

ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8043

ANNUAL REPORT 2024



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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.

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Corporate Information

DIRECTORS

Executive Directors:

Mr. Tong Chi Hoi
Mr. Jean-Alexis René Robert Duc
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

Mr. Wong Chung Ho

COMPLIANCE OFFICER

Mr. Long Shing

AUTHORISED REPRESENTATIVES

Mr. Long Shing
Mr. Wong Chung Ho

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
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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
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, Central, Hong Kong

Citibank (Hong Kong) Limited
Citi Tower, One Bay East
No. 83 Hoi Bun Road, Kwun Tong
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

Chairman's Statement

Dear shareholders,

On behalf of the board of Directors (the **"Board"**) of Atlinks Group Limited (the **"Company"**) and its subsidiaries (together the **"Group"**), we are pleased to present to our shareholders the audited annual report of the Group for the financial year ended 31 December 2024 (hereafter referred as the **"Financial Year"**).

OVERVIEW

The business environment in 2024 has been quite challenging. The ongoing conflicts in Ukraine and Palestine have created geopolitical uncertainties, disrupted global supply chains and increased costs. High interest rates have further squeezed consumer spending, making it harder for businesses. The newly elected U.S. president's decision to impose tariffs on all imports from China has added another layer of complexity.

In the mix of all these complexities, we are pleased to report that Atlinks has recovered from the losses incurred in the first half of the year and achieved a full-year profit. Although we experienced a slight decline in revenue, our margins have improved, thanks to the new business acquired in early 2024.

In August 2024, we took a significant step forward by forming a joint business development initiative with a leading baby care expert company to offer baby care products worldwide. This initiative aligns with Atlinks' strategic goal of diversifying our product portfolio and expanding our geographic reach. Through this partnership, we not only sell products but also provide online video streaming and monthly paid subscriptions for premium services to our customers.

The combination of our core business, elderly care products, and this new initiative has strengthened our business foundation and further supports our geographic expansion objectives.

Our focus remains firmly on product innovation, operational excellence, and expanding our market presence. Despite the challenges posed by a complex business environment, I am confident in Atlinks' dedicated and capable team to adapt, overcome obstacles, and thrive in the year ahead.

APPRECIATION

I would like to take this opportunity to thank our management team for their continued dedication to growing and developing our business and capitalizing on strategies that benefit the long term growth of our Company. I would also like to thank our business partners for their continual support in our business and also would like to welcome many new partners as we venture into new business areas. Finally, I would also like to thank all our shareholders and investors for their continued support to the Group.

Long Hak Kan
Chairman

14 March 2025

Management Discussion and Analysis

BUSINESS ACTIVITIES

We are a telecommunication, elderly product and baby monitors designing company and we sell our products through telecom operators, consumer retail chain stores and distributors mainly located in Europe, APAC, North America 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**”), elderly products under the Swissvoice and Amplicomms brand, baby monitors under the “Chillax” brand, we also supply products under customer brand names for the European, Latin American and Asian markets.

In the year of 2024, we have acquired 5Gen Care Limited, 5Gencare.com Limited, Chillax Care Limited, Chillax Technology Limited, Chillaxcare LLC, and 5GenCare Vietnam Company Limited. They generate and contribute new sources of revenue of subscription income and selling baby monitors to the Group.

BUSINESS REVIEW

The Group’s revenue for the year ended 31 December 2024 was similar to that for the year ended 31 December 2023, which was approximately EUR29.5 million and approximately EUR29.7 million respectively. The Group was able to compensate for a decline in home telephone and senior products sales with higher sales of office telephone and new products, including components, baby monitor and subscription income.

The Group’s gross profit margin increased from approximately 31.7% for the year ended 31 December 2023 to approximately 36.4% for the year ended 31 December 2024.

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

	Year ended 31 December			
	2024		2023	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	18,811	63.8%	21,059	70.8%
Office telephone	4,107	13.9%	3,629	12.2%
Senior products	3,966	13.5%	4,753	16.0%
Others (Note)	2,590	8.8%	289	1.0%
Total	29,474	100.0%	29,730	100.0%

Note: Others include components, baby monitor, subscription income and other miscellaneous products.

Sales of the home telephone segment for the year ended 31 December 2024 were approximately EUR18.8 million, representing a decrease of approximately 10.7% as compared to the corresponding period in 2023.

Sales of office telephone for the year ended 31 December 2024 was approximately EUR4.1 million, representing an increase of approximately 13.2% as compared to the corresponding period in 2023. This was mainly due to the increasing demand in Europe.

Sales of the senior products category for the year ended 31 December 2024 has dropped by approximately EUR0.8 million or 16.6% as compared to that of the previous year.

Revenue under “Others” segment includes subscription income, sales of baby monitors, components, and other miscellaneous products.

The decrease in revenue for both home telephone and senior products categories was mainly due to the slow down of sales in other European countries and APAC region.

Management Discussion and Analysis

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			
	2024		2023	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	14,724	50.0%	13,915	46.8%
Other European countries (<i>Note 2</i>)	8,542	29.0%	9,516	32.0%
APAC/MEA (<i>Note 3</i>)	4,067	13.8%	4,913	16.5%
Latin America (<i>Note 4</i>)	814	2.7%	1,386	4.7%
North America (<i>Note 5</i>)	1,327	4.5%	–	–
Total	29,474	100.0%	29,730	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.
5. North America includes The United States of America and Canada.

Sales to France for the year ended 31 December 2024 has increased by approximately 5.8% to approximately EUR14.7 million as compared to the corresponding period in 2023. This represented approximately 50.0% of our total revenue for the year ended 31 December 2024.

Sales to other European countries for the year ended 31 December 2024 have dropped by approximately 10.3% to approximately EUR8.5 million as compared to the corresponding period in 2023. The decrease in revenue was mainly due to the decline in sales to Spain.

Our sales to Asia Pacific Region and Middle East area have dropped by approximately 17.2% to approximately EUR4.1 million as compared to the corresponding period in 2023.

Our sales to Latin America for the year ended 31 December 2024 have dropped by approximately 41.2% to approximately EUR0.8 million as compared to the corresponding period in 2023.

North America is a new sales region. It has contributed approximately EUR1.3 million or 4.5% of our total revenue for the year ended 31 December 2024.

OUTLOOK

Looking back at 2024, we successfully migrated our core products to an alternative solution, expanded our product range, improved gross margins, and strengthened our position in key markets. We took a significant step by acquiring a new business in early 2024, marking our entry into the baby care products market with a focus on both hardware and services. In August 2024, we took an even bigger step by establishing a joint business initiative to further diversify our product portfolio and expand our presence in the baby care market.

Looking ahead, we are well-positioned to build on the achievements of 2024. We remain optimistic about the opportunities ahead, and despite ongoing economic and political uncertainties, our diversified product portfolio and strong market presence provide a solid foundation for sustained growth.

Our strategic focus will continue to center on:

1. Elderly care products targeting the visually and hearing impaired under the Swissvoice and Amplicomms brands,
2. Baby care products by expanding the product range and extending our premium service offerings and integrating more intelligent features into our hardware, and
3. Driving market share in home telephone products by enriching features and covering more price points on the shelf.

In 2025, we anticipate revenue growth and aim to maintain our gross profit margin supported by a favorable product mix, expanded sales channels, and optimized operational efficiency.

We continue to see this complex business environment as an opportunity for Atlinks. Customer demand remains strong, and we have a solid order book in hand. Backed by our extensive distribution network, skilled engineering team, and the strategic initiatives we have put in place, we are confident that Atlinks is well-positioned to achieve another successful year.

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 decreased by approximately 7.7% from approximately EUR20.3 million for the year ended 31 December 2023 to approximately EUR18.8 million for the year ended 31 December 2024.

The Group's gross profit margin has improved from approximately 31.7% for the year ended 31 December 2023 to approximately 36.4% for the year ended 31 December 2024, which is mainly driven by the decrease in costs of materials and new suppliers with more competitive prices.

Selling and Distribution Expenses

Sales and distribution expenses increased from approximately EUR3.3 million for the year ended 31 December 2023 to approximately EUR4.0 million for the year ended 31 December 2024, which mainly resulted from the increase in freight and transportation expenses and advertising and promotion expenses for E-commerce business.

Administrative Expenses

Administrative expenses increased from approximately EUR5.7 million for the year ended 31 December 2023 to approximately EUR6.0 million for the year ended 31 December 2024, which mainly resulted from the increase in staff costs due to the acquisition of 5Gen Care Limited, 5Gencare.com Limited, Chillax Care Limited, Chillax Technology Limited, Chillaxcare LLC, and 5GenCare Vietnam Company Limited.

Profit attributable to the Equity Holders of the Company

As a result of the above, the Group recorded a profit of approximately EUR15K for the year ended 31 December 2024, compared to a profit of approximately EUR105K for the year ended 31 December 2023.

Dividend

The Board does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: Nil).

Acquisition of the Target Companies

On 2 January 2024, Atlinks Research & Development Technologies Limited, an indirect wholly-owned subsidiary of the Company, entered into sale and purchase agreements pursuant to which it acquired 100% of the issued share capital of a group of companies, including 5Gen Care Limited, 5Gencare.com Limited, Chillax Technology Limited, Chillax Care Limited, Chillaxcare LLC and 5GenCare Vietnam Company Limited. Completion of the acquisition took place in March 2024 for the first five companies and in May 2024 for 5GenCare Vietnam Company Limited. The Target Companies acquired were primarily involved in the business of providing baby monitor products and related video streaming services on mobile devices in the North American market.

Investment in Associate

During the year ended 31 December 2024, Atlinks Group Limited acquired 30% of equity interest in Hubble Baby Care Limited. Hubble Baby Care Limited is engaged in trading of baby care products.

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

Save as disclosed above, there were neither significant investments held as at 31 December 2024 nor material acquisitions and disposals of subsidiaries during the year ended 31 December 2024. There is no plan for material investment or capital assets as at 31 December 2024.

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. 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, which is the functional currency 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. Due to our business nature, our goal is to minimize foreign exchange risk exposure 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 2024, the Group had outstanding foreign exchange forward contracts in respect of EUR against RMB of notional principal amounts of approximately RMB30.8 million (as at 31 December 2023: RMB27.6 million). Management will continue to evaluate the Group's foreign exchange risk management procedures regularly and take actions as appropriate to minimize the Group's exposure whenever necessary.

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 62 staff (2023: 48). Total staff costs (including Directors' emoluments) were approximately EUR4.1 million for the year ended 31 December 2024 (2023: approximately EUR3.9 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 based on his/her performance. Other benefits include contributions to statutory mandatory provident fund schemes and social insurance to employees.

Liquidity and Financial Resources

As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately EUR1.7 million, representing an increase of approximately EUR0.6 million as compared to that of approximately EUR1.1 million as at 31 December 2023. Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. As of 31 December 2024, we had various bank borrowings and overdrafts of approximately EUR7.3 million (as at 31 December 2023: approximately EUR7.3 million), including factoring loan for trade receivable and supplier finance arrangement.

Net current assets decreased from approximately EUR3.6 million for the year ended 31 December 2023 to approximately EUR2.6 million for the year ended 31 December 2024.

The Group requires cash primarily for working capital. As of 31 December 2024, the Group had approximately EUR1.7 million in cash and bank balances (as at 31 December 2023: approximately EUR1.1 million), representing an increase of approximately EUR0.6 million as compared to that as at 31 December 2023.

Net Gearing Ratio

As at 31 December 2024, the net gearing ratio of the Group was approximately 55% (as at 31 December 2023: approximately 57%). 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 improvement of net gearing ratio was mainly attributable to an increase in cash and a decrease for borrowing to support the Group’s working capital.

Contingent Liabilities

As at 31 December 2024, the Company had no significant contingent liabilities (as at 31 December 2023: 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 EUR4,655,128 (2023: EUR4,720,122);
- (ii) pledged bank deposits with an aggregate amount of approximately EUR959,795 (2023: EUR1,067,384);
- (iii) a corporate guarantee from the Company with an aggregate amount of approximately EUR5,238,095 (2023: EUR5,045,872).

Capital Commitments

As at 31 December 2024, the Company had no capital commitment (as at 31 December 2023: Nil).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Tong Chi Hoi (“Mr. Tong”), aged 59, is chief executive officer of the Company. Mr. Tong is responsible for overseeing the Group’s operation, business development, human resources, finance and administration. He was appointed as a Director on 28 June 2019. Mr. Tong is also a director of Atlinks Holdings Limited (“**ATL Holdings**”), Atlinks Asia Limited (“**ATL Asia**”), Swissvoice International SA (“**Swissvoice**”) and director and legal representative of ATL Shenzhen. Mr. Tong obtained his Bachelor of Engineering with First Class Honours from the University of London in August 1987. Mr. Tong has over 30 years of experience in telecommunication & electronic industry. Prior to his appointment as an executive Director, he was the President of Telecommunication Products of VTech Telecommunications Limited from December 2006 to May 2019, a directly wholly-owned subsidiary of VTech Holdings Limited being a company listed on the Main Board of the Stock Exchange (stock code: 303), President of CCT Tech (HK) Limited from November 1997 to October 2006 and as Senior Product Manager of Philips Consumer Communications from July 1994 to November 1997.

Mr. Tong is the brother of Mr. Tong Yung Hoi.

Mr. Long Shing, aged 43, is responsible for overall management of the Group’s business in APAC (Asia Pacific region). He was appointed as a Director on 3 August 2017 and re-designated as an executive Director on 12 September 2017. Mr. Long Shing joined the Group as sales and marketing director in July 2013 and resigned in June 2024. Mr. Long Shing obtained his Bachelor of Commerce degree from The University of British Columbia in May 2005. He began his career as a sales executive in NOK-Freudenberg Hong Kong Limited, a company that specialises in the production and sales of seals for the automotive industry from February 2005 to October 2005. He worked as a sales executive in Kan Tsang Industrial Company Limited from November 2005 to June 2011. He also worked as a sales director in Kan Tsang Technology Limited, a company that engages in the research and development, manufacture, sale and marketing of electro acoustic components and headsets, from July 2011 to July 2013.

Mr. Long Shing is the son of Mr. Long.

Mr. Jean-Alexis René Robert Duc (“Mr. Duc”), aged 53, is responsible for overall management of the Group’s business operation in Europe. Mr. Duc was appointed as a Director on 3 August 2017 and re-designated as an executive Director on 12 September 2017. Mr. Duc obtained Brevet de Technicien Supérieur in International Trade from Institut Supérieur Européen de Gestion in July 1993 and he further obtained his Master equivalent degree in Marketing & Sales from Institut Supérieur de Gestion in September 1996. Mr. Duc has over 25 years of experience in the telecommunications industry. He worked as a sales representative in 3X International, a telecommunications company from February 1997 to August 1997. Mr. Duc then worked for Alcatel Business Systems, a telecommunications company from September 1997 to December 1999 with his last position as training manager. From January 2000 to February 2004, Mr. Duc worked as key account manager in Atlinks and then Thomson Telecom, a telecommunications company which acquired Atlinks in January 2004. From March 2004 to December 2008, Mr. Duc was promoted to customer director retail France of Thomson Telecom. In January 2009, he was promoted to commercial director of Europe, Middle East and Africa regions and carried on this position in Atlinks Europe (“**ATL Europe**”) in January 2010, before he was subsequently promoted to chief executive officer ATL Europe in October 2012.

NON-EXECUTIVE DIRECTORS

Mr. Long Hak Kan (“Mr. Long”), aged 75, was appointed as a Director on 30 August 2017 and re-designated as a non-executive Director and appointed as Chairman of the Company on 12 September 2017, respectively. Mr. Long obtained his Associate Degree of Radio from Southeast Radio Institute* (東南無線電專科學校) in January 1982.

Mr. Long was also a director of the following companies:

Name of Organisation	Principal business activity	Position	Period of Service
Kan Tsang Industrial Company Limited	Electronics components trading	Director	March 1998 to present
Kan Tsang New Technology Development Limited	Trading of electronic products	Director	December 2015 to present

Mr. Long is the father of Mr. Long Shing.

Mr. Didier Paul Henri Goujard (“Mr. Goujard”), aged 75, is a non-executive Director of the Company. Mr. Goujard was appointed as chief executive officer, executive Director and chairman of the risk management committee of the company on 21 December 2017. Mr. Goujard was redesignated as non-executive Director and resigned as chief executive officer and chairman of the risk management committee to 28 June 2019. Mr. Goujard obtained a DIPLOME d’INGENIEUR (SPÉCIALITÉ: ELECTRONIQUE) (Diploma in Engineering (specialty: Electronics)) from Conservatoire National des Arts et Métiers in June 1977. Mr. Goujard has over 30 years experience in the telecommunications industry. Prior to joining the Group, Mr. Goujard worked as a manager in Alcatel S.A., a French global telecommunications equipment company from April 1981 to September 1999. He then joined Thomson Alcatel RC, a joint venture specialized in telecommunications equipment products as operations manager from October 1999 to January 2000. From February 2000 to February 2006, Mr. Goujard was the general manager of Atlinks Hong Kong Limited, which was renamed to Thomson Asia Limited from March 2006 to February 2011. From March 2006 to July 2008, Mr. Goujard was the general manager of Thomson Asia Limited (currently known as Technicolor Asia Limited, a technological company in the media and entertainment industry). From August 2008 to December 2009, Mr. Goujard worked as market development EMEA (Europe, Middle East and Africa regions) director in Thomson Telecom SA. He then worked as managing director in Atlinks Group and as chief executive officer in Atlinks Europe, which was engaged in designing home and office telecommunications products, from January 2010 to January 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lam Lai Ting Maria Goretti (“Ms. Lam”), aged 54, was appointed as our independent non-executive Director on 21 December 2017. Ms. Lam is responsible for providing independent judgment and advises on the issue of strategy, performance, resources and standard of conduct of the Group, and reviewing the financial information of the Group on a regular basis. Ms. Lam obtained her Bachelor Degree of Economics from the University of Sydney in June 1993. She was admitted as a member of CPA Australia in April 1993 and was admitted to full membership of CPA Australia in May 1996. She was also admitted as a fellow of the Hong Kong Institute of Certified Public Accountants in January 2010. She is currently an authorised supervisor of the Hong Kong Institute of Certified Public Accountants. Ms. Lam worked as a staff accountant and a senior auditor in Arthur Andersen & Co from December 1992 to January 1996. She worked for United International Holdings Inc., a company that specialises in acquisitions and development of worldwide cable TV operations (currently known as UnitedGlobalCom) as a business development manager from February 1996 to October 1997. From June 1998 to April 1999 she worked as the regional strategic business development manager in American International Companies, Hong Kong. Ms. Lam then joined New World Telecommunications Limited with last position as the senior manager in business development department from August 1999 to March 2003.

