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ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

The Group's revenue increased from approximately EUR29.8 million for the year ended 31 December 2020 to approximately EUR34.1 million for the year ended 31 December 2021, representing an increase of approximately 14.2%. This was mainly due to increase in sales in home telephone segment in France and in other European countries.

The Group's gross profit margin increased from approximately 30.2% for the year ended 31 December 2020 to approximately 31.1% for the year ended 31 December 2021.

The Group recorded a profit attributable to the equity holders of the Company of approximately EUR0.2 million for the year ended 31 December 2021, compared to a profit of approximately EUR0.5 million for the year ended 31 December 2020.

During the financial year 2021, the Group declared and paid an interim dividend HK0.41 cents per share. The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

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 2021 together with the comparative figures for the year ended 31 December 2020.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021 (Expressed in EURO)

	Note	2021 EUR	2020 EUR
Revenue	3	34,068,881	29,829,719
Cost of sales	6	<u>(23,464,230)</u>	<u>(20,816,053)</u>
Gross profit		10,604,651	9,013,666
Selling and distribution expenses	6	(4,144,639)	(2,977,100)
Administrative expenses	6	<u>(5,336,712)</u>	<u>(5,116,857)</u>
		1,123,300	919,709
Other income	4	–	6
Other net (loss)/gain			
– Exchange difference		(476,024)	411,278
– Fair value changes on financial assets/liabilities at fair value through profit or loss		<u>75,538</u>	<u>(43,003)</u>
Operating profit		722,814	1,287,990
Finance income		120	1,622
Finance costs		<u>(405,875)</u>	<u>(412,448)</u>
Finance costs, net		(405,755)	(410,826)
Profit before income tax		317,059	877,164
Income tax expense	7	<u>(111,876)</u>	<u>(362,789)</u>
Profit for the year		205,183	514,375
Attributable to:			
Equity holders of the Company		205,183	514,375
Non-controlling interests		–	–
		205,183	514,375
Earnings per share			
– Basic and diluted (expressed in Euro cents per share)	8	0.05	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021 (Expressed in EURO)

	2021 <i>EUR</i>	2020 <i>EUR</i>
Profit for the year	205,183	514,375
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences	360,055	(377,609)
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit retirement plans, net of tax	<u>(44,192)</u>	<u>8,290</u>
Other comprehensive income/(loss) for the year	<u>315,863</u>	<u>(369,319)</u>
Total comprehensive income for the year	<u>521,046</u>	<u>145,056</u>
Attributable to:		
Equity holders of the Company	521,046	145,056
Non-controlling interests	<u>–</u>	<u>–</u>
	<u>521,046</u>	<u>145,056</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021 (Expressed in EURO)

	Note	2021 EUR	2020 EUR
ASSETS			
Non-current assets			
Property, plant and equipment		1,555,317	550,675
Right-of-use assets		255,295	457,497
Intangible assets		3,379,157	3,637,617
Deferred income tax assets		961,196	992,749
Prepayments, deposits and other receivables		39,572	37,817
		<u>6,190,537</u>	<u>5,676,355</u>
Current assets			
Inventories		6,731,543	7,525,923
Deferred income tax assets		–	21,151
Trade receivables	10	10,378,603	8,747,324
Prepayments, deposits and other receivables		3,335,650	2,123,509
Income tax recoverable		–	14,342
Pledged bank deposits		1,584,825	1,237,657
Cash and cash equivalents		5,019,181	5,327,808
		<u>27,049,802</u>	<u>24,997,714</u>
Total assets		<u>33,240,339</u>	<u>30,674,069</u>
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	12	417,819	417,819
Reserves		7,891,235	7,545,590
		<u>8,309,054</u>	<u>7,963,409</u>
Non-controlling interests		–	–
Total equity		<u>8,309,054</u>	<u>7,963,409</u>

	<i>Note</i>	2021 EUR	2020 EUR
LIABILITIES			
Non-current liabilities			
Lease liabilities		122,537	221,168
Deferred income tax liabilities		–	1,061
Retirement benefits obligation		367,948	325,889
Other payables		<u>1,768,642</u>	<u>2,076,619</u>
		<u>2,259,127</u>	<u>2,624,737</u>
Current liabilities			
Trade payables	11	5,113,582	6,260,640
Contract liabilities		118,849	169,804
Deferred income tax liabilities		–	43,785
Accruals, provision and other payables		4,519,228	5,031,083
Financial liabilities at fair value through profit or loss		–	75,538
Loan from related parties		2,049,092	1,915,960
Borrowings		10,662,116	6,368,804
Income tax payable		73,810	–
Lease liabilities		<u>135,481</u>	<u>220,309</u>
		<u>22,672,158</u>	<u>20,085,923</u>
Total liabilities		<u>24,931,285</u>	<u>22,710,660</u>
Total equity and liabilities		<u>33,240,339</u>	<u>30,674,069</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Atlinks Group Limited (the “**Company**”) was incorporated in the Cayman Islands 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 Windward 3, Regatta Office Park, P.O. Box 1350, 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.

