

ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8043

Interim Report 2023



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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, 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 report.

This report, for which the directors (the “**Directors**”) of Atlinks Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

Content

	Page(s)
Corporate Information	3
Financial Highlights	4
Management Discussion and Analysis	5
Other Information	11
Unaudited Condensed Consolidated Financial Statements	14
Notes to the Unaudited Condensed Consolidated Financial Statements	20

Corporate Information

DIRECTORS

Executive Directors:

Mr. Tong Chi Hoi
Mr. Jean-Alexis René Robert Duc
Ms. Ho Dora
Mr. Long Shing

Non-executive Directors:

Mr. Long Hak Kan
Mr. Didier Paul Henri Goujard

Independent non-executive Directors:

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

AUDIT COMMITTEE

Ms. Lam Lai Ting Maria Goretti (*Chairman*)
Ms. Chan Cheuk Man Vivian
Ms. Lee Kit Ying Catherine

REMUNERATION COMMITTEE

Ms. Lee Kit Ying Catherine (*Chairman*)
Ms. Lam Lai Ting Maria Goretti
Ms. Chan Cheuk Man Vivian

NOMINATION COMMITTEE

Mr. Long Hak Kan (*Chairman*)
Ms. Chan Cheuk Man Vivian
Ms. Lee Kit Ying Catherine

RISK MANAGEMENT COMMITTEE

Mr. Tong Chi Hoi (*Chairman*)
Ms. Lam Lai Ting Maria Goretti
Ms. Chan Cheuk Man Vivian

COMPANY SECRETARY

Ms. Ho Dora

COMPLIANCE OFFICER

Ms. Ho Dora

AUTHORISED REPRESENTATIVES

Mr. Long Shing
Ms. Ho Dora

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISER TO THE COMPANY

(*as to the laws of Hong Kong*)

CFN Lawyers in association with Broad & Bright
Room Nos. 4101-4104, 41/F, Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

PRINCIPAL BANK

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central Hong Kong

INDEPENDENT AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor
Registered in accordance with the Financial Reporting
Council Ordinance
8/F, Prince's Building,
10 Chater Road, Central, Hong Kong

STOCK CODE

8043

COMPANY'S WEBSITE

www.atlinks.com

Financial Highlights

The Group's revenue increased from approximately EUR15.2 million for the six months ended 30 June 2022 to approximately EUR16.3 million for the six months ended 30 June 2023, representing an increase of approximately 7.1%. This was mainly due to the increase in sales in the home telephone segment as well as good performance in Other European countries and APAC/MEA.

The Group recorded a profit attributable to the equity holders of the Company of approximately EUR80 thousand for the six months ended 30 June 2023, compared to a loss of approximately EUR0.6 million for the six months ended 30 June 2022.

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2023.

Management Discussion and Analysis

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2023, together with the unaudited comparative figures for the corresponding periods in 2022.

BUSINESS REVIEW

The Group’s revenue increased from approximately EUR15.2 million for the six months ended 30 June 2022 to approximately EUR16.3 million for the six months ended 30 June 2023, representing an increase of approximately 7.1%. This was mainly due to the increase in sales in the home telephone segment as well as good performance in Other European countries and APAC/MEA.

The following table shows the breakdown of the Group’s revenue by product type for each of the three and six months ended 30 June 2022 and 2023:

	For the three months ended 30 June			
	2023 (Unaudited)		2022 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	6,101	76.5%	6,070	78.5%
Senior products	1,178	14.8%	964	12.5%
Office telephone	694	8.7%	530	6.8%
Others <i>(Note)</i>	3	0.0%	173	2.2%
Total	7,976	100.0%	7,737	100.0%

	For the six months ended 30 June			
	2023 (Unaudited)		2022 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	12,560	77.0%	11,276	74.0%
Senior products	2,250	13.8%	2,332	15.3%
Office telephone	1,464	9.0%	1,427	9.4%
Others <i>(Note)</i>	39	0.2%	192	1.3%
Total	16,313	100.0%	15,227	100.0%

Note: Others include IP devices and other miscellaneous products.

