

Dated the 29th day of November 2021

ATLINKS ASIA LIMITED

and

KAN TSANG NEW TECHNOLOGY DEVELOPMENT LIMITED

KAN TSANG FRAMEWORK AGREEMENT



CFN Lawyers

CFN Lawyers

In association with

Broad & Bright

Room Nos. 4101-04, 41/F

Sun Hung Kai Centre

30 Harbour Road

Wan Chai

Hong Kong

Our Ref.: 180010-001 (BN)

THIS AGREEMENT ("this Agreement") is entered into as of 29th day of November 2021

BETWEEN:

- (1) **ATLINKS ASIA LIMITED**, a company incorporated in Hong Kong with limited liability whose registered office is at Unit 1818, 18/F., Nan Fung Commercial Centre, Hong Kong ("**ATLINKS**"); and
- (2) **KAN TSANG NEW TECHNOLOGY DEVELOPMENT LIMITED**, a company incorporated in Hong Kong with limited liability whose registered office is at Unit 1101, 11/F, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon ("**KAN TSANG**").

RECITALS:

- (A) ATLINKS, is an indirect wholly owned subsidiary of Atlinks Group Limited ("**ATLINKS GROUP**"), a company the shares of which are listed on GEM of the Stock Exchange (Stock Code: 8043).
- (B) 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.
- (C) ATLINKS has been engaging an independent third party vendor to manufacture and sell the Products prior to entering into this Agreement.
- (D) ATLINKS desires to purchase from and KAN TSANG wishes to manufacture and sell the Products (as defined below) as one of its vendors.
- (E) Mr. Long Hak Kan, a non-executive director, the chairman of the board of directors and a controlling shareholder of ATLINKS GROUP, is also the sole director and shareholder of KAN TSANG. As such, KAN TSANG is a connected person (as defined under the Listing Rules) of ATLINKS GROUP and the transactions contemplated under this Agreement shall constitute continuing connected transactions pursuant to the GEM Listing Rules.
- (F) In view of the above, ATLINKS and KAN TSANG has agreed to enter into this Agreement to record and regulate their supplier and customer relationship in accordance with the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

"**Agreement**" means this Agreement (as amended or supplemented from time to time);

"**Conditions**" means the terms and conditions set out in this Agreement and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between ATLINKS and KAN TSANG;

"**continuing connected transaction(s)**" has the meaning ascribed to it under the GEM Listing Rules;

"**EGM**" means the extraordinary general meeting of ATLINKS GROUP to be convened for, among other things, approving this Agreement, the transactions contemplated hereunder and the proposed annual caps during the Term;

"**Independent Shareholders**" means the shareholders of ATLINKS GROUP, other than Eiffel Global Limited and its associates (as defined in the GEM Listing Rules);

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**GEM Listing Rules**” means Rules Governing the Listing of Securities on GEM of the Stock Exchange;

“**Long Stop Date**” means 31 December 2021, or such other date as agreed in writing between the parties hereto;

“**Placement Letter**” means the program placement agreement setting out terms governing, inter alia, specifications, price and payment conditions, product development schedule, design qualification plan, vendor resource plan, forecast, orders and deliveries (sales order planning), quality assurance and reliability

“**PRC**” means the People’s Republic of China, which for the purpose of this Agreement, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;

“**Products**” means the cordless phone products with ATLINKS software masked onto the CPU, which KAN TSANG is to sell to ATLINKS, ATLINKS GROUP or its subsidiaries from time to time as part of the Transaction;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**subsidiary(ies)**” has the meaning ascribed to it under the GEM Listing Rules;

“**Transactions**” means the continuing transactions between members of ATLINKS GROUP and KAN TSANG as set out in Clause 4; and

“**USD**” means United States Dollars, the lawful currency of the United States.

- 1.2 Any reference in this Agreement to “**writing**” includes a reference to email, facsimile transmission or comparable means of communication.
- 1.3 Any reference in this Agreement to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.
- 1.4 The headings in this Agreement are for convenience only and shall not affect its interpretation.
- 1.5 The Schedules form part of this Agreement.