The consolidated financial statements are presented in EURO (“**EUR**”) unless otherwise stated.

2. APPLICATION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSS**”)

(i) New and amended standards adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2
- Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021

(ii) **New standards and interpretations not yet adopted**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

		Effective for accounting period beginning on or after
Amendments to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKFRS 16	Property, plant and equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Annual improvements to HKFRSs 2018- 2020 cycle		1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

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 product. Revenue recognised for the year analysed by type of products is as follows:

	2021	2020
	EUR	EUR
Revenue from contracts from customers recognised at a point in time		
Home telephone	24,731,104	20,445,507
Senior products	6,174,503	6,089,663
Office telephone	3,081,441	2,976,177
Others (<i>Note</i>)	81,833	318,372
	34,068,881	29,829,719

Note: Others include IP devices and other miscellaneous products.

(b) Revenue by location

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

	2021	2020
	EUR	EUR
France	18,599,163	16,747,698
Other European countries (<i>Note i</i>)	8,873,177	6,880,049
APAC/Russia/MEA (<i>Note ii</i>)	3,674,897	4,095,510
Latin America (<i>Note iii</i>)	2,921,644	2,106,462
	34,068,881	29,829,719

Notes:

- i. Other European countries include but are not limited to Germany, UK, Benelux, Spain, Italy, Portugal and Switzerland but excludes France.
- ii. APAC/Russia/MEA include but are not limited to Asia Pacific Region, Russia and Middle East area.
- iii. Latin America includes Argentina, Chile, Mexico, Peru and others.

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

	2021	2020
	EUR	EUR
Customer A	3,923,495	N/A ¹

¹ No customer contributed over 10% of the total revenue of the Group for the year ended 31 December 2020.

4. OTHER INCOME

	2021	2020
	EUR	EUR
Others	–	6

5. OTHER NET (LOSS)/GAIN

	2021	2020
	EUR	EUR
Net foreign exchange (loss)/gain	(476,024)	411,278
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss	<u>75,538</u>	<u>(43,003)</u>
	<u>(400,486)</u>	<u>368,275</u>

6. EXPENSES BY NATURE

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

	2021	2020
	EUR	EUR
Expenses related to short-term leases	63,435	35,014
Employee benefit expenses other than directors' emoluments	2,896,086	2,531,531
Legal and professional fees	246,470	345,721
Auditor's remuneration	87,595	109,040
Advertising and marketing expense	722,206	641,588
Directors' emoluments	870,339	1,012,787
Cost of inventories	22,574,486	20,215,262
Freight and transportation	1,663,340	890,272
Depreciation of property, plant and equipment	311,652	261,556
Depreciation of right-of-use assets	240,232	249,048
Reversal of loss allowance on trade receivables	–	(39,301)
Provision for/(reversal of) impairment of inventories	9,127	(56,372)
Removal and decoration expense	2,917	–
Provision for product warranty	224,837	114,109
Commission fee	560,769	509,679
Storage fee	482,668	408,551
Amortisation of intangible assets	317,781	308,805
Bank charges	93,775	98,777
Accounts receivables insurance reimbursement	114,055	128,385
Design and engineering expenses	274,285	145,015
Office supplies	68,531	102,613
Inspection fee	227,077	161,328
Others	893,918	736,602
Total cost of sales, selling and distribution expenses and administrative expense	<u>32,945,581</u>	<u>28,910,010</u>

7. INCOME TAX EXPENSES/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 December 2021 (2020: 16.5%).

Corporate income tax on profits from a subsidiary operating in Mainland China has been calculated at 25% for the year ended 31 December 2021 (2020: 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 2021 (2020: 28%).

