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

ATLINKS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

FINANCIAL HIGHLIGHTS

Group revenue was stable at approximately EUR35.8 million for the year ended 31 December 2018 as compared to that of the previous year.

The Group's gross profit margin remains relatively stable at approximately 28.5% for the year ended 31 December 2018 and approximately 28.6% for the year ended 31 December 2017.

The Group recorded a loss of approximately EUR0.7 million for the year ended 31 December 2018, compared to a loss of EUR1.2 million for the year ended 31 December 2017.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018.

ANNUAL RESULTS

The Board of Directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2018 together with the comparative figures for the year ended 31 December 2017.

CONSOLIDATED INCOME STATEMENTS

For the year ended 31 December 2018

	Notes	2018 EUR	2017 EUR
Revenue	3	**35,839,865**	35,841,693
Cost of sales	6	**(25,620,351)**	(25,581,704)
Gross profit		**10,219,514**	10,259,989
Other income	4	**55,492**	224,166
Other gain/(loss)	5		
– Exchange difference		**177,214**	260,223
– Fair value changes on derivative financial instruments		**105,704**	(455,950)
Selling and distribution expenses	6	**(4,114,067)**	(3,245,235)
Administrative expenses	6		
– Legal and professional fee for listing preparation		**(189,789)**	(1,537,703)
– Net impairment losses on financial assets		**(17,308)**	(76,524)
– Others		**(6,694,973)**	(5,881,990)
Operating loss		**(458,213)**	(453,024)
Finance income		**5,241**	1,472
Finance costs		**(353,287)**	(412,679)
Finance costs, net		**(348,046)**	(411,207)
Loss before income tax		**(806,259)**	(864,231)
Income tax credit/(expenses)	7	**67,340**	(321,309)
Loss for the year		**(738,919)**	(1,185,540)
Attributable to:			
Equity holders of the Company		**(735,233)**	(1,168,505)
Non-controlling interests		**(3,686)**	(17,035)
		(738,919)	(1,185,540)
Loss per share			
– Basic and diluted (expressed in Euro cents per share)	8	**(0.19)**	(0.39)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	2018	2017
	EUR	*EUR*
Loss for the year	**(738,919)**	(1,185,540)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Currency translation differences	**79,903**	(686,513)
Items that may not be reclassified to profit or loss:		
Remeasurement of defined benefit retirement plans, net of tax	**1,050**	(2,428)
Other comprehensive income/(loss) for the year	**80,953**	(688,941)
Total comprehensive loss for the year	**(657,966)**	(1,874,481)
Attributable to:		
Equity holders of the Company	**(655,978)**	(1,849,916)
Non-controlling interests	**(1,988)**	(24,565)
	(657,966)	(1,874,481)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 EUR	2017 EUR
ASSETS			
Non-current assets			
Property, plant and equipment		**499,157**	177,649
Intangible assets		**3,895,094**	3,822,194
Deferred income tax assets		**922,325**	835,062
Prepayments, deposits and other receivables		**47,710**	–
		5,364,286	4,834,905
Current assets			
Inventories		**8,234,229**	4,956,822
Deferred income tax assets		**24,709**	32,450
Derivative financial instruments		**19,749**	–
Trade receivables	*10*	**9,723,000**	10,195,955
Prepayments, deposits and other receivables		**1,251,467**	1,562,133
Current income tax recoverable		**63,873**	–
Pledged bank deposits		**2,038,442**	2,062,879
Cash and cash equivalents		**3,324,261**	4,813,033
		24,679,730	23,623,272
Total assets		**30,044,016**	28,458,177
EQUITY			
Equity attributable to the equity holders of the Company			
Share Capital	*12*	**417,819**	11
Reserves		**9,060,870**	6,159,622
		9,478,689	6,159,633
Non-controlling interests		**44,874**	46,862
Total equity		**9,523,563**	6,206,495

	Note	**2018**	2017
		EUR	*EUR*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**2,853**	60
Retirement benefits obligation		**353,900**	360,841
Other payables		**2,652,104**	2,920,802
		3,008,857	3,281,703
Current liabilities			
Trade payables	*11*	**3,601,944**	4,403,512
Contract liabilities		**105,169**	169,957
Deferred income tax liabilities		**5,530**	–
Accruals, provision and other payables		**4,590,736**	5,053,742
Loans from related parties		–	998,247
Derivative financial instruments		–	85,955
Income tax payable		–	97,273
Borrowings		**9,208,217**	8,161,293
		17,511,596	18,969,979
Total liabilities		**20,520,453**	22,251,682
Total equity and liabilities		**30,044,016**	28,458,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Atlinks Group Limited (the "**Company**") was incorporated in the Cayman Islands on 3 August 2017 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in designing, developing and selling home and office telecommunication products to retailers, telecommunication operators and distributors customers all around the world (except North America) under three brands, namely Alcatel, Swissvoice and Amplicomms.