Sales of home telephone segment for the six months ended 30 June 2023 has increased approximately 11.4% as compared to the corresponding period in 2022, with sales of approximately EUR12.6 million.

Management Discussion and Analysis

Sales of the senior products and office telephone remained relatively stable at approximately EUR2.3 million and EUR1.4 million respectively, which represents approximately 13.8% and 9.0% of the total revenue for the six months ended 30 June 2023.

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).

	For the three months ended 30 June			
	2023 (Unaudited)		2022 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	3,499	43.9%	4,278	55.3%
Other European countries (Note 2)	2,440	30.6%	1,379	17.8%
APAC/MEA (Note 3)	1,585	19.9%	616	8.0%
Latin America (Note 4)	452	5.6%	1,464	18.9%
Total	7,976	100.0%	7,737	100.0%

	For the six months ended 30 June			
	2023 (Unaudited)		2022 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	7,778	47.7%	8,121	53.3%
Other European countries (Note 2)	4,843	29.7%	3,313	21.8%
APAC/MEA (Note 3)	2,781	17.0%	1,605	10.5%
Latin America (Note 4)	911	5.6%	2,188	14.4%
Total	16,313	100.0%	15,227	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/MEA include but are not limited to Asia Pacific Region and Middle East area.
4. Latin America includes Argentina, Chile, Mexico, Peru and others.

Sales to France for the six months ended 30 June 2023 has dropped by 4.2% to approximately EUR7.8 million as compared to the corresponding period in 2022. This represented approximately 47.7% of our total revenue for six months ended 30 June 2023.

Sales to other European countries for the six months ended 30 June 2023 has increased by approximately 46.2% to approximately EUR4.8 million as compared to the corresponding period in 2022.

Sales to the Asia Pacific Region and the Middle East area has increased 73.3% to approximately EUR2.8 million for the six months ended 30 June 2023 as compared to the corresponding period in 2022.

Sales to Latin America has dropped by 58.4% to approximately EUR0.9 million as compared to the corresponding period in 2022.

OUTLOOK

H1 2023 revenue recorded a growth of 7.1% compared to the same period in 2022. This is in line with our budget but comes in lower than our expectations. We believe the high inflation and political uncertainty in Europe has softened the market demand which makes it difficult to gauge our Group revenue this year. That said, our energetic and competent team is working hard to achieve the 2023 target.

Gross margin has improved from 26.7% in H1 2022 to 33.1% in H1 2023. Depending on the product mix, we expect to achieve a similar profit margin throughout 2023.

Last year, we spent significant engineering resources in the development of an alternative product solution to mitigate the component shortage issues. We have now resumed our new product development and expect a range of new models to be launched in Q4 2023. H1 2023 revenue split shows a strong performance from markets in Other European countries and in APAC/MEA regions, we expect this trend to continue into H2 2023. Our goal remains the same, that is to gain market share in the home telephone business and to expand geographically. In the senior products 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 Amplicoms brands.

We continue to look at this complex business environment as an opportunity for the Company. Customer demand has been soft in H1 2023, which we expect to improve in H2 2023. Together with our strong distribution network, and a good engineering team, we are confident of achieving a solid result in 2023.

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 amortisation. The cost of sales decreased by approximately 2.3% from approximately EUR11.2 million for the six months ended 30 June 2022 to approximately EUR10.9 million for the six months ended 30 June 2023.

Gross profit margin has improved from approximately 26.7% for the six months ended 30 June 2022 to approximately 33.1% for the six months ended 30 June 2023, which is mainly driven by the decrease in costs of materials when comparing the six months ended 30 June 2023 to the corresponding period in 2022.

Selling and Distribution Expenses

Selling and distribution expenses was relatively stable at approximately EUR1.7 million for the six months ended 30 June 2022 and 2023.