(a) Income tax expense

	2021	2020
	EUR	EUR
Current income tax:		
Current tax on profits for the year	98,242	3,261
Over provision in prior year	—	(17,950)
	<u>98,242</u>	<u>(14,689)</u>
Remeasurement of deferred tax by change in tax rate in France	—	64,000
Deferred income tax expense	13,634	313,478
	<u>111,876</u>	<u>362,789</u>

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

	2021	2020
	EUR	EUR
Profit before income tax	<u>317,059</u>	<u>877,164</u>
Calculated at a taxation rate of 16.5% (2020:16.5%)	52,315	144,732
Expenses not deductible for tax purpose	154,645	73,608
Income not subject to tax	(14,528)	(94,212)
Effect of different tax rates in other jurisdictions	(67,734)	192,611
Utilisation of tax loss not recognised	(12,822)	–
Remeasurement of deferred tax by change in tax rate in France (<i>Note</i>)	–	64,000
Over provision in prior years	<u>–</u>	<u>(17,950)</u>
Income tax expense	<u>111,876</u>	<u>362,789</u>

Note: For the year ended 31 December 2021 and 2020, the applicable statutory Corporate Income Tax rate in France is 28%, According to the France Tax Department's promulgation on 5 October 2020, the applicable statutory Corporate Income Tax rate is stipulated at a rate of 25%, effective from 1 January 2022, hence deferred tax assets arising from subsidiary in France were re-measured at the applicable statutory Corporate Income Tax rate.

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2021 and 2020 are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during year.

	Year ended 31 December	
	2021	2020
	EUR	EUR
Profit attributable to equity holders of the Company (<i>EUR</i>)	205,183	514,375
Weighted average number of shares in issue (<i>thousands</i>)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (expressed in Euro cents)	<u>0.05</u>	<u>0.13</u>

(b) Diluted earnings per share

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

9. DIVIDEND

An interim dividend of HK0.41 cents (2020: Nil) per ordinary share was paid and declared during the year. No final dividend has been paid or declared by the Company as for the year ended 31 December 2021 and 2020.

10. TRADE RECEIVABLES

	2021 <i>EUR</i>	2020 <i>EUR</i>
Trade receivables	10,734,521	9,103,242
Loss allowance	(355,918)	(355,918)
	<u>10,378,603</u>	<u>8,747,324</u>

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

As at 31 December 2021 and 2020, the ageing analysis of trade receivables, net of loss allowance made, based on invoice date, is as follows:

	2021 <i>EUR</i>	2020 <i>EUR</i>
1 to 30 days	3,914,263	3,752,420
31 to 60 days	2,928,006	1,996,397
61 to 90 days	1,538,225	1,447,812
More than 90 days	1,998,109	1,550,695
	<u>10,378,603</u>	<u>8,747,324</u>

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.

Credit losses are recognised in consolidated income statement within “administrative expenses”.

As at 31 December 2021 and 2020, the Group had factored trade receivables of EUR5,906,746 and EUR4,991,715 respectively to banks for cash under certain receivables purchase agreements. As the Group still retained the risks associated with the default and delay in payment by the customers, the financial asset derecognition conditions as stipulated in HKFRS 9 have not been fulfilled. Accordingly, the proceeds from the factoring of trade receivables have been accounted for as the Group’s liabilities and included in borrowings as “Factoring loans”.

11. TRADE PAYABLES

	2021 <i>EUR</i>	2020 <i>EUR</i>
Trade payables	<u>5,113,582</u>	<u>6,260,640</u>

At 31 December 2021 and 2020, the ageing analysis of the trade payables based on invoice date were as follows:

	2021 <i>EUR</i>	2020 <i>EUR</i>
0-30 days	1,418,043	1,780,859
31-60 days	1,521,628	1,885,231
61-90 days	1,545,530	1,187,939
Over 90 days	<u>628,381</u>	<u>1,406,611</u>
	<u>5,113,582</u>	<u>6,260,640</u>

12. SHARE CAPITAL

(a) Share capital

	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent nominal value of ordinary shares <i>EUR</i>
Authorised: Ordinary share of HK\$0.01 each At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>4,000,000,000</u>	<u>40,000,000</u>	<u>4,315,579</u>
Issued and fully paid: At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>400,000,000</u>	<u>4,000,000</u>	<u>417,819</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ACTIVITIES

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

We derive our revenues principally from developing and selling home and business telecommunications products under the trademarks bearing the brand “Alcatel” (“**Licensed Marks**”) and elderly products under the Swissvoice and Amplicomms brand, we also supply products under customer brand names for the European, Latin American and Asian markets.