Pursuant to the group reorganisation as set out in the section headed "History, Development and Reorganisation" in the Company's listing prospectus dated 30 December 2017 (the "**Prospectus**"), which was completed on 21 December 2017 (the "**Reorganisation**"), the Company became the holding company of its subsidiaries now comprising the Group. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited on 19 January 2018 (the "**Listing Date**"). The consolidated financial statements of the Group has been prepared as if the Group had been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company pursuant to the Reorganisation.

The consolidated financial statements are presented in EURO unless otherwise stated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2018:

- HKFRS 9 – Financial Instruments
- HKFRS 15 – Revenue from Contracts with Customers
- Amendment to HKFRS 15 – Clarification to HKFRS 15
- Amendments to HKFRS 1 – First time adoption of HKFRS
- Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transactions
- Annual Improvements 2014-2016 cycle
- HK(IFRIC) Interpretation 22 – Foreign Currency Transactions and Advance Consideration

The Group had to change its accounting policies and make retrospective adjustments, where relevant, as a result of adopting HKFRS 9 and HKFRS 15. The impact of the adoption of these standards are disclosed below.

The adoption of other amendments on standards and interpretation did not have any material impact on the consolidated financial statements of the Group for the year.

(i) HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

Impact of adoption:

Classification and measurement of financial instruments

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. There were no impact on the amounts recognised in relation to these assets from the adoption of HKFRS 9.

There is also no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

Impairment of financial assets

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

– trade receivables

– other financial assets at amortised cost (including cash and cash equivalents, pledged bank deposits and other receivables)

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

A. Trade receivables

The Group applies the simplified approach to provide for expected credit loss prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for individual group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward-looking information.

The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any material additional impairment loss for trade receivables as at 1 January 2018.

B. Other financial assets at amortised cost

For other financial assets at amortised cost, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost and considers that the expected credit loss is immaterial.

While bank deposits and cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group has adopted HKFRS 15 from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements.

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction Contracts, which specified the accounting for construction contracts. The Group has elected to use the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

The adoption of HKFRS 15 did not have any material impact on the Group's consolidated financial position and results of operation for the year. There is also no material impact to the Group's retained earnings as at 1 January 2018.

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset.

Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The impact on the Group's financial position by the application of HKFRS 15 as compared to HKAS 18 and HKAS 11 that was previously in effect before the adoption of HKFRS 15 is as follows:

	As at 1 January 2018		
	As previously stated	**Reclassification under HKFRS 15**	**Restated**
	EUR	***EUR***	***EUR***
Consolidated statement of financial position (extracted)			
Other payables – contract liabilities	–	169,957	169,957
Other payables – advance receipts from customers	169,957	–	–

(b) New standards and amendments to existing standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on
HKFRS 16	Leases	2019
HKFRS 17	Insurance contracts	2021
HK(IFRIC) Interpretation 23	Uncertainty over income tax treatments	2019
HKAS 19	'Employee benefits' on plan amendment, curtailment or settlement	2019
Amendments to HKFRS 10 and HKAS 28	Sale or contribution assets between an investor and its associate or joint venture	To be determined
Amendments to HKFRS	Annual Improvements to HKFRSs 2015-2017 Cycle	2019
Amendment to HKAS 28	Long term interests in associates and joint ventures	2019
Amendment to HKFRS 9	Prepayment features with negative compensation	2019
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	2020

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. As at 31 December 2018 and 2017 the Group has non-cancellable operating leases commitments of EUR802,855 and EUR579,538 in respect of properties and other assets respectively. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be recognised, after taking into account the effects of discounting, as at 1 January 2019. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the profit or loss over the period of the lease.

The Group has not yet fully assessed the adjustments, if any, that are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

HKFRS 16 is mandatory for financial years commencing on or after 1 January 2019. The Group will apply the standard from its mandatory adoption date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards and interpretations that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors, who review the Group's internal reporting in order to assess performance and allocate resources.