Administrative Expenses

Administrative expenses increased from approximately EUR2.6 million for the six months ended 30 June 2022 to approximately EUR3.0 million for the six months ended 30 June 2023, which mainly resulted from the increase in staff costs due to inflation.

(Loss)/profit attributable to the Equity Holders of the Company

The Group recorded a profit of approximately EUR80 thousand for the six months ended 30 June 2023, compared to a loss of approximately EURO.6 million for the six months ended 30 June 2022.

Dividend

The Board does not recommend the payment of a dividend for the six months ended 30 June 2023.

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 30 June 2023 nor material acquisitions and disposals of subsidiaries during six months ended 30 June 2023 and there is no plan for material investment or capital assets as at the date of this report.

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 currencies giving rise to this risk are primarily Renminbi ("**RMB**") and 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 RMB and 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 30 June 2023, the Group had outstanding foreign exchange forward contracts in respect of EUR against RMB of notional principal amounts of approximately RMB32.0 million (as at 31 December 2022: RMB70.4 Million) and had no outstanding foreign exchange forward contracts in respect of EUR against USD (as at 31 December 2022: Nil). 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 30 June 2023, the Group had a total of 47 staff (31 December 2022: 46). Total staff costs (including Directors' emoluments) were approximately EUR2.0 million for the six months ended 30 June 2023 as compared to that of approximately EUR1.8 million for the six months ended 30 June 2022. 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 30 June 2023, the Group's cash and cash equivalents amounted to approximately EUR1.7 million, representing a decrease of approximately EUR0.8 million as compared to that of approximately EUR2.5 million as at 31 December 2022. Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. As of 30 June 2023, we had various bank borrowings and overdrafts of approximately EUR8.8 million, including factoring loan for trade receivables (31 December 2022: approximately EUR9.7 million).

Net current assets has remained relatively stable at approximately EUR3.5 million for the year ended 31 December 2022 and approximately EUR3.7 million for the six months ended 30 June 2023 respectively.

The Group requires cash primarily for working capital. As of 30 June 2023, the Group had approximately EUR1.7 million in cash and bank balances (31 December 2022: approximately EUR2.5 million), representing a decrease of approximately EUR0.8 million as compared to that as at 31 December 2022.

Net Gearing Ratio

As at 30 June 2023, the net gearing ratio of the Group was approximately 58.6% (31 December 2022: approximately 56%). 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 in shareholder loan to support the Group's working capital.

Contingent Liabilities

As at 30 June 2023, the Company had no significant contingent liabilities (31 December 2022: Nil).

Capital Structure

There has been no change in the Company's capital structure for the six months ended 30 June 2023. The capital structure of the Group comprises of issued share capital and reserves. The Directors review and manage the Group's capital structure regularly.

Management Discussion and Analysis

Pledge of Assets

As at 30 June 2023, the Group's banking facilities were secured by:

- (i) certain of the Group's trade receivables with an aggregate amount of approximately EUR4,854,211 (31 December 2022: EUR4,731,267);
- (ii) pledged bank deposits with an aggregate amount of approximately EUR2,177,190 (31 December 2022: EUR1,937,523);
- (iii) a corporate guarantee from the Group with an aggregate amount of approximately EUR5,092,593 (31 December 2022: EUR5,188,679).

Capital Commitments

As at 30 June 2023, the Company had no capital commitment (31 December 2022: 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 for the six months ended 30 June 2023.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was conditionally adopted pursuant to a resolution passed by the Company's shareholders on 21 December 2017 for the primary purposes to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group.

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during the six months ended 30 June 2023. As at 30 June 2023, the Company has no outstanding share option under the Share Option Scheme.