BUSINESS REVIEW

The Group’s revenue increased from approximately EUR29.8 million for the year ended 31 December 2020 to approximately EUR34.1 million for the year ended 31 December 2021, representing an increase of approximately 14.2%. This was mainly due to increase in sales in home telephone segment in France and in other European countries.

The Group’s gross profit margin increased from approximately 30.2% for the year ended 31 December 2020 to approximately 31.1% for the year ended 31 December 2021.

The following table shows the breakdown of our revenue by product categories.

	Year ended 31 December			
	2021		2020	
	<i>EUR’000</i>	<i>% of total revenue</i>	<i>EUR’000</i>	<i>% of total revenue</i>
Home telephone	24,732	72.6%	20,446	68.5%
Senior products	6,174	18.1%	6,090	20.4%
Office telephone	3,081	9.1%	2,976	10.0%
Others (<i>Note</i>)	82	0.2%	318	1.1%
Total	<u>34,069</u>	<u>100.0%</u>	<u>29,830</u>	<u>100.0%</u>

Note: Others include IP devices and other miscellaneous products.

Sales of the home telephone segment for the year ended 31 December 2021 have increased approximately 21.0% with sales of approximately EUR24.7 million as compared to the corresponding period in 2020.

Sales of the senior products category were stable at approximately EUR6.2 million for the year ended 31 December 2021 as compared to that of the previous year.

Sales of office telephone was stable at approximately EUR3.1 million for the year ended 31 December 2021 as compared to that of the previous year. This was mainly driven by the consistent demand for VoIP (Voice over Internet Protocol) phones and wireless conference systems in Europe.

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			
	2021		2020	
	<i>EUR'000</i>	<i>% of total revenue</i>	<i>EUR'000</i>	<i>% of total revenue</i>
France	18,600	54.6%	16,748	56.1%
Other European countries (<i>Note 2</i>)	8,873	26.0%	6,880	23.1%
APAC/Russia/MEA (<i>Note 3</i>)	3,675	10.8%	4,096	13.7%
Latin America (<i>Note 4</i>)	2,921	8.6%	2,106	7.1%
Total	34,069	100.0%	29,830	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. Other European countries include but are not limited to Germany, UK, Benelux, Spain, Italy, Portugal and Switzerland but excludes France.
3. APAC/Russia/MEA include but are not limited to Asia Pacific Region, Russia and Middle East area.
4. Latin America includes Argentina, Chile, Mexico, Peru and others.

Sales to France for the year ended 31 December 2021 have grown by approximately 11.1% to approximately EUR18.6 million as compared to the corresponding period in 2020.

Sales to other European countries for the year ended 31 December 2021 have grown by approximately 29.0% to approximately EUR8.9 million as compared to the corresponding period in 2020.

Our sales to Asia Pacific Region, Russia and Middle East area have dropped by approximately 10.3% to approximately EUR3.7 million for the year ended 31 December 2021 as compared to the corresponding period in 2020.

Sales to Latin America for the year ended 31 December 2021 have grown by approximately 38.7% to approximately EUR2.9 million as compared to the corresponding period in 2020.

OUTLOOK

We have a strong order book on hand and customers demand has been robust. However, the economic impact from the ongoing COVID-19 outbreak mixed with the recent conflict between western countries and Russia makes it difficult to gauge our Group revenue expectation.

Material shortages and cost pressure are expected to continue in 2022. We foresee that these issues will impact our ability to fulfill customer demand and negatively affect our margin in the first half of 2022. Our team has put in place various measures to mitigate these issues such as product re-engineering. Once these measures that we put in place start to roll in, we anticipated this situation will improve for Atlinks in the 2nd half of 2022.

Our goal in 2022 is to gain market share in the home telephone business through the introduction of re-engineered products, products with enriched features to cover more price points on the shelf and to expand geographically. In the elderly market, we will continue to expand our product range aimed at the visually and hearing impaired, provide ancillary services for our mobile devices, and further strengthen the Swissvoice and Amplicomms brands.

We look at this complex business environment as an opportunity for Atlinks. We have a strong distribution network, a good engineering team, together with the measures that have been put in place, we are confident that Atlinks will emerge stronger, ready for more growth!

FINANCIAL REVIEW

Cost of Sales and Gross Profit

The majority of the Group's cost of sales comprised of cost of inventories and depreciation and amortization. Cost of sales increased by approximately 12.7% from approximately EUR20.8 million for the year ended 31 December 2020 to approximately EUR23.5 million for the year ended 31 December 2021, which is in line with our increase in revenue. The Group's gross profit margin increased from approximately 30.2% for the year ended 31 December 2020 to approximately 31.1% for the year ended 31 December 2021.