The Group's principal activity is trading and development of telecommunication equipment. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's performance based on revenue and gross profit margin. No other discrete financial information was provided to the CODM. As the Group's resources are integrated and there are no discrete operating segment assets and liabilities reported to the CODM, accordingly, no separate segment information is presented.

(a) Revenue by product type

The Group is principally engaged in designing, development, and selling home and office telecommunication products. Revenue recognised for the year analysed by type of products is as follows:

	2018	2017
	EUR	*EUR*
Revenue		
Home telephone	**30,188,666**	30,185,041
Office telephone	**3,142,924**	4,426,102
Others	**2,508,275**	1,230,550
	35,839,865	35,841,693

(b) Revenue by location

Revenue from external customers by country, based on the location to which the goods were delivered, is as follows:

	2018	2017
	EUR	*EUR*
France	**19,363,605**	19,653,358
Latin America *(Note i)*	**6,354,505**	5,439,695
Other European countries *(Note ii)*	**6,165,482**	6,289,202
Others *(Note iii)*	**3,956,273**	4,459,438
	35,839,865	35,841,693

Notes:

i. Latin America includes Argentina, Chile, Mexico, Peru and others.

ii. Other European countries include but are not limited to Germany, Greece, Italy, Portugal, Spain and Switzerland but excludes France.

iii. Others include but are not limited to Asia Pacific Region, Russia and Middle East area.

(c) Revenue from customer contributing over 10% of the total revenue of our Group is as follows:

	2018	2017
	EUR	*EUR*
Customer A	**N/A**[1]	4,454,446

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. OTHER INCOME

	2018	2017
	EUR	*EUR*
Compensation from distributors for missing sale target	**24,149**	56,587
Others	**31,343**	167,579
	55,492	224,166

5. OTHER GAIN/(LOSS)

	2018	2017
	EUR	*EUR*
Net foreign exchange gain	**177,214**	260,223
Net gain/(loss) on derivative financial instruments	**105,704**	(455,950)
	282,918	(195,727)

6. EXPENSES BY NATURE

The following expenses are included in cost of sales, selling and distribution expenses and administrative expenses:

	2018	2017
	EUR	*EUR*
Operating lease expenses	**326,531**	302,053
Employee benefit expenses other than directors' emoluments	**3,449,228**	3,078,626
Legal and professional fees	**564,655**	276,086
Auditors' remuneration	**144,710**	141,931
Advertising and marketing expense	**866,287**	679,598
Directors' emoluments	**847,207**	875,365
Cost of inventories	**24,903,627**	25,205,807
Freight and transportation	**932,453**	800,898
Depreciation of property, plant and equipment	**190,565**	67,711
Net impairment losses on financial assets	**17,308**	76,524
Provision/(reversal) for impairment of inventories	**27,195**	(137,919)
Provision for product warranty	**140,319**	189,526
Commission fee	**659,062**	515,974
Storage fee	**560,501**	499,354
Amortisation of intangible assets	**282,521**	272,921
Legal and professional fees for listing preparation	**189,789**	1,537,703
Others	**2,534,530**	1,940,998
Total cost of sales, selling and distribution expenses and administrative expense	**36,636,488**	36,323,156

7. INCOME TAX (CREDIT)/EXPENSES

Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profit up to HK$2 million, equivalent to approximately EUR216,000, and 16.5% thereafter, for one of its subsidiaries operating in Hong Kong for the year ended 31 December 2018 (2017: 16.5%).

Corporate income tax on profits from a subsidiary operating in Mainland China has been calculated at 25% in accordance with the relevant People's Republic of China tax laws and regulations for the year ended 31 December 2018 (2017: 25%).

Corporate income tax on profits from a subsidiary operating in France has been calculated at 28% in accordance with the relevant France tax laws and regulations for the year ended 31 December 2018 (2017: 33.33%).

(a) Income tax (credit)/expenses

	2018	2017
	EUR	*EUR*
Current income tax:		
Current tax on profits for the year	**2,079**	112,521
Under provision in prior year	**1,845**	14,870
	3,924	127,391
Deferred income tax	**(71,264)**	(24,242)
Under provision in prior year *(Note)*	**–**	218,160
Deferred income tax expense	**(71,264)**	193,918
	(67,340)	321,309

Note: Tax losses of a subsidiary of the Group amounted to EUR661,092 recognized in prior year were disallowed in 2017.