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 30 June 2023, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

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

Notes:

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

Other Information

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company had any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register of the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There is no contract of significance to which the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the six months ended 30 June 2023.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Required Standard of Dealing**"). Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the Required Standard of Dealings and there was no event of non-compliance for the six months ended 30 June 2023.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2023, to the best of the Directors' knowledge, the following shareholders had, or were deemed to have, interests or short positions, in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares of the Company

Name	Capacity	Number of shares	Percentage of shareholding
Eiffel Global	Beneficial owner	300,000,000	75%
TOHL (<i>Note 1</i>)	Interest of controlled corporation	300,000,000	75%
Ms. Chu	Interest of controlled corporation	300,000,000	75%
Mr. Tong	Interest of controlled corporation	300,000,000	75%
Mr. Long (<i>Note 2</i>)	Interest of spouse	300,000,000	75%
Ng Ching Yi Doris ("Ms. Ng") (<i>Note 3</i>)	Interest of spouse	300,000,000	75%

Notes:

1. TOHL is deemed or taken to be interested in all the Shares which are beneficially owned by Eiffel Global under the SFO. Eiffel Global is owned as to 75% by TOHL, 11.83% by AIL, 9.67% by Mr. Duc, and 3.5% by Ms. Ho respectively.

2. Mr. Long is the spouse of Ms. Chu and he is deemed or taken to be interested in all the Shares which are beneficially owned by Ms. Chu under the SFO.
3. Ms. Ng is the spouse of Mr. Tong and she is deemed or taken to be interested in all the Shares which are beneficially owned by Mr. Tong under the SFO.

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

COMPETING BUSINESS

During the reporting period and up to the date of this report, 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.

CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix 15 of the GEM Listing Rules. The Board is of the opinion that the Company has complied with the CG Code during the six months ended 30 June 2023.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) currently consists of three independent non-executive Directors of the Company, chaired by Ms. Lam Lai Ting Maria Goretti and the other two members are Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2023 are unaudited, but have been reviewed by the Audit Committee.

PUBLICATION OF INFORMATION ON WEBSITES

This interim report is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.atlinks.com.

By the order of Board

Long Hak Kan

Chairman

9 August 2023

Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2023

The Board is pleased to announce the unaudited consolidated results of the Group for the three months and six months ended 30 June 2023, together with the comparative figures for the corresponding period in 2022 which have been reviewed and approved by the audit committee of the Company (the "Audit Committee"), as follows:

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
Revenue	3	7,975,997	7,737,237	16,313,292	15,226,994
Cost of sales		(5,301,507)	(5,752,740)	(10,907,777)	(11,165,996)
Gross profit		2,674,490	1,984,497	5,405,515	4,060,998
Selling and distribution expenses		(757,936)	(903,180)	(1,706,918)	(1,693,510)
Administrative expenses		(1,564,258)	(1,292,742)	(2,984,771)	(2,611,710)
Other gain/(loss)		352,296	(211,425)	713,826	(244,222)
– Exchange difference		(21,395)	(159,173)	(5,019)	(295,048)
– Fair value changes on financial assets/liabilities at fair value through profit or loss		(220,026)	55,432	(284,946)	55,432
Operating profit/(loss)		110,875	(315,166)	423,861	(483,838)
Finance income		2,648	88	4,227	331
Finance costs		(227,100)	(114,396)	(394,445)	(228,365)
Finance costs, net		(224,452)	(114,308)	(390,218)	(228,034)
(Loss)/profit before income tax		(113,577)	(429,474)	33,643	(711,872)
Income tax credit	4	45,449	118,958	45,924	124,834
(Loss)/profit for the period		(68,128)	(310,516)	79,567	(587,038)
Attributable to:					
Equity holders of the Company		(68,128)	(310,516)	79,567	(587,038)
Non-controlling interests		–	–	–	–
		(68,128)	(310,516)	79,567	(587,038)
(Loss)/earnings per share					
– Basic and diluted (expressed in Euro cents per share)	5	(0.02)	(0.08)	0.02	(0.15)