Ms. Lam was also a director of the following companies:

Name of Organisation	Principal business activity	Position	Period of Service
Crestar Limited	Business consulting & outsourcing service	Director	2003 to present
Fukada Group Limited	Energy saving business	Director	2012 to present
G-aijia Limited	Contracting works with listed building management	Director	2012 to present

Ms. Chan Cheuk Man Vivian (“Ms. Chan”), aged 41, was appointed as our independent non-executive Director on 21 December 2017. Ms. Chan is responsible for providing independent judgment and advises on the issue of strategy, performance, resources and standard of conduct of the Group, and reviewing the financial information of the Group on a regular basis. Ms. Chan obtained her Bachelor of Laws degree and Bachelor of Commerce in Finance degree from The University of New South Wales in May 2006. She had also obtained her Graduate Diploma in Legal Practice from The College of Law in Australia in August 2006. In June 2007, she obtained the Postgraduate Certificate in Laws from The University of Hong Kong. Ms. Chan was admitted as a lawyer of the Supreme Court of New South Wales in August 2006 and a solicitor of the High Court of Hong Kong in December 2009. Ms. Chan was employed as an assistant solicitor in William W.L. Fan & Co from November 2009 to November 2013. Ms. Chan was then promoted as partner at William W.L. Fan & Co in December 2013 and was a partner of the firm until June 2015 and rejoined as Consultant in 2023. Since September 2015, Ms. Chan has been the principal of Vivian Chan Law Office.

Ms. Chan served as a Legal Consultant of the Registered Specialist Trade Contractors Federation since March 2020 and has been a part-time (non-clinical) Lecturer of the Department of Professional Legal Education of the University of Hong Kong since 2015.

Biographical Details of Directors and Senior Management

Ms. Lee Kit Ying Catherine (“Ms. Lee”), aged 55, was appointed as our independent non-executive Director on 14 June 2019. Ms. Lee is responsible for providing independent judgment and advises on the issue of strategy, performance, resources and standard of conduct of the Group, and reviewing the financial information of the Group on a regular basis. Ms. Lee graduated from the University of London and obtained a Bachelor of Science in Economics on 1 August 1997 and obtained her Master of Technology Management in Global Logistics Management from The Hong Kong University of Science and Technology on 5 November 2003. Ms. Lee has over 28 years of experience in management and strategic planning of overall supply chain and merchandising performance.

Prior to Ms. Lee’s appointment as an independent non-executive Director, Ms. Lee has served for Product Marketing Mayborn Limited as the Global Head of Strategic Projects (Operations) from December 2017 to October 2018, the Global Head of Asia Operations & Procurement from November 2010 to November 2017 and Head of Procurement from 31 August 2009 to October 2010.

Ms. Lee has served as the deputy managing director of Wiltec Industries (HK) Ltd between November 2006 to June 2009. Ms. Lee served as the manager of the Asia operations of Atlinks Hong Kong Limited (previously known as Thomson Asia Limited and currently known as Technicolor Asia Limited, a technological company in the media and entertainment industry) from June 1998 to November 2006, a purchasing manager of Rightmark Technology Limited from November 1997 to June 1998, a purchasing manager of Lamex Trading Company Limited from September 1995 to November 1997, an assistant purchasing manager of Yip’s Hang Cheung (Holdings) Limited (currently known as Yip’s Chemical Holdings Limited, a company listed on the Main Board of the Stock Exchange, stock code: 408) from April 1993 to September 1995, and a purchaser of Coates Brothers (Hong Kong) Limited from June 1992 to March 1993.

From April 2022 to August 2024, Ms. Lee served as director of Supply and Manufacturing of Ruroc Limited, a company whose principal business activity was helmet manufacturing and supply. Since September 2024, Ms. Lee has also been serving Ruroc Limited as a sales consultant for Asia Pacific Region.

SENIOR MANAGEMENT

Mr. Wong Chung Ho (“Mr. Wong”), Randy, aged 51, joined ATL Asia as Group Financial Controller on 1 July 2023 and was appointed Chief Financial Officer of the Company on 15 August 2023. Mr. Wong is responsible for looking after the operations, human resources, finance and administration. Mr. Wong graduated from “University of Lethbridge”, Alberta, Canada in 2000 with a Bachelor Degree in Management – major in both Accounting and Finance. Mr. Wong qualified as a USCPA – The Guam Board of Accountancy in the year 2015, and further obtained CPA of the Hong Kong Institute of Certified Public Accountants. Prior to joining ATL, he worked for DSSP Global Limited, a subsidiary of Pearl Global Industries Limited which is a listed company in both NSE and BSE in India (Stock Code: NSE – PGIL; BSE – 532808), as a Financial Controller from July 2016 to June 2023.

Mr. Tong Yung Hoi, aged 55, joined Atlinks Asia Limited as Director – Product & Asia Operations on 1 March 2019. Mr. Tong Yung Hoi obtained his Bachelor of Engineering degree with First Class Honours from the University of London in August 1992. Prior to joining Atlinks, he worked for VTech Telecommunications Limited from December 2006 to February 2019, a directly wholly-owned subsidiary of VTech Holdings Limited being a company listed on the Main Board of the Stock Exchange (stock code: 303) as a Director of Program Management. Mr. Tong Yung Hoi is the brother of Mr. Tong.

Mr. Philippe Durand, aged 49, joined Atlinks Europe from its early beginning in January 2010. He is in charge of controlling and was appointed as Finance and administration Manager in June 2013. He graduated from the University of Burgundy in 2000 with a master’s degree in finance. From 2000, he worked successively at Canal Plus and Thomson where he held different positions like, consolidation reporting assistant accountant, sales controller, logistic and supply chain controller, and financial controller for several entities. He has 20 years’ experience in Finance.

Ms. Ségolène de Girardier Mitard, aged 56, joined Atlinks Europe from its early beginning in January 2010. She is responsible for Business Management and Marketing in Europe and was appointed as a Director in September 2021. She graduated from La Sorbonne University in 1990 with master’s degree in economics and business and in 1991 with a post graduate degree in market research and marketing strategy from Sciences-Po Paris. Her first position was Product Manager in Food industry in Sara Lee (American consumer-goods company). From 1997 she worked successively at Alcatel and Thomson where she held various positions in Product Marketing, Project Management and Business Management for Retail and Telco channels. She has more than 25-year experience in the telecommunications and consumer electronic industry.

Corporate Governance Report

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devote considerable effort to maintain high level of business ethics and corporate governance practices.

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 Part 2 of Appendix C1 to 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 report.

The Company has complied with the principles and applicable code provisions of the CG Code during the year ended 31 December 2024.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are four board committees, namely the risk management committee, (the “**Risk Management Committee**”), the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”). All board committees have been established with defined written terms of reference, which are posted on the websites of the Stock Exchange and Company. The board committees assist the Board in supervising certain functions of the senior management.

Pursuant to Rule 5.66 of the GEM Listing Rule, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company not to deal in securities of the Company when he/she would be prohibited from dealing by the code of conduct as if he/she was a Director.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group had adopted Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings.

Having made specific enquiry with all the Directors, all the Directors had confirmed compliance with the required standard of dealings set out in the Model Code and the code of conduct for Directors’ securities transactions during the year ended 31 December 2024.

BOARD OF DIRECTORS

At present, the Board comprises eight directors (“**Directors**”) as follows:

Executive Directors:

Mr. Tong Chi Hoi (*Chief Executive Officer*)
Mr. Jean-Alexis René Robert Duc (*ATL Europe’s managing director*)
Mr. Long Shing

Non-executive Directors:

Mr. Long Hak Kan (*Chairman*)
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

Biographical details of the Directors are set out in the section of “Biographical Details of Directors and Senior Management” on pages 10 to 12. Save for Mr. Long Shing being the son of Mr. Long Hak Kan, there are no family or other material relationships among members of the Board.

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board is accountable to the shareholders for the strategic development of the Group with the goal of maximising long-term shareholder value, while balancing broader stakeholder interests.

Corporate Governance Report

Pursuant to Code Provision C.5.1 of the CG Code, the Board is expected to meet regularly and Board meeting should be held at least four times a year at approximately quarterly intervals. Four Board meetings and one general meeting were held during the year ended 31 December 2024.

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings, Risk Management Committee meetings and general meeting during the year ended 31 December 2024 is set out in the following table:

Name of Directors	Board Meetings (attendance/ total no. of meeting held)	Audit Committee Meetings (attendance/ total no. of meeting held)	Remuneration Committee Meetings (attendance/ total no. of meeting held)	Nomination Committee Meetings (attendance/ total no. of meeting held)	Risk Management Committee Meetings (attendance/ total no. of meeting held)	General Meeting (attendance/ total no. of meeting held)
Executive Directors						
Mr. Tong Chi Hoi	4/4	N/A	1/1	N/A	1/1	1/1
Mr. Jean-Alexis René Robert Duc	4/4	N/A	N/A	N/A	N/A	0/1
Mr. Long Shing	4/4	N/A	N/A	N/A	N/A	1/1
Non-executive Directors						
Mr. Long Hak Kan	4/4	N/A	N/A	1/1	N/A	1/1
Mr. Didier Paul Henri Goujard	4/4	N/A	N/A	N/A	N/A	0/1
Independent non-executive Directors						
Ms. Lam Lai Ting Maria Goretti	4/4	2/2	1/1	N/A	1/1	1/1
Ms. Chan Cheuk Man Vivian	4/4	2/2	1/1	1/1	1/1	1/1
Ms. Lee Kit Ying Catherine	3/4	2/2	1/1	1/1	N/A	0/1

Code Provision C.5.3 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are provided with details of agenda items for decisions making with reasonable notice and are welcome to include other matters in the agenda of each Board or committee meeting. Directors have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") who is responsible for ensuring that the Board procedures are complied with in addition to advising the Board on compliance matters.

Minutes of Board meetings and meetings of Board committees are kept by the Company Secretary and are opened for inspection at request by Directors. During the year, the Board was given sufficient time to review and approve the minutes of Board meetings and meetings of Board committees. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

If potential conflict of interest involving a substantial shareholder or a Director arises which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting. The Directors may attend meetings in persons or through other means of electronic communication in accordance with the bye-laws of the Company.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Directors and senior management.

All Directors assume the responsibilities owed to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has three independent non-executive Directors, at least one of whom has appropriate professional qualifications, accounting or related financial management expertise, in compliance with the GEM Listing Rules. Each of the independent non-executive Director has made an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's articles of association, newly appointed Directors shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To comply with Code Provision C.1.4 of the CG Code, all Directors will participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2024, the Directors were provided with timely updates on the latest developments of the business of the Group. From time to time, the Directors are informed of the relevant GEM Listing Rules and other applicable regulatory requirements, so as to ensure that he/she is aware of his/her responsibilities and obligations to maintain good corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the year ended 31 December 2024, the chairman of the Board is Mr. Long whereas the chief executive officer of the Company is Mr. Tong. The roles of the chairman and the chief executive officer will be separate and distinct.

One of the important roles of the chairman is to provide leadership for the Board to ensure that the Board always acts in the best interest of the Group. The chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established and the Board works effectively and fully discharges its responsibilities, and that all key issues are discussed by the Board in a timely manner. The chairman has taken into account, where appropriate, any matters proposed by the Directors for inclusion in the agenda. The chairman has delegated the responsibility of drawing up the agenda for each Board meeting to the Company Secretary. With the support of the Company Secretary, the chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and have received adequate and reliable information in a timely manner.

APPOINTMENT, RE-ELECTION AND REMOVAL

During the year, the Directors provided the Company and its subsidiaries with a wide range of expertise and experience. Their active participation in the Board and committee meetings brought independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company. Each of the non-executive Directors and independent non-executive Directors ("**INED**") has entered into a service contract or appointment letter with the Company for three years and one year respectively (save for Ms. Lee, who has entered into an appointment letter with the Company for a term of three years ending in 2025) but subject to termination in certain circumstance as stipulated in the relevant service contract or appointment letter. At each annual general meeting, one third of the Directors for the time being (of if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his/her appointment and be eligible for re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions in compliance with the CG Code.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2024 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD DIVERSITY POLICY

The Company has adopted the board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and compliance with policies. The Board Diversity Policy is reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interference. The Board members should possess appropriate professionalism, experience and trustworthiness in performing duties and functions. The Board would diversify its members according to the Company's situations and need. While participating in nomination and recommendation of director as candidates for election during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company's various business development and management. The Board has to review the Board Diversity Policy on an annual basis and to disclose such policy or a summary of such policy in the corporate governance report, including any quantitative targets and standards and its progress with its implementation.

BOARD COMMITTEES

The Board has established four board committees, namely the Risk Management Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee.

RISK MANAGEMENT COMMITTEE

As at 31 December 2024, the Risk Management Committee comprises three members namely:

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

During the year, the Risk Management Committee held one meeting. The Risk Management Committee had conducted an annual review on the effectiveness of the risk management and internal control systems of the Group, including financial, operational and compliance risk aspects. The systems were considered effective and adequate. The principal duties of the Risk Management Committee are, among other things, to provide risk management measures regarding operations of the Group to the Board.

A majority of the members are independent non-executive Directors.

The written terms of reference of the Risk Management Committee are posted on the websites of the Stock Exchange and the Company.

AUDIT COMMITTEE

As at 31 December 2024, the Audit Committee comprises three members namely:

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

During the year, the Audit Committee held two meetings. 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.

All the members are independent non-executive Directors (including an independent non-executive Director who possess the appropriate professional qualifications, accounting or related financial management expertise). There is no disagreement between the Board and the Audit Committee regarding the selection and appointment of the Company's auditors.

The Company's annual results and annual report for the year ended 31 December 2024 have been reviewed by the Audit Committee.

None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

REMUNERATION COMMITTEE

As at 31 December 2024, the Remuneration Committee comprises three members namely:

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

During the year, the Remuneration Committee held one meeting. The principal duties of the Remuneration Committee are, amongst other things, to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and on the Group's policy and structure for all remuneration of the Directors and senior management. The Remuneration Committee has reviewed the remuneration packages and emoluments of the Directors and senior management with reference to, among other things, the market level of salaries paid by comparable companies, the respective responsibilities and performance of the Directors and the senior management and considered that they are fair and reasonable during the year ended 31 December 2024.

All the members are independent non-executive Directors.

The written terms of reference of the Remuneration Committee are posted on the websites of the Stock Exchange and the Company.

NOMINATION COMMITTEE

As at 31 December 2024, the Nomination Committee comprises three members namely:

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

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. The Nomination Committee held one meetings during the year. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for the Directors.

A majority of the members are independent non-executive Directors.

The written terms of reference of the Nomination Committee are posted on the websites of the Stock Exchange and the Company.

NOMINATION POLICY

The Nomination Committee will reference the nomination policy (the “**Nomination Policy**”) adopted by the Group on 23 March 2020 for selecting and recommending candidates for directorship. A summary of the Nomination Policy is disclosed below.

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorship to the Board by giving due consideration to criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company’s business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximize shareholders’ value.

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) By giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) To consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firms and proposals from shareholders of the Company with due consideration given the criteria;
- (c) To adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) To make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (f) The Board will have the final authority on determining the selection of nominees.

DIVIDEND POLICY

The Board adopted a dividend policy (the “**Dividend Policy**”) on 23 March 2020. According to the Dividend Policy, in deciding whether to propose any dividend payout, the Board shall take into account, *inter alia*:

- the Group’s actual and expected financial performance;
- shareholders’ interests;
- retained earnings and distributable reserves of the Company and each member of the Group;
- the level of the Group’s debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group’s creditworthiness;
- any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- the Group’s expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements for each financial year which gives a true and fair view. In preparing the consolidated financial statements, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls.