Selling and Distribution Expenses

Sales and distribution expenses increased from approximately EUR3.0 million for the year ended 31 December 2020 to approximately EUR4.1 million for the year ended 31 December 2021, which mainly resulted from the increase in logistic expenses and sales commission.

Administrative Expenses

Administrative expenses was relatively stable at approximately EUR5.1 million for the year ended 31 December 2020 and approximately EUR5.3 million for the year ended 31 December 2021, respectively.

Profit attributable to the Equity Holders of the Company

The Group recorded a profit attributable to the equity holders of the Company of approximately EUR0.2 million for the year ended 31 December 2021, compared to a profit of approximately EUR0.5 million for the year ended 31 December 2020.

Dividend

During the financial year 2021, the Group declared and paid an interim dividend HK0.41 cents per share. The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

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

On 23 June 2021, Atlinks Europe SAS (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with SCI Belle Rive (the "**Vendor**") pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, a property located at Rueil-Malmaison (Hauts-De-Seine) (92500) 28 Boulevard Belle Rive (Lots 92, 53, 54, 55, 66 and 67) France for a total cash consideration of EUR750,000.

Save as disclosed above, there were neither significant investments held as at 31 December 2021 nor material acquisitions and disposals of subsidiaries during the year ended 31 December 2021. There is no plan for material investment or capital assets as at 31 December 2021.

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 2021, the Group had no outstanding foreign exchange forward contracts in respect of EUR against USD (as at 31 December 2020: approximately USD4.5 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 2021, the Group had a total of 46 staff (2020: 43). Total staff costs (including Directors' emoluments) were approximately EUR3.8 million for the year ended 31 December 2021 (2020: approximately EUR3.5 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 2021, the Group's cash and cash equivalents amounted to approximately EUR5.0 million, representing a decrease of approximately EUR0.3 million as compared to that of approximately EUR5.3 million as at 31 December 2020. Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. As of 31 December 2021, we had various bank borrowings and overdrafts of approximately EUR10.7 million (as at 31 December 2020: approximately EUR6.4 million), including factoring loan for trade receivable, representing an increase of approximately EUR4.3 million as compared to that as at 31 December 2020.

Net current assets has remained relatively stable at approximately EUR4.9 million for the year ended 31 December 2020 and approximately EUR4.3 million for the year ended 31 December 2021 respectively.

The Group requires cash primarily for working capital. As of 31 December 2021, the Group had approximately EUR5.0 million in cash and bank balances (as at 31 December 2020: approximately EUR5.3 million), representing a decrease of approximately EUR0.3 million as compared to that as at 31 December 2020.

Net Gearing Ratio

As at 31 December 2021, the net gearing ratio of the Group was approximately 48% (as at 31 December 2020: approximately 27%). 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 decrease of the net gearing ratio was mainly attributable to a decrease for bank borrowing and an increase in shareholders loan to support the Group's working capital.

Contingent Liabilities

As at 31 December 2021, the Company had no significant contingent liabilities (as at 31 December 2020: Nil).

Capital Structure

There has been no change in the Company's capital structure during the year. 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 EUR5,906,746 (2020: EUR4,991,715);
- (ii) pledged bank deposits with an aggregate amount of approximately EUR1,584,825 (2020: EUR1,237,657);
- (iii) a corporate guarantee from the Company with an aggregate amount of approximately EUR4,838,252 (2020: EUR4,520,148).

Capital Commitments

As at 31 December 2021, the Company had no capital commitment (as at 31 December 2020: Nil).

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company's policies and practices on corporate governance and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this announcement.

The Company has complied with the principles and applicable code provisions of the CG Code during the year ended 31 December 2021.

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 2021.

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, controlling shareholders, 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 either directly or indirectly has or may have with the Group.

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 2021 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 11 May 2022. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company on 18 March 2022 and dispatched to the shareholders on 18 March 2022.

CLOSURE OF THE REGISTER OF MEMBER

The register of members of the Company will be closed from Thursday, 5 May 2022 to Wednesday, 11 May 2022, 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.

In order to qualify for attending and voting at the annual general meeting of the Company or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged 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 later than 4:30 p.m. on Wednesday, 4 May 2022.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG 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), Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine.

All the members are independent non-executive Directors (including one independent non-executive Director 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 2021.

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

Hong Kong, 14 March 2022

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.