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	Three months ended 30 June		Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
(Loss)/profit for the period	(68,128)	(310,516)	79,567	(587,038)
Other comprehensive (loss)/income				
<i>Items that may be reclassified to profit or loss:</i>				
Currency translation differences	(40,597)	161,760	(39,305)	283,772
Other comprehensive (loss)/income for the period	(40,597)	161,760	(39,305)	283,772
Total comprehensive (loss)/income for the period	(108,725)	(148,756)	40,262	(303,266)
Attributable to:				
Equity holders of the Company	(108,725)	(148,756)	40,262	(303,266)
Non-controlling interests	–	–	–	–
	(108,725)	(148,756)	40,262	(303,266)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,355,421	1,420,327
Right-of-use assets		65,440	126,338
Intangible assets	7	2,996,087	3,139,624
Deferred income tax assets		1,294,521	1,301,057
Prepayments, deposits and other receivables		42,309	42,309
		5,753,778	6,029,655
Current assets			
Inventories	8	9,479,384	9,326,738
Trade receivables	9	8,932,363	9,119,105
Prepayments, deposits and other receivables		4,946,555	4,367,535
Deferred income tax assets		68,569	–
Income tax recoverable		100,979	84,949
Pledged bank deposits		2,177,190	1,937,523
Cash and cash equivalents		1,680,141	2,464,451
		27,385,181	27,300,301
Total assets		33,138,959	33,329,956
EQUITY			
Equity attributable to the equity holders of the Company			
Share Capital	10	417,819	417,819
Reserves		7,401,294	7,361,032
Total equity		7,819,113	7,778,851

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		–	7,986
Retirement benefits obligation		314,650	314,650
Other payables		1,279,602	1,446,336
		1,594,252	1,768,972
Current liabilities			
Trade payables	11	6,490,228	7,354,293
Contract liabilities		76,361	42,294
Accruals, provision and other payables		4,042,999	3,735,583
Financial Liabilities at fair value through profit or loss		311,444	26,498
Loans from related parties	12	3,921,175	2,768,735
Borrowings	13	8,815,969	9,733,579
Lease liabilities		67,418	121,151
		23,725,594	23,782,133
Total liabilities		25,319,846	25,551,105
Total equity and liabilities		33,138,959	33,329,956

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Share capital EUR	Merger reserve EUR	Share premium EUR	Other reserve EUR	Retained earnings/ (accumulated losses) EUR	Total EUR
Balances at 1 January 2023 (Audited)	417,819	4,386,123	3,557,226	591,797	(1,174,114)	7,778,851
Comprehensive income						
Profit for the period	-	-	-	-	79,567	79,567
Other comprehensive loss						
Currency translation difference	-	-	-	(39,305)	-	(39,305)
Other comprehensive loss	-	-	-	(39,305)	-	(39,305)
Total comprehensive income/ (loss) for the period	-	-	-	(39,305)	79,567	40,262
Balances at 30 June 2023 (Unaudited)	417,819	4,386,123	3,557,226	552,492	(1,094,547)	7,819,113
Balances at 1 January 2022 (Audited)	417,819	4,386,123	3,557,226	232,104	(284,218)	8,309,054
Comprehensive loss						
Loss for the period	-	-	-	-	(587,038)	(587,038)
Other comprehensive income						
Currency translation difference	-	-	-	283,772	-	283,772
Other comprehensive income	-	-	-	283,772	-	283,772
Total comprehensive income/(loss) for the period	-	-	-	283,772	(587,038)	(303,266)
Balances at 30 June 2022 (Unaudited)	417,819	4,386,123	3,557,226	515,876	(871,256)	8,005,788