The Group's internal control systems include:

- monitoring the risk control condition in respect of market risks, credit risks, operational risks, liquidity risks and compliance risks;
- evaluating the Group's exposure to international sanction law risks on an ongoing basis and, in particular, prior to entering into any agreement or conducting any business dealings with new customers;
- deciding on risk profile, risk levels, tolerance and capacity and related resources allocation;
- reviewing and approving the risk management strategy, policies and guidelines of the Group;
- reviewing the risk reporting record of the Group and material risk management updates and reports of material breaches of risk limits and assessing the adequacy of proposals;
- engaging external legal advisers with the necessary expertise and experience in international sanction law, and the general managers of each respective country to assist them in evaluating and monitoring international sanction law risks in the daily operations; and
- monitoring and approving the use of monies deposited in the designated account for the purpose of deposit and deployment of all funds raised through the Listing.

The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of the management's review on risk management and internal control systems; the extent and frequency of communication with the Board in relation to the result of the review of risk and internal control; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

To control risks in relation to any Countries subject to International Sanctions (as defined in the Prospectus) or any other government, individual or entity sanctioned by the U.S., the European Union, the United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions. The Company have adopted the policies as stated in the section headed "Business-Our undertakings and internal control procedures" in the Prospectus and have continuously implemented the following policies as at the date of this report:

1. The Company has set up and maintained a separate bank account, which is designated for the sole purpose of the deposit and deployment of the proceeds from the Share Offer (as defined in the Prospectus) or any other funds raised through the Stock Exchange;
2. The Board has established a risk management committee to further enhance the existing internal risk management functions. The members of the committee comprise of Mr. Tong, Ms. Lam and Ms. Chan, and their responsibilities include, among others, monitoring the exposure to sanctions risks and the implementation of the related internal control procedures. The risk management committee will hold at least two meetings each year to monitor the exposure to sanctions risks;

3. The Company has continuously evaluated the sanctions risks prior to determining whether the Company should embark on any business opportunities in Countries subject to International Sanctions and with Sanctioned Persons (as defined in the Prospectus). According to the internal control procedures, the risk management committee has been established to review and approve all relevant business transaction documentation from customers or potential customers from Countries subject to International Sanctions and with Sanctioned Persons. In particular, the risk management committee has been established to review the information (such as identity and nature of business as well as the customers' ownership) relating to the counterparty to the contract along with the draft business transaction documentation and has checked the counterparty against the various lists of restricted parties and countries maintained by the U.S., the European Union, the United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions which lists are publicly available, and determined whether the counterparty is, or is owned or controlled by, a person located in Countries subject to International Sanctions or a Sanctioned Person. Whether any potential sanctions risk is identified, the Company will seek advice from reputable external international legal counsel with necessary expertise and experience in International Sanctions matters;
4. The Directors has continuously monitored the use of proceeds from the Share Offer (as defined in the Prospectus), as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Countries subject to International Sanctions or Sanctioned Persons where this would be in breach of International Sanctions;
5. The risk management committee has been established to periodically review the internal control policies and procedures with respect to sanctions matters. As and when the risk management committee considers necessary, we will retain external international legal counsel with necessary expertise and experience in sanctions matters for recommendations and advice;
6. If necessary, external international legal counsel will provide training programs relating to the sanctions to the Directors, the senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in our daily operations. Our external international legal counsel will provide current list of Countries subject to International Sanctions and Sanctioned Persons to the Directors, senior management and other relevant personnel, who will in turn disseminate such information throughout our domestic operations and overseas offices and branches; and
7. Regarding the distributor customers, the Company has used best efforts to ensure that the distributor customers has warranted to the Company, either in the contracts with such distributor customers, or through the customers' delivery of an annual certification to the Company, that they are complying with International Sanctions laws in the sale or delivery of the products. In addition, in the event that the distributor customers are selling or delivering products to countries/entities subject to international sanctions, they shall ensure that the end customers are not Sanctioned Persons or provide the identity of such end customers prior for the Company to confirm whether such end customers are Sanctioned Persons, and the products shall not be sold to such end customers if such sale could result in any breach of international sanctions laws.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

KPMG was appointed as the Company's auditor on 21 June 2021. The statement of KPMG in respect of its reporting responsibilities and opinion on the Group's consolidated financial statements for the year ended 31 December 2024 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

The fees paid/payable to KPMG for the year ended 31 December 2024 are set out as follows:

	Fee paid/payable HK\$'000
Audit services	980
Non-audit services	—
Total	980

COMPANY SECRETARY

The company secretary is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with shareholders and management.

Mr. Wong Chung Ho is the Company Secretary. The biographical details of Mr. Wong are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report. In accordance with Rule 5.15 of the GEM Listing Rules, Mr. Wong had taken no less than 15 hours of relevant professional training during the year under review.

COMPLIANCE OFFICER

The compliance officer of the Company is Mr. Long Shing whose biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports. The corporate website of the Company (www.atlinks.com) has provided an effective communication platform to the public and the shareholders.

INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director’s responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

Name of Directors	CPD Participation Yes/No
Executive Directors	
Mr. Tong Chi Hoi	Yes
Mr. Jean-Alexis René Robert Duc	Yes
Mr. Long Shing	Yes
Non-executive Directors	
Mr. Long Hak Kan	Yes
Mr. Didier Paul Henri Goujard	Yes
Independent non-executive Directors	
Ms. Lam Lai Ting Maria Goretti	Yes
Ms. Chan Cheuk Man Vivian	Yes
Ms. Lee Kit Ying Catherine	Yes

Participation in CPD includes attending seminars, reading relevant materials in relation to the business of the Group, directors’ duties, latest development of the GEM Listing Rules and other applicable regulatory requirements.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

It is the Company’s policy to use a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. The annual general meeting and other general meetings of the Company are primary forums for communication between the Company and its shareholders. The Company provides shareholders with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the GEM Listing Rules. The information provided is reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

The Company continues to promote investor relations and enhance communication with the existing shareholders and potential investors. The Company welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company reviewed the implementation and effectiveness of the shareholders' communication policy and considered it to be effective for the year ended 31 December 2024.

CONSTITUTIONAL DOCUMENTS

The Company has no significant changes in the Company's constitutional documents during the year. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 64 of the Articles of Association of the Company which provides that extraordinary general meetings should be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If the Board fails to proceed to convene an extraordinary general meeting within 21 days of the deposit of the requisition, the requisitionist(s) may convene an extraordinary general meeting himself/themselves, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a shareholder to propose a person for election as a director of the Company are laid down in Article 113 of the Company's Articles of Association. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the principal place of business in Hong Kong or at the Hong Kong Branch Share Registrar. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of Company Secretary, by email: enquiry@atlinks.com, or by post to Unit 1818, 18/F, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the GEM Listing Rules and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

Environmental, Social and Governance Report

ABOUT THIS REPORT

Report Overview

This Report is the annual environmental, social and governance (“**ESG**”) report (the “**Report**”) published by Atlinks Group Limited (the “**Atlinks**” or “**We**”, and together with its subsidiaries, the “**Group**”) for the disclosure of relevant information of the Group from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”, “**FY2024**”, or “**2024**”). This Report is available on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Group.

Reporting Scope

This Report discloses the ESG performance of the Group’s business activities in Hong Kong and France, focusing on developing and selling communication products. The scope is consistent with the 2023 ESG Report.

Reporting Framework

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the ESG Reporting Guide) as set out in Appendix C2 of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reporting Principles

In the process of preparing this Report, the Group have adhered to the reporting principles stipulated in the ESG Reporting Guide as follows:

Materiality:	A materiality assessment was conducted to identify material issues during the Reporting Period, thereby acknowledging the material issues as the focus for preparation of this ESG report. Please refer to the sections headed “ Stakeholder Engagement ” and “ Materiality Assessment ” for further details.
Quantitative:	Supplementary notes are added along with quantitative data disclosed in this ESG report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
Consistency:	The preparation approach of this ESG report is substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure or calculation methodologies.
Balance:	This ESG report is completed based on facts and actual data disclosure to avoid biased judgement and misleading information to the report readers.

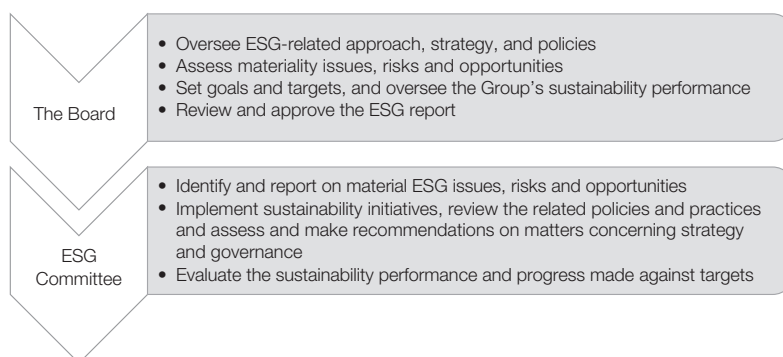
Contact and Feedback

Your feedback is valuable to our continuous improvement, and we welcome any comments and suggestions you may have on this ESG Report. Please share any comments or suggestions regarding the Group’s ESG performance by enquiry@atlinks.com.

Forward-looking Statements

This Report contains forward-looking statements based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. The forward-looking statement is not a guarantee of future performance and is subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ materially from the assumptions and statements in this Report.

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE



The Board

The Board oversees all ESG issues within the Group and ensures the effectiveness of our risk management and internal controls. We have developed an ESG governance framework to integrate ESG considerations into our business operations and align with our strategic growth. The Board monitors the Group's ESG performance, management approach, strategy, and policies. To enhance our ESG performance and identify potential risks and opportunities, the Board conducts regular materiality assessments with the ESG Committee, evaluating and prioritizing key ESG issues based on stakeholder feedback.

The ESG Committee

The ESG Committee is made up of core members from different departments and operational teams with approval from the Board. It assists the Board with the assessment of material issues, risk and opportunities, and the efficient implementation of policies.

The duties of the ESG Committee include ESG data collection and data analysis for the ESG report. The ESG Committee is also responsible for monitoring and evaluating the ESG performance to ensure regulations are fully complied. Regular meetings are carried out to assess the effectiveness of the current policies for ongoing improvements. The ESG Committee discusses material ESG topics in a timely manner and integrates ESG concerns into strategy development for risk management and opportunities optimisation. Through analysis and discussion, the ESG Committee sets out different ESG initiatives as part of the sustainable development process, turning the identified threats into opportunities through policy formulation and implementation.

STAKEHOLDER ENGAGEMENT

The Group highly values stakeholder feedback on its business operations and ESG performance. To address their concerns and incorporate their insights, we maintain regular communication with stakeholders. Based on the industry background and sustainable development, our key stakeholders are included but not limited to shareholders and investors, customers, employees, suppliers, communities and NGOs, media, and the public, as well as government and regulatory authorities.

The Group has put in place a variety of communication channels, timely disclosing information on its operations and ESG performance and other aspects to stakeholders. In this way, we increase the stakeholders' understanding and recognition of the Group and integrate the collected stakeholder expectations into our operations to protect the stakeholders' right to information and participation. Their valuable feedback will feed into the Group's strategic planning, ensuring that our commitment to sustainable business and good corporate citizenship.

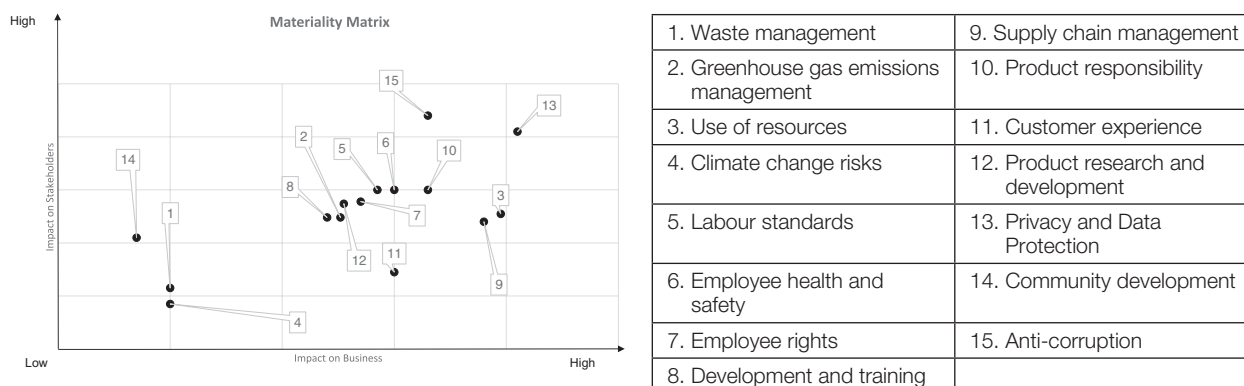
The following table provides an overview of the Group's main stakeholders and various platforms and communication channels to reach and respond.

Major Stakeholders	Engagement Channels
Shareholders and Investors	<ul style="list-style-type: none">• Annual General meetings• Financial reports• Announcements and circles• The Group's websites
Customers	<ul style="list-style-type: none">• Customer service hotline• Customer complaint mechanism• Social media• Questionnaires
Employees	<ul style="list-style-type: none">• Training, seminars, and briefing sessions• Performance reviews
Suppliers	<ul style="list-style-type: none">• Supplier evaluation process• Supplier audit• Tender selection
Communities and NGOs	<ul style="list-style-type: none">• Community activities• Employees volunteer activities• Sponsor and donation
Media and the Public	<ul style="list-style-type: none">• ESG report• The Group's website
Government and Regulatory Authorities	<ul style="list-style-type: none">• Written or electronic correspondence• Phone meetings

MATERIALITY ASSESSMENT

Through continuous stakeholder engagement, the Group identifies and evaluates material issues for 2024 based on global sustainability priorities, international best practices, operational risks, and stakeholder feedback. The Group discussed with key stakeholders on critical ESG issues to ensure all essential aspects were covered. Through internal discussion among the management, the validated ESG issues are approved for adoption.

A survey has been compiled by the identified material ESG topics to solicit views and feedback from stakeholders, and the results are summarised in the matrix below.



OUR ENVIRONMENT

ENVIRONMENTAL ASPECT

Atlinks is a company that is highly aware of its environmental impact. Guided by a global Environmental Management System, we have embedded sustainability into the core of our operations. Our focus includes eco-design practices such as recycling, resource conservation, and responsible product usage, as well as addressing transportation, waste management, and the end-of-life of our products.

ENVIRONMENTAL TARGETS

As a responsible corporate citizen who recognises the urgency of addressing climate change, the Group has set clear and measurable environmental KPIs, designating 2030 as the target year. These KPIs serve as reference points for monitoring our advancement. The latest update on our advancements is as follows:

Aspects	2030 Targets (Against Base Year)		Results
	2021 (Base Year)		
Energy consumption intensity MWh/m ²	0.16	↓ 1%	0.07 Achieved
GHG emissions intensity tCO ₂ e/m ²	0.044	↓ 1%	0.02 Achieved
Waste production intensity tonnes/m ²	0.0012	↓ 1%	0.00015 Achieved

EMISSION

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to exhaust gas and greenhouse gas (“GHG”) emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such relevant laws and regulations include but not limited to the Air Pollution Control Ordinance of Hong Kong (Cap.311) and National Emission Reductions (2016/2284/EU) in the EU.

Greenhouse Gas (“GHG”) Emissions

GHG emissions are widely regarded as a significant contribution to climate change and global warming. As their consequential impact on the environment and all lives on earth intensifies, the Group is committed to lowering its emissions and exploring its options on cleaner energy sources. Given that the Group has no vehicles, its daily operations do not consume vehicle fuel. Therefore, the disclosure of direct emissions (Scope 1) from vehicle fuel and refrigerants does not apply to the Group.

In addition, the property management company oversees the ventilation and air conditioning equipment, thus, it is not feasible to provide refrigerant consumption data. The France subsidiary is heated by gas, but the gas usage is not being directly measured or collected due to the heated system is provided by the building this year. The GHG emissions of the Group's indirect emissions (Scope 2) from purchased electricity were as follows.

Greenhouse Gas (GHG) Emission

Different Scope of GHG Emission ¹	Unit	2024	2023
Scope 1	tCO ₂ e	–	–
Scope 2	tCO ₂ e	17.91	15.39
Total GHG Emissions	tCO ₂ e	17.91	15.39
GHG Emissions Intensity²	tCO ₂ e/m ²	0.02	0.02

Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, the "CLP 2023 Sustainability Report" published by CLP Holdings Ltd, the latest released emission factors of EDF.
2. The intensity data is calculated based on the gross floor area (total 762.47 square metres). The data is also used for calculating other intensity data.
3. The gas usage is not being directly measured or collected due to the heated system provided by the building management this year.

Air Emissions

As there are no vehicles owned by the Group, the air emissions sourced from diesel and petrol consumption of vehicles are not applicable.

Waste Management

The Group does not operate any factories that generate hazardous waste from daily operations. However, under international standards, waste electrical and electronic equipment (**WEEE**) is generally classified as hazardous waste due to the presence of harmful substances in many electronic devices. To address this, the Group has established formal procedures for managing hazardous waste, as detailed in our internal waste management guidelines. Qualified waste collectors will be responsible for collecting and handling this waste in compliance with all local laws and regulations.