(b) The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2018	2017
	EUR	*EUR*
Loss before income tax	**(806,259)**	(864,231)
Calculated at a taxation rate of 16.5% (2017:16.5%)	**(133,033)**	(142,598)
Expenses not deductible for tax purpose	**134,224**	282,809
Income not subject to tax	**(39,999)**	(28,707)
Effect of different tax rates in other jurisdictions	**(19,566)**	(48,225)
One-off tax relief	**(2,162)**	–
Remeasurement of deferred tax – change in tax rate in France *(Note i)*	**–**	25,000
Effect of change in tax rate in Hong Kong *(Note ii)*	**(8,649)**	–
Under provision in prior years	**1,845**	233,030
Income tax (credit)/expense	**(67,340)**	321,309

Note i: For the year ended 31 December 2018, the applicable statutory Corporate Income Tax rate in France is 28% (2017: 33.33%). According to the France Tax Department's promulgation on 27 September 2017, the applicable statutory Corporate Income Tax rate is stipulated at a rate of 28%, effective from 1 January 2018, hence deferred tax assets arising from subsidiary in France were re-measured at the applicable statutory Corporate Income Tax rate at a rate of 28% for the year ended 31 December 2017.

Note ii: For the year ended 31 December 2018, the applicable statutory Corporate Income Tax rate in Hong Kong is 8.25% on assessable profits up to HK$2 million and 16.5% thereafter (2017: 16.5% for all levels of assessable profits), for any one of the Group's subsidiaries operating in Hong Kong that was elected.

8. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation completed on 21 December 2017 and the Capitalisation Issue (as defined in the Prospectus) of ordinary shares which took place on 19 January 2018. On the same date, pursuant to the Share Offer (as defined in the Prospectus), the Company issued a total of 100,000,000 shares with par value of HK$0.01 each.

	Year ended 31 December	
	2018	2017
Loss attributable to equity holders of the Company (Euro)	**(735,233)**	(1,168,505)
Weighted average number of shares in issue (thousands)	**395,068**	300,000
Basic loss per share (expressed in Euro cents)	**(0.19)**	(0.39)

(b) Diluted loss per share

Diluted loss per share is the same as the basic loss per share as there were no potential dilutive ordinary shares during the respective years.

9. DIVIDEND

No dividend has been paid or declared by the Company as at 31 December 2018 and 2017.

10. TRADE RECEIVABLES

	2018	2017
	EUR	*EUR*
Trade receivables	**9,837,857**	10,293,504
Loss allowance	**(114,857)**	(97,549)
	9,723,000	10,195,955

The credit terms granted by the Group generally range between 30 to 90 days.

As at 31 December 2018 and 2017, the ageing analysis of trade receivables, net of loss allowance made, based on invoice date is as follows:

	2018	2017
	EUR	*EUR*
1 to 30 days	**3,226,332**	3,109,148
31 to 60 days	**3,991,150**	3,492,437
61 to 90 days	**920,314**	1,007,121
More than 90 days	**1,585,204**	2,587,249
	9,723,000	10,195,955

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing.

Impairment losses are recognised in consolidated income statement within "administrative expenses"

The closing allowance for all trade receivables reconcile to the opening loss allowance are as follows:

	EUR
Loss allowance as at 1 January 2017 under HKAS 39	21,025
Increase in loss allowance	76,524
Loss allowance as at 31 December 2017 under HKAS 39 and 1 January 2018 under HKFRS 9	97,549
Increase in loss allowance	17,308
Loss allowance as at 31 December 2018 under HKFRS 9	114,857

11. TRADE PAYABLES

	2018	2017
	EUR	*EUR*
Trade payables	**3,601,944**	4,403,512

At 31 December 2018 and 2017, the ageing analysis of the trade payables based on invoice date were as follows:

	2018	2017
	EUR	*EUR*
0-30 days	**3,493,822**	3,981,341
31-60 days	**11,140**	146,237
61-90 days	**–**	28,390
Over 90 days	**96,982**	247,544
	3,601,944	4,403,512

12. SHARE CAPITAL

On 3 August 2017, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorised share capital of HK$380,000 divided into 38,000,000 shares with par value of HK$0.01 each. On the same date, the Company allotted and issued one nil-paid share to an initial subscriber who is an independent third party, which was then transferred to Eiffel Global Limited ("**Eiffel Global**"), a company incorporated in the British Virgin Islands ("**BVI**") at nil consideration.

On 21 December 2017, the authorised share capital was increased to HK$40,000,000 divided into 4,000,000,000 shares with par value of HK$0.01 each. On the same date, the said one nil-paid share was credited as fully paid and the Company further issued and allotted 9,999 shares to Eiffel Global, credited as fully paid, as part of the Reorganisation.