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)
Cash flows from operating activities		
Cash used in operations	(246,943)	(1,329,574)
Interest received	4,227	331
Income tax paid	(32,139)	–
Net cash outflow from operating activities	(274,855)	(1,329,243)
Cash flows from investing activities		
Purchase of property, plant and equipment	(83,192)	(212,360)
Net cash outflow from investing activities	(83,192)	(212,360)
Cash flows from financing activities		
Proceeds from bank borrowings	20,085,952	16,237,610
Repayment of bank borrowings	(21,003,562)	(17,240,709)
Interest paid	(394,445)	(228,365)
Pledged bank deposit for bank loans	(239,667)	202,351
Loan From related parties	1,152,440	–
Net cash outflow from financing activities	(399,282)	(1,029,113)
Net decrease in cash and cash equivalents	(757,329)	(2,570,716)
Cash and cash equivalents at beginning of the period	2,464,451	5,019,181
Effects of exchange rate changes on cash and cash equivalents	(26,981)	130,673
Cash and cash equivalents at end of the period	1,680,141	2,579,138

Notes to the Unaudited Condensed 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 unaudited condensed consolidated financial statements are presented in EURO (“**EUR**”) unless otherwise stated.

2 BASIS OF PREPARATION

This unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 has been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of the Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”). The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group in the annual report for the year ended 31 December 2022 (“**2022 Annual Report**”). The accounting policies used in the preparation of this unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2022 Annual Report, except for the adoption of new and revised HKFRSs which are effective for accounting periods beginning on or after 1st January 2023.

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.

3 REVENUE AND SEGMENT INFORMATION (Continued)**(a) Revenue by product type**

The Group is principally engaged in designing, developing, and the selling of home and office telecommunication products. Revenue recognised during the respective period analysed by type of products is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
Revenue				
Home telephone	6,101,207	6,070,008	12,560,423	11,275,345
Senior products	1,178,277	964,200	2,249,696	2,332,403
Office telephone	694,001	529,624	1,464,419	1,426,756
Others	2,512	173,405	38,754	192,490
	7,975,997	7,737,237	16,313,292	15,226,994

(b) Revenue by location

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

	Three months ended 30 June		Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
France	3,499,356	4,277,237	7,778,423	8,120,694
Other European countries (Note i)	2,440,063	1,379,377	4,842,916	3,313,156
APAC/MEA (Note ii)	1,584,567	616,259	2,780,732	1,604,603
Latin America (Note iii)	452,011	1,464,364	911,221	2,188,541
	7,975,997	7,737,237	16,313,292	15,226,994

Notes:

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

4 INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2023 (2022: 16.5%).

Corporate income tax on profits from a subsidiary operating in Mainland China has been calculated at 25.0% for the six months ended 30 June 2023 (2022: 25.0%).

Corporate income tax on profits from a subsidiary operating in France has been calculated at 25.0% in accordance with the relevant France tax laws and regulations for the six months ended 30 June 2023 (2022: 25.0%).

Income tax (credit)/expenses

	Three months ended 30 June		Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
Current income tax	22,645	8,107	22,645	8,107
Deferred income tax	(68,094)	(127,065)	(68,569)	(132,941)
	(45,449)	(118,958)	(45,924)	(124,834)

5 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the number of ordinary shares in issue during the respective period.

	Three months ended 30 June		Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (Euro)	(68,128)	(310,516)	79,567	(587,038)
Number of shares in issue (thousands)	400,000	400,000	400,000	400,000
Basic earnings per share (expressed in Euro cents per share)	(0.02)	(0.08)	0.02	(0.15)

5 (LOSS)/EARNINGS PER SHARE (Continued)**(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 issued during the respective period.