2. CONDITION PRECEDENT

- 2.1 This Agreement shall become effective conditional upon:
 - (1) ATLINKS GROUP having obtained the approval of the Independent Shareholders at the EGM in relation to:
 - (i) this Agreement and the transactions contemplated herein and
 - (ii) the proposed annual caps during the Term of this Agreement;
 - (2) ATLINKS GROUP having complied with all other requirements as may be imposed by the Stock Exchange as a condition to the transactions contemplated herein under the GEM Listing Rules, if any.
- 2.2 In the event that the above conditions precedent are not fulfilled on or before the Long Stop Date (or such later date as may be agreed between the parties), this Agreement and all rights and obligations hereunder shall cease to be effective and no party shall have any claim against the other by reason thereof except in respect of any antecedent breach.

3. DURATION

Subject to the Conditions Precedent as set out in Clause 2 and other provisions of this Agreement, this Agreement shall come into force on 1 January 2022 and, subject as provided in Clause 7, shall continue in force for a period of three(3) years (the "Term").

4. SCOPE OF THE TRANSACTIONS

- 4.1 ATLINKS and KAN TSANG agree that they may enter into, or ATLINKS GROUP and any of its subsidiaries and KAN TSANG may enter into, the Transactions as set out in Schedule 1 on the terms set out therein and in the ordinary and usual course of business within the limit of the annual cap (as set out in Clause 5.5).

5. PRICING POLICY

- 5.1 Any purchase taking place during the continuance of this Agreement, shall be made in accordance with the pricing policy as set out in this Clause 5, and be subject to the annual caps as set out in Clause 5.6.
- 5.2 The pricing for the Products shall be as set out in the Placement Letter, which shall be determined with reference to prevailing market terms and on terms no less favourable to ATLINKS than those made available to independent third parties by KAN TSANG for similar products or which ATLINKS may transact with other independent third party vendors.
- 5.3 For the purpose of Clause 5.1, in respect to the purchase of the Products, the price payable by ATLINKS to KAN TSANG shall be determined after arm's length negotiation. ATLINKS shall obtain independent quotations from at least two unrelated third-party providers to provide the Products not less frequently than on a semi-annual basis.
- 5.4 Should KAN TSANG at any time during the Term, sell same, similar or equivalent Products to third parties, in similar quantities and commercial terms, at prices lower than those granted to ATLINKS under the Placement Letter, or with more services under more favourable terms of sale, then KAN TSANG shall immediately adjust the price of its offer to ATLINKS (retroactively, if applicable) to match the prices, services, and/or terms of sale granted to said third party. If KAN TSANG is unable or unwilling to grant ATLINKS such match, then ATLINKS shall have the right to terminate this Agreement, or a particular Placement Letter, without any further liabilities.
- 5.5 This Clause sets out (a) the historical aggregate purchase amount of the Products purchased by ATLINKS; and (b) the proposed annual caps for the Transaction during the continuance of this Agreement.

(a) Historical transaction amount

	USD'000
Year ended 31 December 2019	3,319
Year ended 31 December 2020	7,181
Ten months ended 31 October 2021	5,940

(b) Proposed annual caps

	USD'000
Year ending 31 December 2022	8,000
Year ending 31 December 2023	8,500
Year ending 31 December 2024	9,000

6. SUPPLIER'S UNDERTAKING

- 6.1 KAN TSANG undertakes that it shall supply the Products to ATLINKS (and/or ATLINKS GROUP or its subsidiaries as the case may be) on an exclusive basis and shall not, directly or indirectly by itself or jointly with others, manufacture or sell the Products or any cordless phone product to any

third party.

7. TERMINATION

- 7.1 Notwithstanding the terms of Clause 3, either party shall be entitled forthwith to terminate this Agreement by written notice to the other party at any time if:
- (a) that other party commits any breach of any of the provisions of this Agreement and, in the case of a breach capable of remedy, fails to remedy the same within 30 days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
 - (b) an encumbrancer takes possession or a receiver is appointed over any of the property or assets of that other party;
 - (c) that other party makes any voluntary arrangement with its creditors or becomes subject to an administration order;
 - (d) that other party goes into liquidation (except for the purposes of amalgamation or reconstruction and in such manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that other party under this Agreement);
 - (e) anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to that other party; or
 - (f) that other party ceases, or threatens to cease, to carry on business; or
 - (g) where necessary pursuant to the requirements under the rules and regulations prescribed by the Stock Exchange or as may otherwise be required by such stock exchange, the transactions contemplated under this Agreement are not approved by the independent shareholders of the Company in compliance with such requirements.
- 7.2 For the purposes of Clause 7.1(a), a breach shall be considered capable of remedy if the party in breach can comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).
- 7.3 Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.
- 7.4 The rights to terminate this Agreement given by this Clause shall be without prejudice to any other right or remedy of either party in respect of the breach concerned (if any) or any other breach.