On 19 January 2018, pursuant to the Capitalisation Issue (as defined in the Prospectus), the Company issued a total number of additional 299,990,000 shares to Eiffel Global, credited as fully paid. On the same date, pursuant to the Share Offer (as defined in the Prospectus), the Company issued a total of 100,000,000 shares with par value of HK$0.01 each.

	Number of ordinary shares	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**
		HK$	*EUR*
Authorised:			
Ordinary share of HK$0.01 each at 3 August 2017 (date of incorporation)	38,000,000	380,000	40,998
Increase in authorised share capital	3,962,000,000	39,620,000	4,274,581
At 31 December 2017 and 2018	4,000,000,000	40,000,000	4,315,579
Issued and fully paid:			
At 3 August 2017 (date of incorporation)	1	–	–
Issuance of shares arising from Reorganisation	9,999	100	11
At 31 December 2017 and 1 January 2018	10,000	100	11
Capitalisation issue	299,990,000	2,999,900	313,353
Issue of ordinary shares for Share Offer	100,000,000	1,000,000	104,455
At 31 December 2018	400,000,000	4,000,000	417,819

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ACTIVITIES

We are a home and office telecommunications product designing company and we sell our products through the telecom operators, large consumer retail chain stores and distributors mainly located in Europe and Latin America.

We derive our revenues principally from designing developing and selling home and office telecommunications products under the trademarks bearing the brand "Alcatel" ("**Licensed Marks**") and other customer brand names for the European, Latin American and Asian markets. Our products are mainly the home and office telephone products that we design and develop.

BUSINESS REVIEW AND OUTLOOK

Group revenue was stable at approximately EUR35.8 million for the year ended 31 December 2018 compared to the previous year.

The Group's gross profit margin remains relatively stable at approximately 28.5% in 2018 and approximately 28.6% in 2017 .

The following table shows the breakdown of the Group's revenue by product categories.

	Year ended 31 December			
	2018		2017	
	EUR'000	***% of total revenue***	*EUR'000*	*% of total revenue*
Home telephone	**30,189**	**84.2%**	30,185	84.3%
Office telephone	**3,143**	**8.8%**	4,426	12.3%
Others *(Note)*	**2,508**	**7.0%**	1,231	3.4%
Total	**35,840**	**100.0%**	35,842	100.0%

Note: Others include IP camera, IP baby monitor, smart home solutions, conferencing phone and products dedicated to elderly.

Despite a sharp decline in the home telephone market, in gratitude for the Group's position and increase in its market share in Europe, the Group's revenue managed to stabilise at approximately EUR30.2 million for the Financial Year.

The Group's sales in the office telephone market received disappointing results as the demand for this category of product is continually experiencing a major downturn given that the market trend is shifting from analog phones to VoIP (voice over internet protocol) phones. The Group has failed to curb the rapid decline in revenue generated from the analog office phones market not compensated by sufficient growth in revenue generated from VoIP phones.

The Group doubled its sales in the category of Others, which include IP camera, IP baby monitor, smart home solutions, conferencing phone and products dedicated to elderly, due to the acquisition in May 2018 of the "Amplicomms" brand, a competitive brand in Europe in the field of communication products for the elderly, and also due to the launch of new products under the "Swissvoice" brand, the Group's revenues for this product category increased 163% for the last quarter of 2018. This category is expected to grow at a relatively fast rate in 2019 in gratitude for the new "Swissvoice" and "Amplicomms" branded products launched in the last quarter of 2018.

The following table sets out the breakdown of the Group's revenue by geographical location of the shipment destination of our products covering all our business segments (Note 1).

	Year ended 31 December			
	2018		2017	
	EUR'000	***% of total revenue***	*EUR'000*	*% of total revenue*
France	**19,364**	**54.0%**	19,653	54.9%
Latin America *(Note 2)*	**6,355**	**17.7%**	5,440	15.2%
Other European countries *(Note 3)*	**6,165**	**17.2%**	6,289	17.5%
APAC/Russia/MEA *(Note 4)*	**3,956**	**11.1%**	4,460	12.4%
Total	**35,840**	**100.0%**	35,842	100.0%

Notes:

1. The geographical breakdown was prepared based on shipping destination without taking into account the re-export or onward sales (if any) of our products by our customers.