6 PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment EUR	Leasehold improvements EUR	Tooling EUR	Testing equipment EUR	Office premises held for own use EUR	Total EUR
Period ended 30 June 2023 (Unaudited)						
Opening net book amount	13,168	257,813	354,348	3,970	791,028	1,420,327
Additions	10,841	-	72,551	-	-	83,192
Currency translation differences	-	-	(12,262)	(63)	-	(12,325)
Depreciation charge	(4,716)	(13,359)	(100,125)	(1,093)	(16,480)	(135,773)
Closing net book amount	19,093	244,454	314,512	2,814	774,548	1,355,421
At 30 June 2023 (Unaudited)						
Cost	486,204	421,030	3,499,993	468,868	823,980	5,700,075
Accumulated depreciation	(467,111)	(176,576)	(3,185,481)	(466,054)	(49,432)	(4,344,654)
Net book amount	19,093	244,454	314,512	2,814	774,548	1,355,421
Representing:						
Cost	19,093	244,454	314,512	2,814	-	580,873
Valuation	-	-	-	-	774,548	774,548
Period ended 30 June 2022 (Unaudited)						
Opening net book amount	30,808	253,800	442,142	4,587	823,980	1,555,317
Additions	20,971	1,395	188,069	1,925	-	212,360
Currency translation differences	(6,641)	40	11,093	249	-	4,741
Depreciation charge	(3,620)	(18,427)	(142,326)	(1,302)	(16,480)	(182,155)
Closing net book amount	41,518	236,808	498,978	5,459	807,500	1,590,263
At 30 June 2022 (Unaudited)						
Cost	481,322	385,845	3,287,234	461,197	823,980	5,439,578
Accumulated depreciation	(439,804)	(149,037)	(2,788,256)	(455,738)	(16,480)	(3,849,315)
Net book amount	41,518	236,808	498,978	5,459	807,500	1,590,263

7 INTANGIBLE ASSETS

	Licensing right EUR	Trademarks EUR	Design patent EUR	Domain name and website EUR	Total EUR
Period ended 30 June 2023 (Unaudited)					
Opening net book amount	1,350,149	1,638,023	142,985	8,467	3,139,624
Amortisation	(135,015)	(14,049)	(9,780)	(1,059)	(159,903)
Currency translation differences	–	16,287	26	53	16,366
Closing net book amount	1,215,134	1,640,261	133,231	7,461	2,996,087
At 30 June 2023 (Unaudited)					
Cost	4,860,530	1,781,960	195,918	21,837	6,860,245
Accumulated depreciation	(3,645,396)	(141,699)	(62,687)	(14,376)	(3,864,158)
Net book amount	1,215,134	1,640,261	133,231	7,461	2,996,087
Period ended 30 June 2022 (Unaudited)					
Opening net book amount	1,620,178	1,586,554	162,308	10,117	3,379,157
Amortisation	(135,015)	(13,778)	(9,769)	(1,039)	(159,601)
Currency translation differences	(5)	30,721	2,280	(1,735)	31,261
Closing net book amount	1,485,158	1,603,497	154,819	7,343	3,250,817
At 30 June 2022 (Unaudited)					
Cost	4,860,530	1,679,154	195,288	20,577	6,755,549
Accumulated depreciation	(3,375,372)	(75,657)	(40,469)	(13,234)	(3,504,732)
Net book amount	1,485,158	1,603,497	154,819	7,343	3,250,817

8 INVENTORIES

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
Finished goods	9,768,969	9,616,323
Provision for impairment	(289,585)	(289,585)
	9,479,384	9,326,738

9 TRADE RECEIVABLES

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
Trade receivables	9,271,262	9,458,004
Loss allowance	(338,899)	(338,899)
	8,932,363	9,119,105

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

The ageing analysis of trade receivables, net of loss allowance made, based on invoice date is as follows:

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
0 – 30 days	3,312,821	3,724,135
31 – 60 days	2,281,963	2,124,579
61 – 90 days	1,301,354	1,241,560
Over 90 days	2,036,225	2,028,831
	8,932,363	9,119,105

9 TRADE RECEIVABLES *(Continued)*

As at 30 June 2023 and 31 December 2022, the Group had factored trade receivables of EUR4,854,211 and EUR4,731,267 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".