Non-hazardous Waste

Our non-hazardous waste includes paper, cartons and others. Most of the waste is temporarily stored in a specified location and then recycled by licensed contractors. We are committed to reducing waste generated from operations through the following waste reduction initiatives:

During the Reporting Period, the Group generated a total of 0.112 (2023: 0.154) tonnes of non-hazardous waste, with most of it being recycled. The Group's waste management performance is outlined below:

Waste Management

Type of Waste Disposal	Unit	2024	2023
WEEE	tonnes	0.019	0.022
Total Hazardous Waste	tonnes	0.019	0.022
Office Waste	tonnes	0.112	0.154
Total Non-hazardous Waste	tonnes	0.112	0.154
Total Waste	tonnes	0.131	0.176
Waste Intensity²	tonnes/m ²	0.00017	0.00023

The Group implemented various environmental measures effectively to reduce non-hazardous waste during the Reporting Period:

- In France, we classify and calculate the weight of the equipment when we recycle it, and provide funding to assist with the recycling of waste.
- We participate in several "take-back programs" to reduce those wastes.
- Domestic waste is collected and put in the designated recyclable bins registered by the program GREENS\$ ("GREEN\$ Electronic Participation Incentive Scheme") in Hong Kong.
- Double-sided printing is recommended at offices.
- Lighting and electrical devices such as computers, monitors and air-conditioning systems are encouraged to be turned off after office hours or when they are not used.

Sewage and Land Discharge

The Group's business activities do not consume a significant volume of water; therefore, the Group did not generate a material portion of sewage during daily operations. Similarly, discharges into the land were insignificant.

USE OF RESOURCES

The Group has vigorously promoted the effective use of resources for a sustainable and responsible business. Under the guidance of the Group's Energy and Resources Policy, we strive to reduce resource consumption by implementing energy and water efficiency initiatives and encouraging our stakeholders to adopt environmentally responsible behaviours. We are also exploring energy-saving and green management measures for our business to reduce resource consumption as much as possible.

Energy Management

The most significant energy consumed in our premises is due to the information system infrastructure and its air conditioning, and direct energy used in heating in our France office. Our IT infrastructure, such the Data Center (Scaleway), has a running Energy Management System, which has been Certified ISO 50001.

During the Reporting Period, the Group consumed a total of 55.72 MWh (2023: 50.81 MWh). The energy consumption by the Group was as follows:

Energy Consumption			
Type of Energy Consumption	Unit	2024	2023
Direct Energy Consumption	MWh	–	–
Indirect Energy Consumption	MWh	55.72	50.81
Purchased Electricity	MWh	55.72	50.81
Total Energy Consumption	MWh	55.72	50.81
Energy Consumption Intensity ²	MWh/m ²	0.07	0.07

Aiming to energy-saving performance, we have formulated rules to achieve the goals of saving electricity:

- We use full LED lamps on our sites as soon as we need to change them.
- Consumption is being followed in a monthly basis compared with temperature for correlation with the consumption of heat or air conditioning. Ratio of the consumption to the surface and the number of employees is also monitored, as well as the CO₂e, in a yearly basis.

Water Resources

The Group recognizes the critical importance of water resources and the challenges posed by their scarcity. In response, we are implementing several initiatives aimed at reducing water consumption and enhancing water efficiency across our operations.

The Group's Hong Kong and France offices are situated in commercial buildings where water usage was covered in the management fee. Our direct impact on the water is limited to sanitary use in the office buildings. There are no separate counters for our offices for metering the effect. Hence, it is not feasible for the Group to provide water consumption data as there is no sub-meter to record water usage. Despite this, the Group has acknowledged the importance of water resources, and we strives to reduce unnecessary water consumption by turning off the water taps when they are not in use and reporting to the relevant authorities immediately in case of a leaking faucet.

Packaging Materials

Due to its business nature, the use of packaging material is not considered a material ESG issue to the Group.

ENVIRONMENTAL AND NATURAL RESOURCES

The Group's policy encourages the reduction of potential impacts on the environment and natural resources through innovative environmental measures. We are committed to implementing various initiatives to reduce the adverse environmental effects of daily operations through measures such as treasuring resources and properly disposing of waste. The Group has provided environmental protection training for employees to improve their awareness at work and in life. The Group also integrates the concept of environmental and natural resource protection into internal management and operation activities to achieve the goal of sustainable development.

CLIMATE CHANGE

Public awareness of climate change continues to grow, posing a significant threat to the global ecological environment. In response to the severity and urgency of the climate crisis, governments have accelerated their actions to address climate change. Hong Kong has committed to achieving net-zero carbon emissions by 2050.

In response to stakeholders' concerns and demand for higher transparency regarding the climate-related risks and opportunities, we strive to disclose risks, opportunities and our performance on climate-related matters to give our stakeholders insight into the strategic decisions and actions we are taking to address climate change. In 2024, we preliminarily identified climate-related risks and opportunities that the Group is facing and formulated Emergency Plan to handle the below risks.

Type of Risks	Risk Descriptions	Countermeasures
Physical Risks	<ul style="list-style-type: none"> The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat will bring acute and chronic physical risks to the Group's operational and business facilities. The Group's productivity will be reduced under extreme weather events as the safety of our employees is threatened, and our production facilities might be damaged. Extreme weather exposes the Group to risks associated with non-performance and delayed performance, leading to a direct reduction in the Group's revenue. 	<ul style="list-style-type: none"> The Group has established mitigation plans to minimise potential hazards, including precautionary measures during bad or extreme weather conditions. The Group will explore emergency plans and engage with local governments and stakeholders on local resilience to enhance business stability.
Transition Risks	<ul style="list-style-type: none"> the Group expects the evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies, and the shifting of customer preference to an eco-friendlier operation. Imposition of carbon pricing regulations such as carbon tax and market-based mechanisms like cap and trade. 	<ul style="list-style-type: none"> The Group constantly monitors the updates of environmental regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to the violation of laws. the Group has been taking comprehensive environmental protection measures, including GHG reduction, carbon trading and adoption of clean energy. The Group has set targets to gradually reduce the Group's energy consumption and GHG emissions in the future.

OUR PEOPLE

SOCIAL ASPECT

Atlinks aims to play an active role in opening a world of opportunity for our colleagues and communities, and inclusion is instrumental to achieving this goal. It involves a commitment to remove unnecessary barriers for our people and communities to realise their potential. Creating an inclusive environment enables them to flourish and supports the delivery of a thriving society.

EMPLOYMENT PRACTICES

Recruitment and Promotion

Atlinks has stipulated vital human resources management practices in the Group. We promise to provide all candidates with fair access to information and resources. Factors such as capabilities, academic qualifications, practical working requirements, functional knowledge and language proficiency are considered recruitment standards under a transparent and friendly recruitment process.

Promotion in the Group has always taken place horizontally or vertically. It will enlarge employees' job responsibilities and accountabilities, while the latter requires them to perform at a higher level. The Group regularly conducts performance appraisal that forms the basis of promotion and salary adjustment. The Group prioritises the rise of an employee who has demonstrated outstanding performance as a kind of reward for career development to strengthen their sense of belonging.

Compensation and Dismissal

The Group provides fair and competitive compensation based on the evaluation of the employee's performance and design appropriate incentive schemes for eligible staff. The Performance Objectives, consisting of the team and individual goals, are reviewed by the department managers annually.

The Group respects and protects the rights and interests of employees following the Employee Handbook. We have no tolerance for unfair dismissal and ensure the dismissal procedure is fair and open. The procedures and conditions of dismissal and contract termination have been formulated in the Employee Handbook and Group Manual.

Working Hours and Rest Periods

The Group has specified the arrangement regarding employees' working days and hours in the Employee Handbook and prohibited all forms of forced labour. Atlinks adopts a flexible working hour policy to all staff in Hong Kong. The Group advocates work and life balance culture by organising an array of employee gathering events to boost their well-being.

The Group has provided employees with all kinds of holidays, including statutory holidays and other paid leaves such as marriage leave, maternity leave, paternity leave, compassionate leave, etc.

Equal Opportunity, Diversity, Anti-discrimination

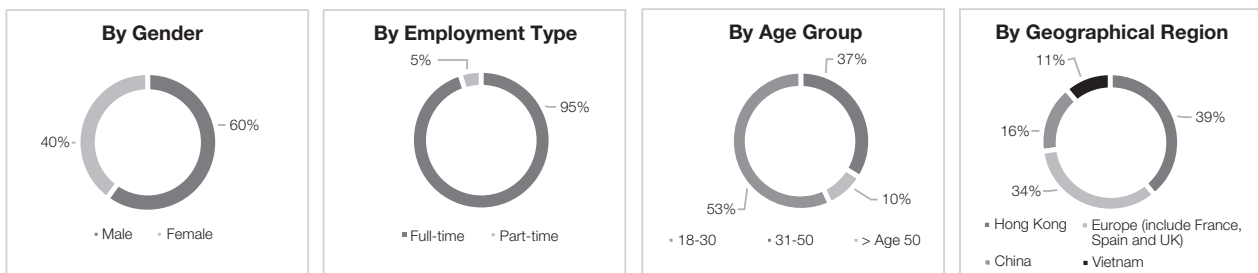
The Group shall not tolerate any form of discrimination and harassment in work and is committed to reducing and preventing it. The Group treats employees of different nationalities, races, ages, genders, religious beliefs, and cultural backgrounds fairly and equitably and protects the legitimate rights and interests of female employees. The Group should not tolerate any forms of discrimination and harassment in work and is committed to preventing it. We let employees equally enjoy their legal rights to labour remuneration, rest and leave, access to labour safety and health protection, social insurance, welfare, etc. The Group is devoted to building a diversified working team.

Benefits and Welfare

Employees having completed probationary period are eligible to join Atlinks Group Medical Scheme and Atlinks Group Life, AD&D (Accidental Death & Dismemberment) Insurance. Group's Business Travel Insurance insures employees travelling outside of Hong Kong for business. To enhance employees' health awareness, an executive medical check-up every 2 years will be provided to qualified employees.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but not limited to Employment Ordinance in Hong Kong and Working Time Directive in the EU.

As at 31 December 2024, the Group had a total of 62 employees (2023:48). The employee breakdown is as follows:



With a strong people-oriented culture supported by good employment practices, we have noted an increase in productivity and morale, as well as better employee retention. In 2024, our employee turnover rate⁴ was 11%.

Employment Turnover Rate ⁴	2024	2023
Overall	11%	10%
By Gender		
Male	8%	8%
Female	16%	13%
By Age Group		
Age 30 or below	17%	–
Age 31-50	4%	17%
Age 51 or above	15%	10%
By Geographical Region		
Hong Kong	21%	12%
Europe (include France, Spain and UK)	10%	9%

Notes:

4. Employee turnover rate is calculated by the number of employees left during the Reporting Period/Total number of employees on 31 December 2024 x 100%.

HEALTH AND SAFETY

Our continued success depends on the well-being of our people. We have implemented a comprehensive occupational health and safety management system to create a safe and healthy work environment. In the French subsidiary, the “Single Occupational Risk Assessment Document (DUERP)” is prepared and updated to ensure the safety and health of our employees. The document, including an inventory of dangers and risks, shall be posted for viewing in a suitable and easily accessible place in the workplace.

The Sustainability Committee monitors the health and safety performance of our operations and actively supports the physical and mental well-being of employees in both their work and personal lives. The Group has implemented the “Occupational Health and Safety Management Systems (OHSAS)” framework to effectively protect employees from potential hazards in their daily activities.

In the health aspect, we provide guidance on email management to help reduce stress for all staff. We conduct ergonomic assessments for computer and screen use at one site in Hong Kong and offer office exercise guidance at two sites in France and Hong Kong. In November, we run an anti-smoking campaign at our French subsidiary and manage pandemic responses according to government instructions, adapting as needed. To further support mental health, we distribute annual booklets that introduce work-related causes of occupational diseases and preventive measures. Employees are also entitled to paid sick leave for their recovery.

Regarding safety, all staff have received training on fire risks, which includes evacuation drills and the use of fire extinguishers at two sites in France and Hong Kong. We maintain a First Aid Kit and have published a driving safety chart that has been signed by 100% of the Group’s drivers. Additionally, all Group drivers have completed driving safety training to ensure a safe working environment.

The Group has achieved zero work-related fatalities for 3 consecutive years (including the Reporting Period) and also is not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but not limited to the Occupational Safety and the Health Ordinance of Hong Kong.

Indicator	Unit	2024	2023	2022
Number of work-related fatalities	Person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work injury	Days	0	0	0

DEVELOPMENT AND TRAINING

We offer different training opportunities in a variety of knowledge and skills based on the needs of employees and the business. The management of each department may engage their employees in training activities when needed, to keep them abreast of industry trends and developments, and to refresh existing skills. The management also makes sure that the training activities attain their intended objectives of continuous learning.

To ensure systematic training, we have formulated an Internal Control Policies and Procedures Manual that specifies training references and processes. All related training records have been kept in the Human Resources Department. An evaluation is performed after completing the training by an employee questionnaire form, which will form the basis for future training plan development. The training courses are categorised into orientation courses, best-practice sharing, and business skill set training to aid new employees in smoothly delving into the working mode. The Group will constantly improve the quality of training through employees' evaluation of trainers, training effectiveness and structure.

During the Reporting Period, the Group conducted a total of 131 hours of training. The breakdown of the average training hours completed by each employee by gender and employment category are as follows:

Training Performance	2024		2023	
	Numbers of Employees Trained	Average Training Hours (Hours)	Numbers of Employees Trained	Average Training Hours (Hours)
Overall	103	2.11	53	4.01
By Gender				
Male	56	1.15	28	2.30
Female	47	3.16	25	3.27
Employment Category				
Senior management	15	3.25	4	1.78
General	88	1.99	49	5.81

LABOUR STANDARDS

As mentioned in the Labour and Employment Management Procedures of the Group Manual, Atlinks aims to prevent any violations by implementing standardised procedures for enforcing its labor policies, conducting thorough verification of personal information, and prohibiting the employment and exploitation of child labor and any instances of forced labor. A person under 16 is not allowed to work in the Group. In addition, the employment contract specifies the employee's working hours, location, and primary work duties to avoid executing work outside the terms of the Employment Contract. If overtime is needed, overworking is consensual and compensated by extra pay or time off in lieu based on relevant laws and regulations to prevent forced overtime work. Any actions involving verbal abuse, oppression and sexual harassment against employees are prohibited for any reason. Anyone who violates the regulations will be subject to dismissal or termination of employment.

The Group has always guaranteed the freedom of association in full compliance with current regulations. The employees are represented by electing their representatives. Human resources and management are in direct contact with the representatives and staff, with a formal and informal interchange of news and information.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but not limited to the Employment Ordinance of Hong Kong and the OSH Framework Directive (89/391 EEC) in the EU.

OUR OPERATION

SUPPLY CHAIN MANAGEMENT

Establishing long-term collaborative relationships with various suppliers is the key to our success. We work closely with suppliers to monitor the quality of their goods and services, ensuring supply chain reliability. We maintain open communication to ensure that suppliers meet our requirements for quality, environmental and safety standards and jointly develop a supply chain that targets sustainable development.

To achieve this, the Group integrate the concept of sustainability to our supply chain management. According to the Manufacturing Supplier Code of Conduct, The Group specifies its commercial, environmental, and social requirements on suppliers, including compliance, human rights, child labour, REACH and RoHS, environment, health, and safety. The Group evaluates all suppliers yearly through systems by rating from 0 to 100. Over 90% of vendors have achieved excellence in the assessment for 3 consecutive years. Whenever a supplier does not meet our standards or cannot provide appropriate corrective actions, it will be disqualified from our supplier list. The Group has zero tolerance for bribery and corruption and strictly prohibits suppliers from acquiring procurement contracts or partnerships through any form of benefit transmissions or gifts.

The Group complies with the regulations in force regarding the Restriction of Hazardous Substances (2002/95/EC) (“**RoHS**”) and Restriction, Evaluation, and Authorization of Chemicals (EC/2006/1907) (“**REACH**”). The manufacturers must provide a declaration of substances in each product for safety reasons every year. Suppliers’ audits are conducted at the manufacturing sites to ensure the substances’ control is appropriately implemented. All certificates issued by our distributors have been kept in their records in our Documentation system for audit checking.

Green Procurement

The Group is dedicated to green procurement as a means of promoting sustainable development within its operating model. Throughout the procurement process, we prioritise environmentally friendly products and services to help reduce our carbon footprint. For instance, the Group focuses on selecting green cleaning products and opting for reusable items instead of single-use disposables.

The Group aims to reduce environmental and social risks throughout the supply chain and build a sustainable relationship with our business partners through the above practices. The Group recognises our suppliers to comply with all environmental disclosure statements. During the year, the Group had a total of 7 (2023:6) suppliers located in China.

PRODUCT RESPONSIBILITY

We are committed to delivering quality products and services to our customers and offer excellent customer experience. During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that might have a significant impact on the Group. There were no product recalls due to the nature of our business.

Engaging with Customers

We always maintain regular communication with our customers and have established different channels, including emails, hotline and social media, for them to provide feedback or seek assistance. Dedicated personnel processes and records complaints and ensures that the complaint process is conducted fairly. Customer surveys are conducted on an occasional basis to understand customers’ needs and ensure customer satisfaction.

As part of our Quality Management systems, we adhere to the following measures to continuously improve customer service:

- We have a web site with customers interface to ask questions related to products or our services.
- We provide a detailed version of the user manual.
- We received letters to give us feedback on our services.
- We have a Call Center (Hot line) to provide support for the use or what to do in case of doubts, or any quality issues with the products.
- We have implemented a Service Center to repair or refurbish the products.
- Service Center also provide a good information about the quality of the products and eventually the improvements to implement to avoid any quality problems, particularly in the NOT FAULT FOUND category, which indicate other issues than failure of the products.
- The Service Center has an integrated Management System Certified, for Quality, Environment, Health and Safety and Information Security.
- The Service Center also manages the WEEE following the European Directive 2012/19/EU.

