

TARGET

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ATLINKS GROUP LTD: THE PITIFUL SIGHT OF A DECLINING CORPORATE ENTITY

Atlinks Group Ltd (Code: 8043, The **G**rowth **E**nterprise **M**arket – The **GEM** – The Stock Exchange of Hongkong Ltd) has never been known for anything very special ... other than, perhaps, the Company's unfortunate five Financial Years since it sought and obtained the right to have its entire Issued and Fully Paid-Up Share Capital, listed on the secondary equity market of The **H**ongkong **S**pecial **A**dmistrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**).

At Page Five of the 2022 Annual Report of Atlinks Group Ltd, a 100-page document, published and disseminated throughout the HKSAR on or about Friday, March 24, 2023, under the heading, '**BUSINESS ACTIVITIES**', one was apprised of the following:

'We are a telecommunications and elderly product design company and we sell our products through the telecom operators, consumer retail chain stores and distributors, mainly located in Europe, APAC (Asia Pacific) 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.'*

But the December 31, 2022, Financial Year was not altogether honky-dory as Mr Long Hak Kan (郎克勤), the Chairman of the Board of Directors of the Company, explained in four, somewhat terse paragraphs:

'OVERVIEW

'2022 was a challenging year. Critical component shortages mixed with supply chain issues extended from 2021 into 2022, which caused a big impact on manufacturing. As a result, we were not able to meet demand from customers. On top of this, material prices went up and significant increases in shipping cost negatively impacted our margin.

‘To mitigate the component shortages, we have started to ship the alternate product solution in Q4. There has also been a reduction in shipping costs since October 2022. As a result, we have managed to achieve a close to breakeven (sic) in Q4 2022.

‘We will continue to focus on the elderly market, aiming at the visually and hearing impaired under the Swissvoice and Amplicomms brands. Our goal for geographic expansion is on track. Revenue growth outside Europe in 2022 was strong and we expect it to continue in 2023.

‘Furthermore, we have once again been awarded by the prestigious Ecovadis – the award of sustainability as the Best Performer Worldwide in the category of Advanced Manufacturing among industrial leaders, the highest Platinum level. This type of recognition has continued to help us earn trust among our customers.’

Ideas, translated into words, may appear to be interesting and/or even tantalising, but statistics, on the other hand, are something else, again.

The following statistics, found at Page 51 of the 2022 Annual Report of Atlinks Group Ltd, contains the ‘**Consolidated Income Statement**’, hereby copied verbatim, to which this medium has taken the liberty of including certain financial statistics for the benefit of clarity and interpolation:

	For The Year, Ended December 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In Euros (except where otherwise stipulated)		
Revenue	29,961,316	34,068,881	(12.06)
Gross Profit	7,974,414	10,604,651	(24.80)
Gross Profit Margin *	26.62 percent	31.13 percent	(14.49)
Other Net Gain/(Loss)	510,729	(400,486)	(227.53)
Operating Profit/(Loss)	(674,025)	722,814	(193.25)
Profit/(Loss) Before Income Tax	(1,222,835)	317,059	(485.68)
Net Profit/(Loss) For The Year Attributable To Shareholders Of The Company	(889,896)	205,183	(533.71)
Earnings/(Loss) Per Share	(0.22) euro cents	0.05 euro cents	(540.00)

* These are **TARGET**'s calculations.

** One euro is equivalent to \$HK8.57.

At Page 53 of 2022 Annual Report of Atlinks Group Ltd, under the heading, ‘**Consolidated Statement of Financial Position**’, this medium discovered the following items, to wit:

	2022 Euros	2021 Euros
Cash and Cash Equivalents:	2,464,451	5,019,181
Total Equity (Shareholders' Funds):	7,778,851	8,309,054

Hence:

1. Cash and Cash Equivalents had been diminished by 50.90 percent, Year-On-Year;

and,

2. Shareholders' Funds had been whittled down by 6.38 percent, Year-On-Year.

At Page 75 of the 2022 Annual Report of Atlinks Group Ltd, a breakdown of the Company's Revenue, by product type, was given, as follows:

	2022 <u>Euros</u>	2021 <u>Euros</u>
Home telephone	22,054,430	24,731,104
Senior products	4,947,363	6,174,503
Office telephone	2,727,808	3,081,441
Others (Internet Protocol Devices and other miscellaneous products)	<u>231,715</u>	<u>81,833</u>
	<u>29,961,316</u>	<u>34,068,881</u>

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