10 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares EUR
Authorised:			
Ordinary share of HK\$0.01 each			
At 31 December 2022 and 30 June 2023	4,000,000,000	40,000,000	4,315,579
Issued and fully paid:			
At 31 December 2022 and 30 June 2023	400,000,000	4,000,000	417,819

11 TRADE PAYABLES

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
Trade payables	6,490,228	7,354,293

The ageing analysis of the trade payables based on invoice date were as follows:

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
0 – 30 days	1,684,425	2,395,216
31 – 60 days	1,312,088	1,354,602
61 – 90 days	1,642,496	1,160,168
Over 90 days	1,851,219	2,444,307
	6,490,228	7,354,293

12 RELATED PARTY TRANSACTIONS

For the purposes of this consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Significant related party transactions

The transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarised as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023 EUR (Unaudited)	2022 EUR (Unaudited)	2023 EUR (Unaudited)	2022 EUR (Unaudited)
Purchases from Kan Tsang New Technology Development Limited ("Kan Tsang") (Note a)	-	593,777	-	912,549
Inspection fee charged from Kan Tsang	76,530	56,534	117,910	56,534
Interest expense on loans from shareholders/key management personnel				
– Ms. Chu Lam Fong	8,233	7,930	16,610	16,200
– Mr. Tong Chi Hoi	15,986	7,930	28,626	16,200
– Mr. Didier Paul Henri Goujard	2,058	1,983	4,152	4,050
	102,807	668,154	167,298	1,005,533

12 RELATED PARTY TRANSACTIONS (Continued)**(b) Balances with related parties**

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
Loans from related parties <i>(Note b)</i>		
– Mr. Tong Chi Hoi	1,505,914	1,551,603
– Ms. Chu Lam Fong	945,033	973,706
– Mr. Didier Paul Henri Goujard	236,258	243,426
Revolving loan from Mr. Tong Chi Hoi <i>(Note c)</i>	1,233,970	–
Inspection fee prepaid to Kan Tsang <i>(Note d)</i>	(52,160)	(59,742)
	3,869,015	2,708,993

Notes:

- (a) On 29 November 2021, Atlinks Asia Limited, an indirect wholly owned subsidiary of the Company and Kan Tsang entered into a framework agreement, pursuant to which Atlinks Asia Limited agreed to enter into agreements for purchase and Kan Tsang agreed to manufacture and sell certain cordless phone products to the Group for a term of 3 years commencing from 1 January 2022 and ending on 31 December 2024. For details, please refer to the circular of the Company dated 22 December 2021.
- (b) The loans from Mr. Tong Chi Hoi, Ms. Chu Lam Fong and Mr. Didier Paul Henri Goujard are unsecured, interest bearing at 3% – 3.5% per annum. On 27 June 2023, the loan has been renewed and extended to 30 September 2023 and the interest bearing at 3% – 3.5% per annum and dominated in HK\$. The loans will be reviewed quarterly for extension.
- (c) On 1 June 2023, Atlinks Holdings Limited, an indirect wholly owned subsidiary of the Company, as borrower, and Mr. Tong Chi Hoi as lender, entered into a revolving loan facility agreement pursuant to which Mr. Tong agreed to provide a revolving loan facility of HKD20,000,000, which was unsecured, interest-bearing at 3.5% per annum and for a term of 5 years ending on 31 May 2028. The terms of the agreement will be reviewed annually. As at 30 June 2023, the outstanding loan balance was HKD10,395,520 (EUR1,233,970).
- (d) Prepayment was presented in the unaudited condensed consolidated statement of financial position within “prepayments, deposits and other receivables”.

13 BORROWINGS

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
<i>Secured</i>		
Factoring loans	4,854,211	4,731,267
Bank borrowings	3,961,758	5,002,312
	8,815,969	9,733,579

The above secured borrowings and banking facilities are secured by the followings:

	30 June 2023 EUR (Unaudited)	31 December 2022 EUR (Audited)
Pledged bank deposits	2,177,190	1,937,523
Trade receivables	4,854,211	4,731,267
Corporate guarantee (provided by Atlinks Holdings Limited)	5,092,593	5,188,679
	12,123,994	11,857,469

14 CAPITAL COMMITMENTS

As at 30 June 2023 and 31 December 2022, the Group had no commitment for capital expenditure.

15 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2023 (2022: Nil).