.0	3.0	1.6	1.4
General working capital	1.1	2.3	1.1	1.2
	23.1	23.1	12.0	11.1

REASONS FOR CHANGE IN USE OF PROCEEDS

(1) Developing our elderly telecommunications products

Since the Listing, the Group has been actively expanding our product range by developing telecommunications products targeted at elderly market as well as the visually and hearing impaired, such as picture phones, TV listener and mobile devices. Investment has been made in tooling and software for these telecommunications products. The Group has also acquired the brand “Amplicomms” which targets the elderly market by providing a range of home telephones, mobile phones and various accessories. With prevailing business overview that the elderly telecommunications products would serve as the growth engine of the Group, the Board of the Company considered and anticipated an increased investment requirement in both hardware, such as tooling by HK\$2.1 million, and software by HK\$0.9 million to further support the growth in this segment; and therefore decided to reallocate the Net Proceeds for such purpose. New products will include telephones with extra loud volume, advanced TV listener and mobile devices with ancillary services.

(2) Strengthening and enhancing our sales channels

The Group has continuously put efforts in increasing our market penetration in existing markets, expanding our customer base and exploring new overseas markets. The Group has made use of various marketing tools to promote the Group’s branded products to secure the market share and positioning in the industry. The additionally allocated Net Proceeds, which is in line with the business strategy, will apply to strengthen the market presence of our elderly products by, among others, join efforts in designing and producing product catalogues and POS (Point of Sales) displays with local telecommunication operators, local retail chain stores and audiologist

outlets in Europe and in Asia regions.

(3) Increasing in general working capital

Net Proceeds originally assigned for developing our other products including IP cameras and smart home products has been reassigned to apply in general working capital. Due to the market perspective change in perceiving IP cameras and related products, they are no longer perceived as necessary to be branded products and therefore have dropped out from the product development portfolio of the Group.

Given the Group has been making a continual loss for the year ended 31 December 2018 and the nine months ended 30 September 2019, the Group needs additional working capital to finance its operational costs.

THE BOARD'S VIEWS

The Board considers that the change in the use of the Net Proceeds is fair and reasonable, which allows the Group to meet its financial needs and more efficiently and flexibly. The Board is of the view that the change in use of the Net Proceeds is in line with the business strategy of the Group and will not materially adversely affect the operation and business of the Group and is in the best interest of the Company and the Shareholders as a whole.

The Directors will continuously assess the plans for the use of the Net Proceeds as set out in the Prospectus, the Interim Report and above, and may revise or amend such plans where necessary, to cope with the changing market conditions and strive for better business performance for the Group.

The Board confirms that, save as disclosed in this announcement, there are no other changes to the use of Net Proceeds.

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

Hong Kong, 31 December 2019

As at the date of this announcement, 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 announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the 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.