8. COMPLIANCE WITH LISTING RULES AND APPLICABLE LAWS

- 8.1 The parties hereby agree and acknowledge that, notwithstanding any provision in this Agreement to the contrary, the transactions as contemplated under this Agreement and the obligations and duties of ATLINKS on one part and KAN TSANG on the other part are subject to compliance with the applicable requirements under the GEM Listing Rules and other relevant laws and regulations applicable to ATLINKS GROUP and Independent Shareholders' approval under the GEM Listing Rules and KAN TSANG shall use its best endeavour to assist ATLINKS and ATLINKS GROUP for compliance with the GEM Listing Rules and regulations and, in particular, shall provide all information and documents as required by the Stock Exchange or pursuant to the GEM Listing Rules and/or other applicable rules, codes and regulations in connection with this Agreement and the transactions contemplated hereunder.
- 8.2 This Agreement may be executed in counterparts, each of which is an original but, together, they constitute one and the same agreement.

9. NOTICES

Any notice required to be given by this Agreement shall be delivered personally or sent by facsimile or courier to the following address:

To ATLINKS:

Address : Unit 1818, 18/F., Nan Fung Commercial Centre, Hong Kong

Fax No. : +852 2152-9722

Attention : The Board of Directors

To KAN TSANG:

Address : Unit 1101, 11/F., Nan Fung Commercial Centre, 19 Lam Lok Street,
Kowloon Bay, Kowloon

Fax No. : +852 2797-8154

Attention : The Board of Directors

or to such other address or facsimile number as either party may hereafter designate in writing to the other party. Notices shall be effective upon receipt by the other party.

10. GOVERNING LAW AND JURISDICTION

- 10.1 This Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.
- 10.2 Each party hereto irrevocably agrees that the courts of Hong Kong shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement and for such purposes irrevocably submits to the non-exclusive jurisdiction of such courts.

IN WITNESS whereof the parties have executed this Agreement the day and year first above written.

SIGNED by
for and on behalf of
ATLINKS ASIA LIMITED
in the presence of

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For and on behalf of
ATLINKS ASIA LIMITED

.....
Authorized Signature(s)

SIGNED by
for and on behalf of
**KAN TSANG NEW TECHNOLOGY
DEVELOPMENT LIMITED**
in the presence of

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For and on behalf of
KAN TSANG NEW TECHNOLOGY DEVELOPMENT LIMITED
勤增新科技發展有限公司

.....
Authorized Signature(s)

Schedule 1

Transactions

1.	Parties	(a) ATLINKS, ATLINKS GROUP or any of its subsidiaries (b) KAN TSANG
2.	Products	cordless phone products with ATLINKS' software masked onto the CPU
2.	Terms of the Transactions	<p>During the Term of this Agreement, the Parties may from time to time enter into a standard program placement agreement for the manufacture and purchase of Products, which contains terms as to Product specifications, price and payment conditions, product development schedule, design qualification plan, vendor resource plan, forecast, orders and deliveries (sales order planning) and quality assurance and reliability.</p> <p>Each manufacture and sale of Products shall be made through purchase orders placed by ATLINKS, ATLINKS GROUP or any of its subsidiaries to, and accepted by Kan Tsang.</p> <p>Each program placement agreement contemplated under this Agreement is to be made on an arm's length basis and on normal commercial terms.</p>
3.	Annual caps for the Transactions (US\$)	<p>For the financial year ending 31 December 2022 = US\$8,000,000</p> <p>For the financial year ending 31 December 2023 = US\$8,500,000</p> <p>For the financial year ending 31 December 2024 = US\$9,000,000</p>