As a result, during the Reporting Period, the return rate has been constantly decreased and arrive to a very low level, indicating a very reliable product and the hot line provides a good service level, the complaints from customers are become more compliments and just questions asked. The information provided to the customers makes the need to bring the products to the Service Center avoiding unnecessary transportation or refurbished products.

Protection of Customer Privacy

The Group acknowledges and fulfills its obligations under the Personal Data (Privacy) Protection Ordinance (Cap. 486) and General Data Protection Regulation (2016/679/EU) concerning the collection, processing, and use of employees’ personal data. The Group subcontracts a Data Centre (Scaleway) and a Service Centre (Ingram), equipped with Information Security Management Systems and ISO 27001 to safeguard customer data. The Group also manages confidential paper information in a protected bin, collected a few times a year. The Group issues a certificate of destruction for handling this sensitive waste (Cèdre). The Group’s policy stipulates that no employee shall disclose confidential information related to the Group’s operations and customers’ data.

Intellectual Property Rights

The Group has implemented policies, controls and guidance to manage risk relating to intellectual property. This ensures that intellectual property is identified, maintained and protected appropriately, and ensures that we do not infringe third-party intellectual property rights during the course of business. Therefore, employees are strictly prohibited from disclosing confidential information (including but not limited to the Group's strategies, business interests, know-how, etc.), invention and intellectual property to any third party in the course of employment and even upon termination of employment.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations concerning advertising, labelling and privacy matters in relation to products and services provided that would have a significant impact on the Group.

Product Responsibility Performance	2024	2023
Number of products subject to recalls for safety and health reasons	0	0
Number of products and services-related complaints received	0	0

ANTI-CORRUPTION

According to the Code of Conduct in the Employee Handbook, we forbid any form of corruption, including but not limited to bribery, extortion, fraud, and money laundering, in daily operations. The internal Anti-Bribery Policy stipulates the daily behaviours of employees. It specifies that employees must not engage in acts or activities revolving around conflicts of interest, receive or accept any benefits, and misuse of official positions. Employees should avoid engaging in any circumstances that might have involved a conflict of interest with the Group or its associated companies.

The Group has maintained an excellent check and balance system over transactions. The books and accounts are subject to statutory external financial audits annually in the Hong Kong headquarters and France subsidiary. These audits are used as one of the methods of identifying any suspicious payments which could be related to bribery or corrupt behaviours. This information is checked and controlled by Finance, Administration, Human Resource Department and the Chief Executive Director. Internal Audits are also used to detect any kind of deviation in this subject and to identify any potential decision not made by any employee in an objective way in the field of sourcing, purchasing or service requests.

Whistle-blowing Mechanism

To identify and handle violations at an early stage, the Group has set up an internal whistle-blowing system where employees can report any misconduct or reasonably suspected corruption on the corporate website www.atlinks.com or relevant departments of the Group. All reported cases will be treated with utmost confidentiality to ensure the protection of the whistle-blower's identity and privacy. Whistle-blowers will be safeguarded against unfair dismissal or any form of unreasonable disciplinary action, ensuring the preservation of their legal rights. To raise awareness of bribery prevention among management and general employees, anti-corruption training has been conducted. During the Reporting Period, all Board member and employees received the Anti-corruption training.

During the Reporting Period, there were no concluded legal cases regarding any forms of fraud raised by the Group or its employees. The Group was not aware of any material non-compliance with relevant laws and regulations of bribery, extortion, fraud, and money laundering. Such laws and regulations include but not limited to the Prevention of Bribery Ordinance and Money Laundering Directive (2001/97/EC).

COMMUNITY INVESTMENT

The Group has built strong connections with the community and taken on social responsibility by donating to and volunteering with various charities. We have also developed a community investment strategy focused on public welfare, in line with our sustainability policy.

We have been actively engaged in charitable initiatives, including participation in volunteer work organized by Food Angels to prepare dinner meals for those in need. This collaboration is part of our broader ESG efforts, reflecting our commitment to making a positive impact in the community. By working with Food Angels, we aim to address food insecurity and support vulnerable populations, demonstrating our dedication to social responsibility and community well-being.

By taking these actions, we aspire to create a better future for all and fulfill our role as a responsible group. The Group understands that being socially responsible goes beyond financial success and is dedicated to making a meaningful and lasting impact on the lives of individuals and communities.

Report of the Directors

The Board has the pleasure in presenting the annual report of the Company together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

BUSINESS REVIEW

Details of business review are set out in the section headed “Management Discussion and Analysis” on pages 5 to 9.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The Company, together with its subsidiaries are a home and office telecommunications product and baby monitors design company and we sell our products through telecom operators, consumer retail chain stores and distributors mainly located in Europe and Latin America. An analysis of the Group’s performance for the year by operating segment in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated financial statements on pages 47 to 99 of this annual report.

The Board does not recommend the payment of a dividend for the year ended 31 December 2024.

PRINCIPAL RISKS AND UNCERTAINTIES OF THE GROUP

Reliance on the Alcatel brand to manufacture products for the majority of our sales

We have entered into a licence agreement with Alcatel Lucent, due to expire in 2027. As the licensing arrangement approaches the end of its term, we are evaluating our options. Management anticipates that it will initiate negotiations to conclude a new agreement on the existing licenses within the next two years. During the years ended 31 December 2023 and 2024, sales of products bearing the Licensed Marks accounted for approximately 72.6% and 76.0% of our revenue, respectively. A decrease in demand for the products sold under the Licensed Marks may adversely affect our operations and financial conditions.

No long-term purchase commitments from our five largest customers

We generally do not enter into any long-term agreements with our five largest customers to secure purchase obligations. The purchases by our five largest customers are made from time to time with no commitment to place future orders with us. Consequently there is no assurance that our five largest customers will continue to place orders with us at all or at the same level as which they historically have done. During the years ended 31 December 2023 and 2024, the sales of products to our five largest customers accounted for approximately 30.3% and 30.9% of our revenue, respectively. In the event there is a significant decrease in orders from our five largest customers and we are unable to obtain replacement orders, our results of operations would be adversely affected.

Dependence on our major suppliers for the manufacturing of our products

For the years ended 31 December 2023 and 2024, purchases from our five largest suppliers account for approximately 92.6% and 90.0% of our total purchases, respectively. During the same periods, purchases from our largest supplier accounted for approximately 43.2% and 39.5% respectively. Any shortage or delay in supply from our suppliers would adversely affect our business and results of operations if we cannot secure suitable alternative sources of manufacturing of our products immediately.

INTEREST CAPITALISED

No interest was capitalised by the Group for the year ended 31 December 2024.

DIVIDEND AND DISTRIBUTABLE RESERVES

The board does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: Nil). Any declaration of dividends proposed by our Directors and the amount of any such dividends will depend on various factors, including, without limitation, our results of operations, financial condition, future prospects and other factors which our Directors may determine are important. Details of our Group’s dividend policy are set out in the section headed “Dividend Policy” on page 18. Any declaration and payment as well as the amount of dividends will be subject to the articles of association of the Company and the Companies Law. Dividends may be paid out of the Company’s distributable profits as permitted under the relevant laws. As at 31 December 2024, the aggregate amount of reserves available for distribution to equity shareholders of the company was EUR5,944,949 (2023: EUR5,944,949).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s articles of association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 100 of the annual report.

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.

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 purpose is to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group. Eligible participants of the Share Option Scheme include any employees, any executives, non-executive Directors (including independent non-executive Directors), advisors, consultants of the Company or any of its subsidiaries. No share options have been granted under the scheme since its adoption.

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

(2) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with paragraph (3) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, our independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(3) Price of shares of the Company (the “Share(s)”)

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of our Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

(4) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

(5) Maximum number of Shares

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) must not in aggregate exceed 10% of the total number of Shares in issue as at the listing date. The Company may refresh this limit at any time, subject to the shareholders' approval and the issue of a circular and in accordance with the GEM Listing Rules provided that the total number of Shares which may be allotted and issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for such purpose, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Group) previously granted under the Share Option Scheme and any other share option schemes of the Group will not be counted. The above is subject to the condition that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group shall not exceed 30% of the Share Capital of the Company in issue from time to time.

(6) Maximum entitlement of each Eligible Person

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his close associates abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(7) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(8) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting. As of the date of this report, the Share Option Scheme has a remaining life of approximately two years.

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during the year ended 31 December 2024. As at 31 December 2024, the Company has no outstanding share option under the Share Option Scheme. The total number of shares available for grant under the Share Option Scheme as at 1 January 2024 and 31 December 2024 were 40,000,000 shares. As at the date of this report, the total number of shares of the Company available for issue under the Share Option Scheme was 40,000,000 shares, representing 10% of the issued shares of the Company.

DIRECTORS

The directors of the Company (the “**Director(s)**”) during the year and up to the date of this report were:

Executive Directors:

Mr. Tong Chi Hoi
Mr. Jean-Alexis René Robert Duc
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

BIOGRAPHICAL DETAILS OF DIRECTORS' AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 10 to 12 of the annual report.

EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the five highest paid individuals of the Group are set out in note 8 to the consolidated financial statements.

The emoluments of the senior management of our Group for the year ended 31 December 2024 falls within the following band:

Emolument bands (in HK\$)	Number of individual
Up to HK\$1,000,000	–
HK\$1,000,001 to up to HK\$1,500,000	2

DIRECTORS' SERVICE CONTRACTS

Each of our Directors has entered into a service contract or an appointment letter (as the case may be) with the Company for an initial fixed term of five years for executive Directors, three years for non-executive and one year for independent non-executive Directors (save for Ms. Lee, who has entered into an appointment letter with the Company for a term of three years ending in 2025) and may only be terminated in accordance with the provisions of the service contract or the appointment letter (as the case may be) or by (i) the Company giving to any Director not less than three months' prior notice in writing or (ii) by any Director giving to the Company not less than three months' prior notice in writing.

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company and/or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

TERMS OF OFFICE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors were appointed for a specific terms subject to the relevant provisions of the articles of association or any other applicable laws whereby the Directors shall vacate or retire from their office.

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

As at 31 December 2024, 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) (the "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
Mr. Didier Paul Henri Goujard ("Mr. Goujard") (Note 1)	Eiffel Global Limited ("Eiffel Global")	Interest in a controlled corporation	1,183 ordinary shares	11.83%
Mr. Jean-Alexis René Robert Duc ("Mr. Duc") (Note 2)	Eiffel Global	Beneficial owner	967 ordinary shares	9.67%
Mr. 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%
Mr. 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 Dora (a former executive Director of the Company). 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.

Save as disclosed above, as at 31 December 2024, 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

Save as disclosed under the paragraph headed "Related party transactions and Continuing Connected Transactions" below and note 35 to the consolidated financial statements, (i) no transaction, arrangement and contract of significance in relation to the Group's business to which any member of the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2024; (ii) no transaction, arrangement and contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 December 2024; and (iii) no transaction, arrangement and contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 December 2024.

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

As at 31 December 2024, 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 (Note 1)	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 (Note 2)	Interest of spouse	300,000,000	75%
Ms. Ng Ching Yi Doris ("Ms. Ng") (Note 3)	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 Dora (a former executive Director of the Company), 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 31 December 2024, 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

	Percentage of the Group's total purchases
The largest supplier	39.5%
Five largest suppliers in aggregate	90.0%
	Percentage of the Group's total sales
The largest customer	8.7%
Five largest customers in aggregate	30.9%

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in these major suppliers and customers.

KEY RELATIONSHIPS WITH CUSTOMERS

The Group's customers include consumer retail chain stores, telecom operators and distributors in Europe and Latin America. During the year ended 31 December 2024, the sales of our products to our largest customer and five largest customers accounted for approximately 8.7% and 30.9% of our revenue, respectively. Even though we do not enter into any long-term agreements with our five largest customers to secure purchase obligations, we were able to consistently maintain good and stable relationships with them.

KEY RELATIONSHIPS WITH SUPPLIERS

Most of our suppliers are electronics manufacturers and suppliers in Hong Kong with factories in the PRC. Although we usually outsource the production of our products to a few manufacturing subcontractors, our Directors confirm that we are constantly looking for and would be able to secure alternative suppliers with comparable quality and prices as replacement in the event that our major manufacturing subcontractors ceased their business relationship with us. During the year ended 31 December 2024, our total purchases from our largest supplier and five largest suppliers accounted for approximately 39.5% and 90.0% of our revenue, respectively. Accordingly, we are dependent on the continuous supply of products from a few suppliers.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with laws and regulations. The risk of non-compliance with the relevant requirements would subject us to fines, penalties or other liabilities which could lead to adverse impact on our financial position. The Board as a whole is responsible to ensure the Group complies with the relevant laws and regulations that have a significant impact on the Company. To the best knowledge of the Board, the Group is unaware of any material non-compliance with relevant laws and regulations during the year ended 31 December 2024.

KEY RELATIONSHIPS WITH EMPLOYEES

The Group offers competitive remuneration packages to its employees and a year-end bonus will be paid to them as recognition and rewards for their contributions according to individual performance. The Group considers its employees the key to sustainable business growth. Workplace safety is priority of the Group, and so the Group organizes yearly trainings and awareness meetings for all its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

The Group believes that sound environmental, social and governance performance is of critical importance to the sustainability of its business and community. The Group is committed to enhancing environmental protection to minimize the impact of its activities on the environment, and compliance with applicable environmental laws. The Board is pleased to present the Environmental, Social and Governance ("ESG") report for the year ended 31 December 2024. This report has been prepared with reference to ESG Reporting Guide issued by the Stock Exchange and is set out in the section headed "Environmental, Social and Governance report" in this annual report.

RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 29 November 2021, Atlinks Asia Limited (“**Atlinks Asia**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Kan Tsang New Technology Development Limited (“**Kan Tsang NT**”), a company wholly owned by Mr. Long Hak Kan, our non-executive director and a controlling shareholder of the Company, for a term of three years 1 January 2022 to 31 December 2024, pursuant to which Kan Tsang NT has agreed to manufacture and sell certain cordless phone products to Atlinks Asia from time to time in response to purchase orders initiated by it. The annual cap for the three years ending 31 December 2024 were US\$8,000,000, US\$8,500,000 and US\$9,000,000 respectively, and were approved by the independent shareholders of the Company at the extraordinary general meeting held on 10 January 2022.

The Directors, including the independent non-executive Directors, have reviewed and consider that the continuing connected transactions above and their respective annual caps are fair and reasonable, and such transactions have been entered into in the ordinary and usual course of the business of the Group, on normal commercial terms, and in accordance with the terms of the agreement governing the continuing connected transactions and on terms that are fair and reasonable, and in the interests of the Group and the shareholders of the Company as a whole.

The Company’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 20.54 of the Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

The Company has confirmed that (i) save for the abovementioned continuing connected transaction, none of the related party transactions as disclosed in Note 35 to the consolidated financial statements included in this Annual Report fall under the definition of connected transactions or continuing connected transactions in Chapter 20 of the GEM Listing Rules; and (ii) it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2024.

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 2024 prior to issue of this report under the GEM Listing Rules.

NON-COMPETITION UNDERTAKING

On 21 December 2017, the Company entered into the Deed of Non-competition with each of the controlling shareholders (“**Controlling Shareholders**”) of the Company. The independent non-executive Directors will review, on an annual basis, the Deed of Non-competition to ensure compliance with the non-competition undertaking by the controlling shareholders.

The Company wishes to disclose that each of the Controlling Shareholders provided a written confirmation (the “**confirmation**”) to the Company on 14 March 2025 confirming that he/she/it has duly complied with the non-competition covenants and undertakings in the Deed (the “**Undertakings**”) for the year ended 31 December 2024. The independent non-executive Directors also noted that (a) the Controlling Shareholders declared that they had fully complied with the Undertakings for the year ended 31 December 2024; (b) no new competing business was reported by the Controlling Shareholders for the year ended 31 December 2024, and (c) there was no particular situation rendering the full compliance of the Undertakings being questionable. In view of the above, the independent non-executive Directors confirmed that all of the Undertakings were complied with by the Controlling Shareholders for the year ended 31 December 2024.

COMPETING BUSINESS

During the year 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.

PERMITTED INDEMNITY PROVISIONS

Pursuant to Article 191 of the Company's Articles of Association every Director, Secretary and other officers of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against any actions, cost, charges, losses, damages and expenses, as a result of any act done, concurred in or omitted in or about the execution of their duty. The Company has also maintained the Directors and officers liability insurance during the year.

AUDITOR

The consolidated financial statements have been audited by KPMG and a resolution for the re-appointment of KPMG as the auditor of the Company will be proposed at the forthcoming annual general meeting.

Save as disclosed above, there has been no change in the auditor of the Company during the preceding three years.

PUBLICATION OF INFORMATION ON WEBSITES

This annual 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

14 March 2025

Independent Auditor's Report



To the shareholders of Atlinks Group Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Atlinks Group Limited (“**the Company**”) and its subsidiaries (“**the Group**”) set out on pages 47 to 99, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit loss allowances for trade receivables

Refer to note 20 to the consolidated financial statements and the accounting policies in note 2.11.

The Key Audit Matter

As at 31 December 2024, the Group had gross trade receivables of EUR9,715,053 (2023: EUR9,323,777) and allowance for expected credit losses ("**ECLs**") of EUR287,661 (2023: EUR254,026).