2. Latin America includes Argentina, Chile, Mexico, Peru and others.

3. Other European countries include but are not limited to Germany, Greece, Italy, Portugal, Spain and Switzerland but excludes France.

4. APAC/Russia/MEA include but are not limited to the Asia Pacific Region, Russia and Middle East area.

Our sales in the Asia Pacific region, Middle East area and Russia have decreased EUR0.5 million, such decrease is mainly due to the drop of home telephone product in this region.

Our sales in other European countries remains relatively stable, the drop of home and office telephone product has been partially compensated by the new product category dedicated to elderly.

France remains dominant, and the revenue generated from France was approximately EUR19.4 million, representing approximately 54.0% of the total revenue of the Group. Social demonstrations in the country have disrupted the sales of the last quarter of 2018, nevertheless revenue remains relatively stable, and dropped approximately 1.5%.

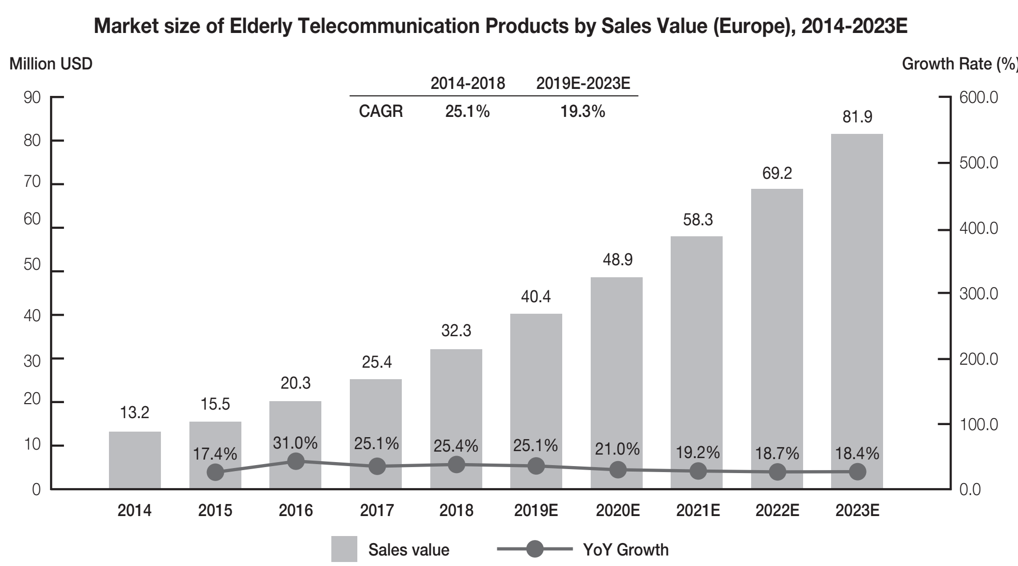
Latin America has delivered a good result, the revenue increased EUR0.9 million, 16.8% growth, due to tenders won with telecom operators in the region.

OUTLOOK

In 2018, the Group has invested massively to develop and market the new product category dedicated to elderly, this new product category will be sold under the Swissvoice and Amplicomms brands.

The Group has spent approximately EUR1.6 million more in the Financial Year in development, selling and distribution, the effort represented an increase of approximately 17.6% and it has impacted our operating loss. The Group considers this effort to be mandatory for growth in the Group's revenue in the coming years. The Group observes that the home telephone market sector is dropping fast and the Group's investment of acquiring Amplicomms brand, developing new product dedicated to the elderly and expanding our sales in UK and Germany are the necessary foundation to our future growth.

According to Frost & Sullivan (a market research consultant), in Europe, the market size of elderly telecommunications products by sales value is continuously growing. The growth is attributable to the growing awareness towards elderly care and increase population in European countries. With the continuous increase in the elderly population and the growing adoption of elderly telecommunications products, the growth of the elderly telecommunications products is estimated to increase at a CAGR of 19.3% during 2019 to 2023, reaching USD81.9 million by 2023.



Source: Frost & Sullivan

In 2019, despite a difficult economic environment where countries have revised down their growth projection, the Group is still confident to grow its revenue and improve its operating profit given the prosperous market dedicated to elderly.

FINANCIAL REVIEW

Cost of Sales and Gross Profit

Cost of sales is stable at approximately EUR25.6 million for the year ended 31 December 2018 compared to the previous year, material cost increase has been compensated by a better margin of new product category dedicated to elderly. The gross profit margin remains stable at approximately 28.5% for the year ended 31 December 2018 and approximately 28.6% for the year ended 31 December 2017.

Selling and Distribution Expenses

The selling and distribution expenses increased significantly by 26.8% from EUR3.2 million in 2017 to EUR4.1 million in 2018. This increase of approximately EUR0.9 million is driven by more marketing expenses to support exhibition, website, film to promote new product and more sales resources in Europe to expand the sales in Europe.

Administrative Expenses

Administrative expenses have decreased by 7.9% from EUR7.5 million in 2017 to EUR6.9 million in 2018. This decrease of approximately EUR0.6 million was mainly due to a lower amount in non-recurring listing expenses recognised during the year ended 31 December 2018, which was partially offset by the higher expenses incurred for developing new Swissvoice branded products and Amplicomms branded products, as well as increase in legal and professional fees subsequent to the listing of the Company's shares on GEM.

Loss attributable to the Equity Holder of the Company

The Group recorded a loss of approximately EUR0.7 million for the year ended 31 December 2018, compared to loss of EUR1.2 million for the year ended 31 December 2017.

Dividend

The Board does not recommend the payment of a dividend for the year ended 31 December 2018.

Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

There were neither significant investments held as at 31 December 2018 nor material acquisitions and disposals of subsidiaries during the year ended 31 December 2018. There is no plan for material investment or capital assets as at 31 December 2018.

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Foreign Currency Exposure and Hedging Policies

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States dollars ("**USD**") and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than EUR or HKD, which are the functional currencies of the major operating companies within the Group. The Group manages its foreign currency exposure by entering into forward derivatives contract.

The Group adopts a hedging policy to manage our exposure to foreign exchange risk in relation to USD. Due to our business nature, our goal is to control foreign exchange risk to an acceptable level by ensuring that we will only consider hedging operational flows and no hedging position will be taken without an underlying operational flow. As at 31 December 2018, the Group had outstanding foreign exchange forward contracts in respect of EUR against USD of notional principal amounts of approximately USD3.7 million (as at 31 December 2017: approximately USD7.0 million). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

Employees and Remuneration Policies

As at 31 December 2018, the Group had a total of 50 staff (2017: 50). Total staff costs (including Directors' emoluments) were approximately EUR4.3 million for the year ended 31 December 2018 (2017: approximately EUR4.0 million). Remuneration is determined with reference to market conditions and the performance, qualifications and experience and composition package of the Directors, senior management and other employees. Year-end bonus will be paid to employees as recognition of and reward for their contributions according to individual performance. Other benefits include contributions to statutory mandatory provident fund schemes and social insurance to employees.

Liquidity and Financial Resources

As at 31 December 2018, the Group's cash and cash equivalents amounted to approximately EUR3.3 million, representing a decrease of approximately EUR1.5 million as compared to that of approximately EUR4.8 million as at 31 December 2017. Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. As of 31 December 2018, we had various bank borrowings and overdrafts of approximately EUR9.2 million, including factoring loan for trade receivables (as at 31 December 2017: approximately EUR8.2 million), representing an increase of approximately EUR1.0 million as compared to that as at 31 December 2017.

Net current assets increased from approximately EUR4.7 million for the year ended 31 December 2017 to approximately EUR7.2 million for the year ended 31 December 2018, which was mainly due to stocking up of inventory in preparation for new products launch.

The Group requires cash primarily for working capital. As of 31 December 2018, the Group had approximately EUR3.3 million in cash and bank balances (as at 31 December 2017: approximately EUR4.8 million), representing a decrease of approximately EUR1.5 million as compared to that as at 31 December 2017.

Net Gearing Ratio

As at 31 December 2018, the net gearing ratio of the Group was approximately 38% (as at 31 December 2017: approximately 35%). The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (borrowings as shown in the consolidated statement of financial position) less cash and bank balances. Total capital is calculated as "equity" as shown in consolidated statement of financial position plus net debt. The increase of the net gearing ratio was mainly attributable to an increase for bank borrowing to support the Group's working capital.

Contingent Liabilities

As at 31 December 2018, the Company had no significant contingent liabilities (as at 31 December 2017: Nil).

Capital Structure

The Company's shares were successfully listed on GEM of the Stock Exchange on 19 January 2018. There has been no change in the Company's capital structure since 19 January 2018. The capital structure of the Group comprises of issued share capital and reserves. The Directors review and manage the Group's capital structure regularly.