Management measures the loss allowance at an amount equal to lifetime ECLs of the trade receivables based on estimated loss rates for each category of trade receivables grouped according to shared credit risk characteristics. The estimated loss rates take into account the ageing of trade receivable balances, the payment history of the Group's customers, current market conditions, and forward-looking information. Such assessment involves management judgement and estimation.

We identified the expected credit loss allowance for trade receivables as a key audit matter because determining the level of the loss allowance requires the exercise of management judgement, which is inherently subjective.

How the matter was addressed in our audit

Our audit procedures to assess the expected credit loss allowance for trade receivables included the following:

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimating the credit loss allowance;
- evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standard;
- assessing whether items in the trade receivables ageing reports were categorised in the appropriate ageing bracket by comparing individual items therein with relevant sales invoices and goods delivery notes, on a sample basis;
- obtaining an understanding of the key parameters and assumptions that management uses in its implementation of the expected credit loss model, including the basis of segmentation of the trade receivables based on shared credit risk characteristics of customers and the historical credit loss data used in management's estimated loss rates;
- assessing the appropriateness of management's estimates of loss allowances by examining the information used by management to derive such estimates, including testing the accuracy of the historical credit loss data and evaluating whether the historical loss rates are appropriately adjusted based on current market conditions and forward-looking information; and
- re-performing the calculation of the loss allowance as at 31 December 2024 based on the Group's ECL allowance policies.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of goodwill and intangible assets with indefinite life

Refer to note 15 and note 16 to the consolidated financial statements and the accounting policies in note 2.8 and 2.9.

The Key Audit Matter

As at 31 December 2024, the Group had goodwill of EUR706,771 (2023: Nil) and intangible assets of EUR2,798,676 (2023: EUR2,905,304).

Management performs impairment of goodwill and intangible assets that have indefinite useful life annually, or more frequently if events or changes in circumstances indicates that it might be impaired. goodwill and intangible assets were allocated to cash generating units ("CGUs"), and the recoverable amount of each CGU was determined by management based on value-in-use calculations using cash flow projections. In carrying out the impairment assessments, significant management judgement was used to appropriately identify CGUs and to determine the key assumptions, including revenue growth rates, terminal growth rate and discount rate, used in the value-in-use calculations. Management has concluded that there is no impairment on goodwill and intangible assets.

We identified the impairment assessment of goodwill and intangible assets as a key audit matter due to the estimation of recoverable amount is subject to the higher degree of estimation uncertainty and the subjectivity in management's judgement involved.

How the matter was addressed in our audit

Our audit procedures in relation to management's impairment assessment of goodwill and intangible assets included the following:

- obtaining an understanding of and assessing the design and implementation of key internal controls on management's process of assessment of impairment of goodwill and intangible assets;
- assessing management's identification of CGUs based on the prevailing accounting standards and our understanding of the Group's business;
- with the assistance of our valuation specialists, assess the valuation methodology adopted by management with reference to the requirements of the prevailing accounting standards;
- evaluating the key assumptions, including revenue growth rates, adopted in the cash flow projections with reference to our understanding of the business, historical trends, available industry information and available market data;
- with the assistance of our valuation specialist, assessing whether the discount rates and terminal growth rate applied in cash flow projections were within a reasonable range by comparing with companies operating in the same industry;
- comparing the cashflow projections prepared at the end of last year for the purpose of impairment assessments with the actual performance of the businesses for the current year to assess how accurate the cash flow projects were, making enquires of management as to the reasons for any significant variations identified and considering if there was any indication of management bias; and
- performing sensitivity analyses on the key assumptions, including revenue growth rate, discount rates and terminal growth rates adopted in the discounted cashflow projections on the conclusions reached in the impairment assessments and assessing whether there were any indicators of management bias in the selection of these assumptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yau Ngai Lun, Alan.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

14 March 2025

Consolidated Income Statement

For the year ended 31 December 2024 (Expressed in EURO)

	Note	2024 EUR	2023 EUR
Revenue	5	29,474,163	29,729,520
Cost of sales	7	(18,753,093)	(20,312,821)
Gross profit		10,721,070	9,416,699
Selling and distribution expenses	7	(4,003,153)	(3,267,065)
Administrative expenses	7	(6,048,695)	(5,664,984)
Other net gain/(loss)	6	669,222	484,650
– Exchange difference		(8,755)	334,571
– Fair value changes on financial assets at fair value through profit or loss		33,083	(1,340)
Other net gain		24,328	333,231
Operating profit		693,550	817,881
Finance income	10	3,637	9,024
Finance costs	10	(638,292)	(747,287)
Finance costs, net	10	(634,655)	(738,263)
Share of profits of an associate	31	19,095	–
Profit before income tax		77,990	79,618
Income tax (expense)/credit	11	(62,693)	25,561
Profit for the year		15,297	105,179
Profit for the year attributable to:			
Equity holders of the company		15,297	105,179
Earnings per share			
– Basic and diluted (expressed in Euro cents per share)	12	0.00	0.03

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024 (Expressed in EURO)

	2024 EUR	2023 EUR
Profit for the year	15,297	105,179
Other comprehensive (loss)/income		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences	(34,177)	(56,434)
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit retirement plans, net of tax	12,671	(12,008)
Other comprehensive loss for the year	(21,506)	(68,442)
Total comprehensive (loss)/income for the year	(6,209)	36,737

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

At 31 December 2024 (Expressed in EURO)

	Note	2024 EUR	2023 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	14(a)	1,223,116	1,297,234
Interest in an associate	31	21,855	–
Right-of-use assets	14(b)	157,381	237,669
Intangible assets	15	2,798,676	2,905,304
Goodwill	16	706,771	–
Deferred income tax assets	27	1,320,028	1,296,452
Prepayments, deposits and other receivables	21	42,001	42,309
		6,269,828	5,778,968
Current assets			
Inventories	19	8,044,384	8,492,196
Trade receivables	20	9,427,392	9,069,571
Prepayments, deposits and other receivables	21	4,223,828	3,592,839
Income tax recoverable		–	49,402
Financial assets at fair value through profit or loss	17	33,083	–
Pledged bank deposits	22	959,795	1,067,384
Cash and cash equivalents	22	1,730,058	1,121,572
		24,418,540	23,392,964
Total assets		30,688,368	29,171,932
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	23	417,819	417,819
Reserves	23	7,391,560	7,397,769
Total Equity		7,809,379	7,815,588

Consolidated Statement of Financial Position
At 31 December 2024 (Expressed in EURO)

	Note	2024 EUR	2023 EUR
LIABILITIES			
Non-current liabilities			
Lease liabilities	14(b)	12,774	127,831
Retirement benefits obligation	29	297,578	314,162
Other payables	25	756,034	1,109,032
		1,066,386	1,551,025
Current liabilities			
Trade payables	24	6,805,528	4,933,859
Contract liabilities	25	245,478	89,072
Accruals, provision and other payables	25	3,180,331	2,955,370
Financial liabilities at fair value through profit or loss	17	–	27,838
Loan from related parties	35(c)	4,156,570	4,372,365
Borrowings	26	7,255,133	7,316,725
Lease liabilities	14(b)	146,383	110,090
Income tax payable		23,180	–
		21,812,603	19,805,319
Total liabilities		22,878,989	21,356,344
Total equity and liabilities		30,688,368	29,171,932

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 47 to 99 were approved by the Board of Directors on 14 March 2025 and were signed on its behalf.

)
 Tong Chi Hoi)
) Executive Directors
 Long Shing)
)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024 (Expressed in EURO)

	Share capital EUR	Merger reserve EUR	Share premium EUR	Other reserve EUR	Retained earnings/ (accumulated losses) EUR	Total EUR
Balance at 1 January 2024	417,819	4,386,123	3,557,226	523,355	(1,068,935)	7,815,588
Comprehensive income						
Profit for the year	–	–	–	–	15,297	15,297
Other comprehensive loss						
Currency translation difference	–	–	–	(34,177)	–	(34,177)
Remeasurement of defined benefit retirement plans, net of tax	–	–	–	12,671	–	12,671
Other comprehensive loss	–	–	–	(21,506)	–	(21,506)
Total comprehensive loss for the year	–	–	–	(21,506)	15,297	(6,209)
Balance at 31 December 2024	417,819	4,386,123	3,557,226	501,849	(1,053,638)	7,809,379

	Share capital EUR	Merger reserve EUR	Share premium EUR	Other reserve EUR	Retained earnings/ (accumulated losses) EUR	Total EUR
Balance at 1 January 2023	417,819	4,386,123	3,557,226	591,797	(1,174,114)	7,778,851
Comprehensive income						
Profit for the year	–	–	–	–	105,179	105,179
Other comprehensive loss						
Currency translation difference	–	–	–	(56,434)	–	(56,434)
Remeasurement of defined benefit retirement plans, net of tax	–	–	–	(12,008)	–	(12,008)
Other comprehensive loss	–	–	–	(68,442)	–	(68,442)
Total comprehensive income for the year	–	–	–	(68,442)	105,179	36,737
Balance at 31 December 2023	417,819	4,386,123	3,557,226	523,355	(1,068,935)	7,815,588

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024 (Expressed in EURO)

	Note	2024 EUR	2023 EUR
Cash flows from operating activities			
Cash generated from/(used) in operations	28	2,009,108	(375,075)
Interest received		3,637	9,024
Income tax (paid)/refunded		(13,687)	43,385
Net cash inflow/(outflow) from operating activities		1,999,058	(322,666)
Cash flows from investing activities			
Purchase of property, plant and equipment		(159,018)	(171,810)
Acquisition of a subsidiary, net of cash acquired	30	(202,115)	–
Proceed from disposal of property, plant and equipment		40,514	–
Acquisition of share in an associate	31	(2,760)	–
Net cash outflow from investing activities		(323,379)	(171,810)
Cash flows from financing activities			
Proceeds from bank borrowings		27,098,803	33,946,119
Repayment of bank borrowings		(27,160,395)	(36,234,479)
(Repayment of)/proceeds from loans from related parties		(324,750)	1,410,392
Interest paid		(629,156)	(736,324)
Principal elements of lease payments		(159,005)	(118,642)
Pledged bank deposits for bank loans		107,589	833,908
Net cash outflow from financing activities		(1,066,914)	(899,026)
Net increase/(decrease) in cash and cash equivalents		608,765	(1,393,502)
Cash and cash equivalents at beginning of the year		1,121,572	2,464,451
Effects of exchange rate changes on cash and cash equivalents		(279)	50,623
Cash and cash equivalents at end of the year	22	1,730,058	1,121,572

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

(Expressed in EURO unless otherwise indicated)

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 and baby monitors to retailers, telecommunication operators and distributors customers all around the world under four brands, namely Alcatel, Swissvoice, Amplicomms and Chillax.

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Atlinks Group Limited and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Atlinks Group Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (**HKFRS**) and requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- (a) financial assets and liabilities (financial assets/liabilities at fair value through profit or loss) and certain classes of property, plant and equipment – measured at revaluation model.

(iii) 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 HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current (“2020 amendments”) and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants (“2022 amendments”)
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed in 2.2.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iv) 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, which are not yet effective for the year ended 31 December 2024 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 periods beginning on or after
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

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.

2.2 Changes in accounting policies

Amendments to HKAS 1, *Presentation of financial statements (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)*

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions. The amendments do not have an impact on these financial statements.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The group has provided the new disclosures in note 26.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associate

An associate is an entity in which the group or the company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the group's share of losses exceeds its interest in the associate, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (Note 2.11).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the company's statement of financial position, an investment in an associate is stated at cost less impairment losses, unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations *(Continued)*

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Company's functional currency is EUR. The consolidated financial statements are presented in EUR, which is the Group's presentation currency as the directors considered that EUR is the appropriate presentation currency as the Group's operation is substantially in Europe.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated statements of comprehensive income, except when deferred in other comprehensive income ("**OCI**") as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains and losses are presented in the consolidated income statement within "other net gain/(loss)".

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting currency translation differences are recognised in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.7 Property, plant and equipment

Property, plant and equipment (except for office premises held for own use) are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Office premises held for our own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Changes arising on the revaluation of office premises held for our own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve.

The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Leasehold improvements	4% to 33% or over the lease term
Testing equipment	20% to 50%
Furniture and office equipment	33% to 50%
Tooling	33% to 67%
Office premises held for own use	4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's (except for assets measured of revaluation model) carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, any amounts included in other reserves in respect of those assets will be transferred to retained earnings.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Intangible assets with definite useful lives are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Licensing right	6%
Design patent	10%
Domain name and website	10%
Trademarks	5% – Indefinite

The estimated useful life for licensing right is 18 years which is the licensed period granted under licensing agreement.

The estimated useful life for designed patent is 7–10 years.

The estimated useful life for domain name and website is 10 years.

The estimated useful life for a trademark ranging from 10 to 20 years. Other trademark has indefinite useful life as it has been established over 100 years and there is no foreseeable limit to the years over which the asset is expected to generate economic benefits for the Group.

2.9 Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2.10).

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest revenue from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest revenue from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses practical expedients when estimating life time expected losses on the trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13 Inventories

Finished goods

Inventories are carried at the lower of cost and net realizable value. Cost is determined using first in first out (FIFO) method. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated applicable selling expenses.

2.14 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in fair value of the derivative financial instruments which do not qualify for hedge accounting are recognised immediately in the consolidated income statement. Interest income from derivative financial instruments are recognised on an accrual basis.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.15 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are generally due for settlement within one year or less (or in the normal operating cycle of the business if longer), and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11(ii) for further information about the Group's accounting for trade receivables and Note 3.1(c) for a description of the Group's impairment policies.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.20 Current and deferred income tax *(Continued)*

Deferred income tax *(Continued)*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2.21 Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plans, recognised in the consolidated income statement in employee benefit expenses, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee services in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in consolidated income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the consolidated income statement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

The obligation is calculated using the projected unit credit method, discounted to present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The discount rate is the yield at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses are recognised in full in the period in which they occur, in consolidated statements of comprehensive income.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Long service payments

The Group's net obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under Hong Kong Employment Ordinance is the amount of future benefits that the employee have earned in return for their services in the current and prior periods.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Warranty claims

The Group generally offers eighteen-month to twenty four-month warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

As the Company is continually upgrading its product designs, it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) Other provision

Provisions for restructuring costs are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring costs provision comprises employee termination payments. Provisions are not recognised for future operating losses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.23 Revenue recognition

Sale of goods

The Group sells a range of home and office telecommunication products and baby monitors. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of rebates, discounts, returns and value added taxes.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.24 Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2.23). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.15).

2.25 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.25 Leases *(Continued)*

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of buildings and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.26 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Group's shareholders or directors, where appropriate.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management of the Group. Formal and informal management meetings are held to identify significant risks and to develop procedures to deal with any risks in relation to the Group's businesses.

(a) Foreign exchange risk

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 ("US\$") and Renminbi ("RMB") 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, which is the functional currency of the major operating companies within the Group. The Group manages its foreign currency exposure by entering forward derivatives contract.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Foreign exchange risk *(Continued)*

At 31 December 2024, if US\$ had strengthened/weakened against EUR by 5% with all other variables held constant, the profit before tax for the year would have been EUR85,513 higher/lower (2023: profit before tax for the year would have been EUR110,220 higher/lower), mainly as a result of foreign exchange gain/loss on revaluation of USD denominated cash and cash equivalents, trade receivables, prepayments, deposits and other receivables, trade payables, accruals, provision and other payables, loans from related parties and borrowings.

At 31 December 2024, if RMB had strengthened/weakened against EUR by 5% with all other variables held constant, the profit before tax for the year would have been EUR349,168 lower/higher (2023: profit before tax for the year would have been EUR238,995 lower/higher), mainly as a result of foreign exchange loss/gain on revaluation of RMB denominated cash and cash equivalents, trade receivables, prepayments, deposits and other receivables, trade payables and accruals, provision and other payables.

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. The Group's policy is to maintain all of its borrowings in variable rate instruments.

As of 31 December 2024, and 2023, the Group's bank borrowings at variable rates were denominated in EUR and RMB. The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements and regular reporting is provided to the management for the Group's debt and interest rates exposure.

At 31 December 2024, if interest rates on borrowings had been 50 basis points higher/lower and all other variables held constant, the profit before tax for the year would have been EUR228,420 lower/higher (2023: profit before tax for the year would have been EUR256,537 lower/higher), mainly as a result of higher/lower interest expense on floating-rate borrowings.

(c) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, trade receivables, deposit and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2024.

In respect of trade receivables, 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. The Group measures the expected credit losses on a combination of both individual and collective basis.

The receivables relating to customers with known financial difficulties or with significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As of 31 December 2024, the balance of loss allowance in respect of collectively assessed receivables was EUR170,074 (2023: EUR136,619).

Expected credit losses are also estimated by grouping the remaining receivables from third party based on shared credit risk characteristics and the days past due and collectively assessed for the likelihood of loss allowance, taking into account the nature of the customer and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

The expected credit loss rates are based on corresponding historical credit losses experienced up to 1 years and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As of 31 December 2024, the balance of loss allowance in respect of individually assessed trade receivables was EUR117,587 (2023: EUR117,587).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

As of 31 December 2024, and 2023, the ageing analysis of trade receivables, net of loss allowance made, based on due date, is as follows:

31 December 2024	Gross EUR	Provision on individual basis EUR	ECL rate	ECL EUR	Net EUR
Less than 30 days	8,146,336	–		–	8,146,336
31 to 60 days	146,347	–		–	146,347
61 to 90 days	186,045	–		–	186,045
More than 90 days	1,236,325	(170,074)	11%	(117,587)	948,664
	9,715,053	(170,074)		(117,587)	9,427,392

31 December 2023	Gross EUR	Provision on individual basis EUR	ECL rate	ECL EUR	Net EUR
Less than 30 days	6,722,150	–		–	6,722,150
31 to 60 days	146,706	–		–	146,706
61 to 90 days	157,752	–		–	157,752
More than 90 days	2,297,169	(136,619)	5%	(117,587)	2,042,963
	9,323,777	(136,619)		(117,587)	9,069,571

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

	EUR
Loss allowance as at 31 December 2023 and 1 January 2024	254,206
Increase in loss allowance	33,455
Loss allowance as at 31 December 2024	287,661

In respect of other receivables excluding prepayments, the credit quality is assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them.

Therefore, expected credit loss rate of other receivables excluding prepayments is assessed to be close to zero and no loss allowance was made as of 31 December 2024 (2023: same).

3 FINANCIAL RISK MANAGEMENT *(Continued)***3.1 Financial risk factors** *(Continued)***(d) Liquidity risk**

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenant, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet their liquidity requirements in the short and longer term.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at each of respective reporting dates to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the year end dates for the year ended 31 December 2024 and 2023. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. Balance due after 12 months are the contractual undiscounted cash flows.

	On demand EUR	Less than 1 year or on demand EUR	Between 1-5 years EUR	Over 5 years EUR	Total EUR
As at 31 December 2024					
Trade payables	-	6,805,528	-	-	6,805,528
Borrowings	7,255,133	7,255,133	-	-	7,255,133
Loan from related parties	-	4,156,570	-	-	4,156,570
Accruals	-	2,375,007	-	-	2,375,007
License fee payable	-	675,246	756,034	-	1,431,280
Lease liabilities	-	154,054	12,838	-	166,892
	7,255,133	21,421,538	768,872	-	22,190,410
	On demand EUR	Less than 1 year or on demand EUR	Between 1-5 years EUR	Over 5 years EUR	Total EUR
As at 31 December 2023					
Trade payables	-	4,933,859	-	-	4,933,859
Borrowings	7,316,725	7,316,725	-	-	7,316,725
Loan from related parties	-	4,372,365	-	-	4,372,365
Accruals	-	2,350,212	-	-	2,350,212
License fee payable	-	498,801	1,109,032	-	1,607,833
Lease liabilities	-	119,425	131,984	-	251,409
	7,316,725	19,591,387	1,241,016	-	20,832,403

The table that follows summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Less than 1 year EUR	Between 1 and 2 years EUR	Between 2 and 5 years EUR	More than 5 years EUR	Total EUR
As at 31 December 2024					
Borrowings	6,260,291	237,801	662,623	257,363	7,418,078
Loan from related parties	4,286,674	-	-	-	4,286,674
As at 31 December 2023					
Borrowings	6,214,517	287,920	817,864	493,309	7,813,610
Loan from related parties	4,510,413	-	-	-	4,510,413

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of shareholders' equity and total borrowings. Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow the Group to operate effectively in the marketplace and sustain future development of the business. The Group monitors capital on the basis of the net gearing ratio and the Group will have sufficient financial resources and banking facilities to meet its commitments and working capital requirements. 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 gearing ratio as of 31 December 2024 and 2023 are as follows:

	2024 EUR	2023 EUR
Total borrowings	11,411,703	11,689,090
Less: cash and cash equivalents	(1,730,058)	(1,121,572)
Net debt	9,681,645	10,567,518
Total equity	7,809,379	7,815,588
Total capital	17,491,024	18,383,106
Net gearing ratio	55%	57%

3.3 Fair value estimation

The table below analyses the Group's financial assets/(liabilities) carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 2 EUR
As of 31 December 2024	
Financial assets at fair value through profit or loss	33,083
As of 31 December 2023	
Financial liabilities at fair value through profit or loss	(1,340)

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices from banks or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

There were no transfers between level 1, 2 and 3 for the year ended 31 December 2024 and 2023.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Impairment of trade receivables

The Group makes provision for impairment in trade receivables based on an assessment of the risk of default and expected loss rates of receivables. This assessment is based on the credit history of its customers and other debtors, the current market condition as well as forward looking estimates at the end of each reporting period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

(b) Impairment of intangible assets

The Group has significant intangible assets. The Group is required to estimate the useful lives of intangible assets in order to ascertain the amount of amortisation charges for each reporting period. The Group also reviews internal and external sources of information to identify indications that intangible assets may be impaired.

The useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

Determining intangible assets impairment requires an estimation of the value in use of the cash generating units. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

(c) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was EUR706,771 (2023: nil).

(d) Provision for inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased. The amount written off to the consolidated income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

5 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 and baby monitors. 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 and baby monitors. Revenue recognised for the year analysed by type of products is as follows:

Revenue from contracts from customers recognised at a point in time	2024 EUR	2023 EUR
Home telephone	18,810,786	21,058,479
Office telephone	4,106,795	3,628,798
Senior products	3,966,551	4,753,185
Others (Note)	2,590,031	289,058
	29,474,163	29,729,520

Note: Others include components, baby monitor, subscription income 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:

	2024 EUR	2023 EUR
France	14,724,312	13,914,662
Other European countries (Note i)	8,541,252	9,516,507
APAC/MEA (Note ii)	4,067,505	4,912,793
Latin America (Note iii)	814,120	1,385,558
North America (Note iv)	1,326,974	–
	29,474,163	29,729,520

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.
- iv. North America includes The United States of America and Canada.

No customer contributes over 10% of the total revenue of the Group for the year ended 31 December 2024 and 2023.

6 OTHER NET GAIN

	2024 EUR	2023 EUR
Net foreign exchange (loss)/gain	(8,755)	334,571
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss	33,083	(1,340)
	24,328	333,231

7 EXPENSES BY NATURE

The following expenses/(income) are included in cost of sales, selling and distribution expenses and administrative expenses:

	2024 EUR	2023 EUR
Expenses related to short-term leases	71,528	57,442
Employee benefit expenses other than directors' emoluments (Note 8)	3,445,171	2,939,336
Legal and professional fees	432,513	340,240
Auditor's remuneration	105,693	95,971
Advertising and marketing expense	953,479	508,433
Directors' emoluments (Note 9)	651,173	924,831
Cost of inventories	18,199,699	19,493,790
Freight and transportation	1,133,286	703,580
Loss of disposal of property, plant and equipment	5,973	–
Depreciation of property, plant and equipment (Note 14(a))	249,899	280,941
Depreciation of right-of-use assets (Note 14(b))	132,206	116,095
Provision/(reversal) of loss allowance on trade receivables (Note 3.1(c))	33,455	(84,693)
Provision for product warranty (Note 25)	102,403	275,835
Commission fee	696,651	682,380
Storage fee	467,780	575,092
Amortisation of intangible assets (Note 15)	344,830	321,098
Bank charge	122,418	127,746
Accounts receivables insurance premium	71,066	111,539
Design and engineering expenses	351,511	581,252
Office supplies	39,901	22,000
Inspection fee	267,220	273,141
Others	927,086	898,821
Total cost of sales, selling and distribution expenses and administrative expense	28,804,941	29,244,870

8 EMPLOYEE BENEFIT EXPENSES OTHER THAN DIRECTORS' EMOLUMENTS

	2024 EUR	2023 EUR
Salaries, bonus and allowances	2,763,209	2,289,206
Retirement benefit expenses		
– Defined contribution pension costs	630,734	578,503
– Defined benefit pension costs (Note 29)	15,620	5,904
Other employee benefits	35,608	65,723
	3,445,171	2,939,336

Notes:

- (a) The Group participates in certain pension schemes for its employees in Hong Kong and France.

Under the Mandatory Provident Fund ("MPF"), each of the Group and its employees in Hong Kong make monthly contributions to the scheme at 5% of the employee's relevant income, as defined in the Hong Kong Mandatory Provident Fund Scheme Ordinance. Both the Group's and the employee's mandatory contributions are subject to a cap of HK\$1,500 per month, except some employees are subject to voluntary contribution as well. The Group has no further obligations for post-retirement benefits beyond the contributions.

Under the defined contribution scheme in France, each employee is entitled to receive a basic pension plus a complementary pension from defined contribution schemes, namely Association pour le regime de retraite complementaire des salaries ("ARRCO") and Association generale des institutions de retraite des cadres ("AGIRC") (solely for management). Under ARRCO-AGIRC, the Group makes monthly contributions of 9.87% (2023: 9.87%) and its employees make monthly contributions of 6.6% (2023: 6.6%) of the employee's relevant income to the scheme. For the years ended 31 December 2024 and 2023, the monthly social security is subject to a cap of EUR3,428.

Under the French Social Security Code, retirement allowances for life must by law be paid by the employer when employees retire (Note 29).

At 31 December 2024, the Group had no forfeited contributions to reduce its future contributions to retirement benefits schemes (2023: nil).

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 include two directors (2023: three), whose emoluments are reflected in the analysis presented in Note 9. The emoluments payable to the remaining three (2023: two) individuals during the years ended 31 December 2024 and 2023 are as follows:

	2024 EUR	2023 EUR
Salaries and other allowances	254,905	189,908
Pension cost		
– Defined contribution scheme	132,357	91,206
– Defined benefit scheme	4,243	7,603
	391,505	288,717

The emoluments fell within the following bands:

	2024	2023
Emolument bands (in HK\$)		
NIL to HK\$1,000,000	–	–
HK\$1,000,000 to HK\$1,500,000	3	2

During the years ended 31 December 2024 and 2023, no director or any members of the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, to leave the Group or as compensation for loss of office.

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive is set out below:

For the year ended 31 December 2024

Name	Fee EUR	Salaries EUR	Other allowances EUR	Discretionary Bonuses EUR	Defined contribution pension cost EUR	Defined benefit pension costs EUR	Total EUR
Executive directors							
Tong Chi Hoi (Chief executive officer)	-	191,647	176,904	-	9,582	-	378,133
Long Shing	-	26,229	22,113	-	2,885	-	51,227
Jean Alexis René Robert Duc	-	103,199	3,674	-	58,066	1,899	166,838
Non-executive directors							
Long Hak Kan (Chairman)	-	-	-	-	-	-	-
Didier Paul Henri Goujard	10,749	-	-	-	-	-	10,749
Independent non-executive directors							
Lam Lai Ting Maria Goretti	14,742	-	-	-	-	-	14,742
Chan Cheuk Man Vivian	14,742	-	-	-	-	-	14,742
Lee Kit Ying Catherine	14,742	-	-	-	-	-	14,742
	54,975	321,075	202,691	-	70,533	1,899	651,173

For the year ended 31 December 2023

Name	Fee EUR	Salaries EUR	Other allowances EUR	Discretionary Bonuses EUR	Defined contribution pension cost EUR	Defined benefit pension costs EUR	Total EUR
Executive directors							
Tong Chi Hoi (Chief executive officer)	-	183,099	169,014	79,618	9,155	-	440,886
Ho Dora	-	105,634	57,807	-	15,913	-	179,354
Long Shing	-	46,538	14,085	-	4,546	-	65,169
Jean Alexis René Robert Duc	-	103,089	2,790	13,721	57,024	7,339	183,963
Non-executive directors							
Long Hak Kan (Chairman)	-	-	-	-	-	-	-
Didier Paul Henri Goujard	13,204	-	-	-	-	-	13,204
Independent non-executive directors							
Lam Lai Ting Maria Goretti	14,085	-	-	-	-	-	14,085
Chan Cheuk Man Vivian	14,085	-	-	-	-	-	14,085
Lee Kit Ying Catherine	14,085	-	-	-	-	-	14,085
	55,459	438,360	243,696	93,339	86,638	7,339	924,831

9 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

The remuneration shown above represents remuneration received and receivable from the Group by these directors in their capacity as management to the Group during the years ended 31 December 2024 and 2023.

There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31 December 2024 and 2023.

(b) Directors' retirement benefits and termination benefits

Save as disclosed in Note 9(a), the directors did not receive any other retirement benefits or termination benefits during the years ended 31 December 2024 and 2023.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2024 and 2023, no consideration was provided to or receivable by third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2024 and 2023, there were no loans, quasi-loans and other dealing arrangements in favour of directors, their controlled bodies corporate and connected entities.

(e) Director's material interests in transactions, arrangements or contracts

Save as disclosed in Note 35, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the years ended 31 December 2024 and 2023.

10 FINANCE COSTS, NET

	2024 EUR	2023 EUR
<i>Finance income</i>		
Bank interest revenue	3,637	9,024
<i>Finance costs</i>		
Interest expense on factoring	254,786	269,786
Interest expense on bank borrowings	159,501	267,261
Interest expense on retirement benefit obligations (Note 29)	9,136	10,963
Interest expense on loans from related parties (Note 35)	141,217	119,231
Interest expense on license fee payables	62,697	77,693
Interest expense on lease liabilities (Note 14(b))	10,955	2,353
	638,292	747,287
Finance costs, net	634,655	738,263

Notes to the Consolidated Financial Statements

(Expressed in EURO unless otherwise indicated)

11 INCOME TAX EXPENSE/(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 2024 (2023: 16.5%).

Corporate income tax is charged on a subsidiary operating in Mainland China at 25% for the year ended 31 December 2024 (2023: 25%).

Corporate income tax is charged on a subsidiary operating in France at 25% in accordance with the relevant French tax laws and regulations for the year ended 31 December 2024 (2023: 25%).

(a) Income tax expense/(credit)

	2024 EUR	2023 EUR
Current income tax:		
Current tax expense/(credit) on profits for the year	77,459	(16,587)
Under/(over) provision in prior year	11,978	(16,266)
	89,437	(32,853)
Deferred income tax (credit)/expense (Note 27)	(26,744)	7,292
	62,693	(25,561)

(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:

	2024 EUR	2023 EUR
Profit before income tax	77,990	79,618
Calculated at a taxation rate of 16.5% (2023:16.5%)	12,868	13,137
Expenses not deductible for tax purpose	17,682	19,114
Income not subject to tax	(11,078)	(23,802)
Effect of different tax rates in other jurisdictions	6,755	(5,124)
Utilisation of tax loss not recognised	(50,266)	(12,620)
Under/(over) provision in prior years	11,978	(16,266)
Effect of tax loss not recognised	108,009	–
Others	(33,255)	–
Income tax expense/(credit)	62,693	(25,561)

At 31 December 2024, the Group has unrecognised tax losses arising in Hong Kong of EUR297,466 (2023: Nil) subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

No deferred tax assets have been recognised in respect of the tax losses of EUR466,295 (2023: EUR230,586) due to the unpredictability of future profits streams in the Group's PRC operations.

12 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2024 and 2023 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.

	2024	2023
Earnings attributable to equity holders of the Company (EUR)	15,297	105,179
Weighted average number of shares in issue (thousands)	400,000	400,000
Basic earnings per share (expressed in Euro cents)	0.00	0.03

(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.

13 SUBSIDIARIES

The following is a list of subsidiaries as of 31 December 2024 and 2023:

Name of entity	Place of incorporation, kind of legal entity and date of incorporation	Principal activities	Issued shares and paid up capital	Ownerships interest held by the Group	
				2024 %	2023 %
Directly held					
Atlinks Industries Limited	British Virgin Islands, limited liability company, 13 July 2017	Investment holding	EUR1 (2023: EUR1)	100	100
Indirectly held					
Atlinks Holdings Limited	Hong Kong, limited liability company, 13 January 2012	Investment holding	EUR3,069,564 (2023: EUR3,069,564)	100	100
Atlinks Asia Limited	Hong Kong, limited liability company, 3 December 2009	Trading and development of telecommunication equipment	HK\$1 (2023: HK\$1)	100	100
Atlinks Research & Development Technologies Limited	Hong Kong, limited liability company, 20 December 2023	Investment holding	HK\$100 (2023: HK\$100)	100	100
Atlinks Europe SAS	France, limited liability company, 30 October 2008	Trading and development of telecommunications equipment	EUR2,500,000 (2023: EUR2,500,000)	100	100
Atlinks UK Limited	UK, limited liability company, 29 December 2021	Trading and development of telecommunication equipment	GBP1,000 (2023: GBP 1,000)	100	100
Atlinks Technology (Shenzhen) Limited	China, limited liability company, 6 March 2014	Trading and development of telecommunication equipment	HK\$1,700,000 (2023: HK\$1,700,000)	100	100
Atlinks Mexico S.A. de C.V.	Mexico, limited liability company, 14 December 2009	Trading and development of electrical equipment including radio communication equipment	MXN50,000 (2023: MXN50,000)	100	100
Swissvoice International SA	Switzerland, limited liability company, 14 November 2016	Management of trademarks and trading of telecommunication equipment	CHF380,000 (2023: CHF380,000)	100	100
5Gen Care Limited	Hong Kong, limited liability company, 3 April 2020	Provision of APP development, cloud server hosting and data analytics	HK\$100 (2023: Nil)	100	Nil

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(Expressed in EURO unless otherwise indicated)

13 SUBSIDIARIES (Continued)

Name of entity	Place of incorporation, kind of legal entity and date of incorporation	Principal activities	Issued shares and paid up capital	Ownerships interest held by the Group	
				2024 %	2023 %
5GenCare.com Limited	Hong Kong, limited liability company, 5 November 2020	Provision of application and cloud service for internet of thing "IoT" devices	HK\$1,000 (2023: Nil)	100	Nil
Chillax Care Limited	Hong Kong, limited liability company, 3 February 2021	Trading of baby care products	HK\$10,000 (2023: Nil)	100	Nil
Chillax Technology Limited	Hong Kong, limited liability company, 17 August 2015	Trading of electronic products	HK\$10,000 (2023: Nil)	100	Nil
5GenCare Vietnam Company Limited	Vietnam, limited liability company, 16 May 2023	Provision of research and development service	VDN50,000,000 (2023: Nil)	100	Nil
Chillaxcare LLC	United States, limited liability company, 12 June 2022	Trading of electronic products	USD0 (2023: Nil)	100	Nil

Unless otherwise stated, the principal country of operation of each subsidiary is the same as its country of incorporation.