Pledge of Assets

At the end of the year, the Group's banking facilities were secured by:

(i) certain of the Group's trade receivables with an aggregate amount of approximately EUR4,729,113 (2017: EUR5,711,916);

(ii) pledged bank deposits with an aggregate amount of approximately EUR2,038,442 (2017: EUR2,062,879);

(iii) a corporate guarantee from the Company with an aggregate amount of approximately EUR4,824,561 (2017: EUR4,620,000).

Capital Commitments

As at 31 December 2018, the Company had no capital commitment (as at 31 December 2017: Nil).

USE OF PROCEEDS FROM THE LISTING

As stated in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 December 2017 (the "**Prospectus**"), the Group intends to use the proceeds to (i) develop its office telephone products; (ii) develop its elderly telecommunications products; (iii) strengthen and enhance its sales channels; (iv) expand its staff team; (v) develop its other products including IP cameras and smart home products; (vi) expand its geographical coverage; and for (vii) general working capital.

On 19 January 2018, 100,000,000 ordinary shares of the Company were allotted at HK$0.5 and the net proceeds from Public Offer and Placing (as defined in the Prospectus) received by the Company were approximately HK$23.1 million (after deduction of any related expenses). The Company intends to continue to apply the net proceeds in accordance with the proposed applications set out below.

Given that the listing of securities of the Company on GEM only took place in January 2018, during the year ended 31 December 2018, the net proceeds had been received or utilised as follows:

	Actual net proceeds allocated	**Amount utilised up to 31 December 2018**	**Balance as at 31 December 2018**
	HK$ Million	*HK$ Million*	*HK$ Million*
Developing the office telephone products	2.9	–	2.9
Developing the elderly telecommunications products	5.3	(2.3)	3.0
Strengthening and enhancing our sales channels	3.7	(1.7)	2.0
Expanding the staff team	5.8	(1.4)	4.4
Developing the other products including IP cameras and smart home products	1.3	–	1.3
Expanding the geographical coverage	3.0	(0.3)	2.7
General working capital	1.1	(1.1)	–
	23.1	(6.8)	16.3

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") throughout the year. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31 December 2018. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

Having been made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the year ended 31 December 2018.

COMPETING BUSINESS

During the year and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

COMPLIANCE ADVISER'S INTERESTS

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited ("**Lego**") to be the compliance adviser. Lego, being the sponsor to the listing, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save as the above, neither Lego nor any of its associates and none of the directors or employees of Lego who have been involved in providing advice to the Company as the sponsor, has or may, as a result of the share offer, have any interest in any securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities).

The compliance adviser's appointment is for a period commencing on the listing date and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of its annual report of the financial results for the second full financial year commencing after the listing date, i.e. for the year ending 31 December 2020, or until the compliance adviser agreement is terminated, whichever is earlier.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of at least 25% of the Company's issued shares at the year ended 31 December 2018 prior to issue of this announcement under the GEM Listing Rules.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on 14 May 2019. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company on 29 March 2019 and dispatched to the shareholders on 29 March 2019.

CLOSURE OF THE REGISTER OF MEMBER

The register of members of the Company will be closed from Wednesday, 8 May 2019 to Tuesday, 14 May 2019, both dates inclusive, during which period no transfer of shares of the Company could be registered for determination of entitlement of shareholders of the Company to the attendance at the forthcoming annual general meeting of the Company.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established the Audit Committee on 21 December 2017 with written terms of reference in compliance with paragraphs C.3.3 and C.3.7 of the Code. The principal duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Audit Committee comprises three members namely Ms. Lam Lai Ting Maria Goretti (Chairman), Mr. Yiu Chun Kit and Ms. Chan Cheuk Man Vivian.

All the members are Independent Non-Executive Directors (including two Independent Non-Executive Directors who possess the appropriate professional qualifications, accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The Audit Committee has reviewed the results of the Group for the year ended 31 December 2018.

By order of the Board
ATLINKS GROUP LIMITED
Mr. Long Hak Kan
Chairman and Non-executive Director

Hong Kong, 22 March 2019

As at the date of this announcement, the executive Directors are Mr. Didier Paul Henri GOUJARD, Mr. Jean-Alexis René Robert DUC, Ms. HO Dora and Mr. LONG Shing; the non-executive Directors are Mr. LONG Hak Kan and Mr. LONG Fung; and the independent non-executive Directors are Mr. YIU Chun Kit, Ms. LAM Lai Ting Maria Goretti and Ms. CHAN Cheuk Man Vivian.

*This announcement, for which the directors (the "**Directors**") of Atlinks Group Limited (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 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.