14(A) PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment EUR	Leasehold improvements EUR	Tooling EUR	Testing equipment EUR	Motor Vehicle EUR	Office premises held for own use EUR	Total EUR
Year ended 31 December 2024							
Opening net book amount	34,905	232,794	253,865	17,601	-	758,069	1,297,234
Additions from acquisition of subsidiaries	10,220	2,222	-	-	46,487	-	58,929
Additions	5,554	-	153,464	-	-	-	159,018
Disposal	-	-	-	-	(46,487)	-	(46,487)
Currency translation difference	(148)	(26)	4,481	14	-	-	4,321
Depreciation charge	(19,899)	(44,733)	(151,520)	(788)	-	(32,959)	(249,899)
Closing net book amount	30,632	190,257	260,290	16,827	-	725,110	1,223,116
At 31 December 2024							
Cost	526,510	431,632	3,710,379	484,296	-	823,980	5,976,797
Accumulated depreciation	(495,878)	(241,375)	(3,450,089)	(467,469)	-	(98,870)	(4,753,681)
Net book amount	30,632	190,257	260,290	16,827	-	725,110	1,223,116
Representing:							
Cost	30,632	190,257	260,290	16,827	-	-	498,006
Valuation	-	-	-	-	-	725,110	725,110
Year ended 31 December 2023							
Opening net book amount	13,168	257,813	354,348	3,970	-	791,028	1,420,327
Additions	35,160	8,380	112,870	15,400	-	-	171,810
Currency translation difference	-	-	(13,890)	(72)	-	-	(13,962)
Depreciation charge	(13,423)	(33,399)	(199,463)	(1,697)	-	(32,959)	(280,941)
Closing net book amount	34,905	232,794	253,865	17,601	-	758,069	1,297,234
At 31 December 2023							
Cost	510,721	429,410	3,538,837	484,264	-	823,980	5,787,212
Accumulated depreciation	(475,816)	(196,616)	(3,284,972)	(466,663)	-	(65,911)	(4,489,978)
Net book amount	34,905	232,794	253,865	17,601	-	758,069	1,297,234
Representing:							
Cost	34,905	232,794	253,865	17,601	-	-	539,165
Valuation	-	-	-	-	-	758,069	758,069

For the year ended 31 December 2024 and 2023, depreciation expense amounted to EUR249,899 and EUR280,941 respectively, of which EUR151,520 and EUR199,463 has been charged in “cost of sales”, and EUR98,379 and EUR81,478 has been charged in “administrative expenses”.

14(B)LEASES

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 EUR	2023 EUR
Right-of-use assets		
Office	157,381	237,669
	157,381	237,669
Lease liabilities		
Within 1 year	146,383	110,090
After 1 year but with 2 years	12,774	117,725
After 2 years but within 5 years	–	10,106
	159,157	237,921

During the year ended 31 December 2024, additions to the right-of-use assets are all from acquisition of subsidiaries which amounted to EUR45,545 (2023: EUR230,197).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Note	2024 EUR	2023 EUR
Depreciation charge of right-of-use assets			
Office	7	132,206	116,095
Interest expense (included in finance cost)	10	10,955	2,353
Expense relating to short-term leases (included in administrative expenses)	7	71,528	57,442

For the year ended 31 December 2024, the total cash outflow for leases amounted to EUR169,960 (2023: EUR120,995).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 1 year to 5 years, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

15 INTANGIBLE ASSETS

	Licensing right EUR	Trademarks EUR	Design patent EUR	Domain name and website EUR	Total EUR
Year ended 31 December 2024					
Opening net book amount	1,080,118	1,694,976	123,570	6,640	2,905,304
Additions from acquisition of subsidiaries (Note 30)	–	120,157	101,084	–	221,241
Amortisation	(270,029)	(42,392)	(30,156)	(2,253)	(344,830)
Currency translation differences	–	17,226	(289)	24	16,961
Closing net book amount	810,089	1,789,967	194,209	4,411	2,798,676
At 31 December 2024					
Cost	4,860,530	1,997,946	297,589	23,011	7,179,076
Accumulated depreciation	(4,050,441)	(207,979)	(103,380)	(18,600)	(4,380,400)
Net book amount	810,089	1,789,967	194,209	4,411	2,798,676
Year ended 31 December 2023					
Opening net book amount	1,350,149	1,638,023	142,985	8,467	3,139,624
Amortisation	(270,029)	(29,260)	(19,603)	(2,206)	(321,098)
Currency translation differences	(2)	86,213	188	379	86,778
Closing net book amount	1,080,118	1,694,976	123,570	6,640	2,905,304
At 31 December 2023					
Cost	4,860,530	1,857,813	196,383	22,766	6,937,492
Accumulated depreciation	(3,780,412)	(162,837)	(72,813)	(16,126)	(4,032,188)
Net book amount	1,080,118	1,694,976	123,570	6,640	2,905,304

For the years ended 31 December 2024 and 2023, amortisation charge amounted to EUR344,830 and EUR321,098 respectively, of which EUR318,405 and EUR317,789 has been charged in “cost of sales”, and EUR26,425 and EUR3,309 has been charged in “administrative expenses”.

Impairment assessment on the trademark with indefinite useful life of the Group has been conducted by the management as at 31 December 2024 and 2023 according to HKAS 36 “Impairment of assets”. Details of the impairment testing of indefinite-lived intangible assets have been set out in note 32 to the consolidated financial statements.

16 GOODWILL

The carrying amount of goodwill allocated to the Group’s Cash Generating Units (“CGUs”) for 5Gen Care Limited and Chillax Care Limited.

	2024 EUR
At the beginning of year	–
Acquisition of subsidiaries (Note 30)	706,771
At the end of year	706,771

Details of the impairment testing of goodwill have been set out in note 32 in the consolidated financial statements.

17 FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 EUR	2023 EUR
Foreign exchange forward contracts	33,083	(27,838)
	33,083	(27,838)

The financial assets at fair value through profit or loss at 31 December 2024 mainly consist of the following contracts:

	2024 EUR
Foreign exchange forward contracts in respect of EUR against RMB – Notional principal amounts – Maturities as at year end	RMB30,780,850 Range from 1 month to 6 months

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 EUR	2023 EUR
Financial assets		
Financial assets at fair value through profit or loss	33,083	–
Financial assets at amortised cost		
– Trade receivables	9,427,392	9,069,571
– Deposits and other receivables	1,024,890	638,977
– Pledged bank deposits	959,795	1,067,384
– Cash and cash equivalents	1,730,058	1,121,572
	13,142,135	11,897,504
Financial liabilities		
Financial liabilities at fair value through profit or loss	–	27,838
Financial liabilities at amortised cost		
– Trade payables	6,805,528	4,933,859
– Accruals	2,375,007	2,350,212
– License fee payables	1,431,280	1,607,833
– Other payables	31,807	8,086
– Loan from related parties	4,156,570	4,372,365
– Bank borrowings	7,255,133	7,316,725
– Lease liabilities	159,157	237,921
	22,214,482	20,827,001

19 INVENTORIES

	2024 EUR	2023 EUR
Finished goods	8,300,968	8,781,781
Provision for impairment	(256,584)	(289,585)
	8,044,384	8,492,196

19 INVENTORIES (Continued)

The cost of inventories included in cost of sales during the years ended 31 December 2024 and 2023 amounted to approximately EUR18,199,699 and EUR19,493,790 respectively. Movements on the provision for impairment of inventories are as follows:

	EUR
At 1 January 2023	289,585
Exchange difference	–
At 31 December 2023 and 1 January 2024	289,585
Exchange difference	(33,001)
At 31 December 2024	256,584

20 TRADE RECEIVABLES

	2024 EUR	2023 EUR
Trade receivables	9,715,053	9,323,777
Loss allowance	(287,661)	(254,206)
	9,427,392	9,069,571

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

As at 31 December 2024 and 2023, the ageing analysis of trade receivables, net of loss allowance made, based on invoice date, is as follows:

	2024 EUR	2023 EUR
1 to 30 days	3,875,672	2,450,809
31 to 60 days	2,775,560	2,437,087
61 to 90 days	1,311,015	1,652,645
More than 90 days	1,465,145	2,529,030
	9,427,392	9,069,571

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. Note 3.1(c) provides further information about expected credit loss provision.

Credit losses are recognised in consolidated income statement within “administrative expenses”. Note 2.11(iv) provides information about how credit losses are calculated.

The carrying amounts of trade receivables approximated their fair values as at 31 December 2024 and 2023, and were denominated in the following currencies:

	2024 EUR	2023 EUR
US\$	1,650,421	1,215,658
EUR	6,909,320	7,257,301
GBP	317,562	438,829
RMB	510,522	157,443
HKD	25,226	340
CDN	14,341	–
Total	9,427,392	9,069,571

Notes to the Consolidated Financial Statements

(Expressed in EURO unless otherwise indicated)

20 TRADE RECEIVABLES *(Continued)*

As at 31 December 2024 and 2023, the Group had factored trade receivables of EUR4,655,128 and EUR4,720,122 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" (Note 26).

21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 EUR	2023 EUR
Prepayments	3,240,939	2,996,171
Deposits	45,714	46,023
Other receivables – Others (Note)	979,176	592,954
	4,265,829	3,635,148
Less: non-current deposit	(42,001)	(42,309)
	4,223,828	3,592,839

Note: It mainly represents proceeds receivables from bank due to factoring of trade receivables.

The carrying amounts of deposits and other receivables approximated their fair values as at 31 December 2024 and 2023.

As at 31 December 2024 and 2023, the Group did not hold any collateral as security.

22 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2024 EUR	2023 EUR
Cash on hand	3,125	1,075
Cash at bank	1,726,933	1,120,497
Cash and cash equivalents	1,730,058	1,121,572
Pledged bank deposits – as collateral for banking facilities	959,795	1,067,384
	2,689,853	2,188,956
Maximum exposure to credit risk	2,686,728	2,187,881

The pledged bank deposits and cash and cash equivalents were denominated in the following currencies:

	2024 EUR	2023 EUR
HK\$	106,361	94,732
US\$	369,264	815,058
RMB	114,650	558,436
EUR	2,060,199	707,632
Others	39,379	13,098
	2,689,853	2,188,956

23 SHARE CAPITAL AND RESERVES

(a) 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 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	4,000,000,000	40,000,000	4,315,579
Issued and fully paid:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	400,000,000	4,000,000	417,819

(b) Reserves

	Merge reserve EUR (Note)	Share premium EUR	Other reserve EUR	Accumulated losses EUR	Total EUR
Balance at 1 January 2023	4,386,123	3,557,226	591,797	(1,174,114)	7,361,032
Comprehensive income:					
Profit for the year	–	–	–	105,179	105,179
Other comprehensive loss:					
Currency translation difference	–	–	(56,434)	–	(56,434)
Remeasurement of defined benefit retirement plans, net of tax	–	–	(12,008)	–	(12,008)
Balance at 31 December 2023 and 1 January 2024	4,386,123	3,557,226	523,355	(1,068,935)	7,397,769
Comprehensive income:					
Profit for the year	–	–	–	15,297	15,297
Other comprehensive loss:					
Currency translation difference	–	–	(34,177)	–	(34,177)
Remeasurement of defined benefit retirement plans, net of tax	–	–	12,671	–	12,671
Balance at 31 December 2024	4,386,123	3,557,226	501,849	(1,053,638)	7,391,560

Note: Merger reserves of the Group represented the difference between the share capital of the subsidiaries acquired pursuant to the reorganisation over the nominal value of the share capital of the Company in exchange thereof.

24 TRADE PAYABLES

	2024 EUR	2023 EUR
Trade payables	6,805,528	4,933,859

At 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	2024 EUR	2023 EUR
0-30 days	2,150,529	1,673,120
31-60 days	1,506,045	377,958
61-90 days	918,815	781,780
Over 90 days	2,230,139	2,101,001
	6,805,528	4,933,859

The carrying amounts of trade payables approximated their fair values and were denominated in the following currencies:

	2024 EUR	2023 EUR
US\$	521,773	–
RMB	6,283,110	4,933,859
GBP	645	–
	6,805,528	4,933,859

25 ACCRUALS, PROVISION AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2024 EUR	2023 EUR
Accruals for operating expenses	1,769,209	1,837,692
Accruals of sales rebate	605,798	512,520
License fee payable	1,431,280	1,607,833
Other payables	31,807	8,086
Provision for warranty (Note (a))	98,271	98,271
	3,936,365	4,064,402
Less: non-current payable	(756,034)	(1,109,032)
Current portion	3,180,331	2,955,370
Contract liabilities (Note (b))	245,478	89,072

The carrying amounts of accruals and other payables approximated their fair values as of 31 December 2024 and 2023.

25 ACCRUALS, PROVISION AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Note (a): Movements on the provision are as follows:

	Warranty EUR
At 1 January 2023	98,271
Provision made	275,835
Amount utilised	(275,835)
At 31 December 2023 and 1 January 2024	98,271
Provision made	102,403
Amount utilised	(102,403)
At 31 December 2024	98,271

Note (b): The Group receives deposits from customers when they enter into sales agreements. The deposits are recognised as contract liabilities until the control of the goods are transferred to the customers or the cloud server hosting services have been rendered.

Movement of contract liabilities

	2024 EUR	2023 EUR
At the beginning of the year	89,072	42,294
Additions from the acquisition of subsidiaries	343,294	–
Additions	134,213	89,072
Revenue recognised	(326,879)	(42,294)
Exchange difference	5,778	–
At the end of the year	245,478	89,072

26 BORROWINGS

	2024 EUR	2023 EUR
Secured		
Factoring loans – receivable finance	4,655,128	4,720,122
Factoring loans – supplier finance arrangement (Note)	1,276,066	1,072,749
Bank borrowings	1,323,939	1,523,854
	7,255,133	7,316,725

Note: The group has entered into certain reverse factoring arrangements with banks, under which the group obtained extended credit in respect of the invoice amounts owed to certain suppliers of home and office telecommunication products. The banking facilities in relation to these arrangements are secured by the group's pledged bank deposits with an aggregate carrying value of EUR191,943 (31 December 2023: EUR190,985).

Under these arrangements, the banks will provide a maximum tenor of 90 days. The bank pay suppliers the amount owned by the group. The group then settles with the banks as per the due date with the original amount, with interest.

In the consolidated statement of financial position, the group has presented the payables to the banks under these arrangements as "borrowings", in view of the nature and function of such liabilities when compared with the group's trade payables to supplier. As at 31 December 2024, the carrying amount of financial liabilities under these arrangements amounted to EUR1,276,066 (31 December 2023: EUR1,072,749), EUR1,276,066 (31 December 2023: EUR1,072,749) of which suppliers have received payments from the banks.

26 BORROWINGS (Continued)

The Group has the following undrawn borrowing facilities:

	2024 EUR	2023 EUR
Bank borrowings	390,602	80,705

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

	2024 EUR	2023 EUR
Pledged bank deposits	959,795	1,067,384
Trade receivables	4,655,128	4,720,122
Corporate guarantee (provided by Atlinks Holdings Limited)	5,238,095	5,045,872
	10,853,018	10,833,378

In addition, the Group is required to comply with certain restrictive financial covenants imposed by the banks.

The carrying amounts of the secured borrowings approximate their fair value, as the impact of discounting is not significant.

The carrying amounts of the borrowings were denominated in the following currencies:

	2024 EUR	2023 EUR
EUR	5,174,008	5,311,355
RMB	1,276,066	1,072,748
HKD	805,059	932,622
	7,255,133	7,316,725

The effective interest rates per annum of the Group's borrowings as at 31 December 2024 and 2023 were 5.4% and 5.7% respectively.

The borrowings were repayable as follows:

	2024 EUR	2023 EUR
Within 1 year or repayable on demand	7,255,133	7,316,725

The borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	2024 EUR	2023 EUR
Within 1 year	6,148,317	6,030,289
Between 1 and 2 years	220,449	209,027
Between 2 and 5 years	634,904	650,692
Over 5 years	251,463	426,717
	7,255,133	7,316,725

27 DEFERRED INCOME TAX ASSETS

	2024 EUR	2023 EUR
Deferred income tax assets, net	1,320,028	1,296,452

The net movement on the deferred income tax account is as follows:

	EUR
At 1 January 2023	1,301,057
Charged to the consolidated income statement (Note 11)	(7,292)
Credited to other comprehensive income	3,002
Currency translation difference	(315)
At 31 December 2023 and 1 January 2024	1,296,452
Credited to the consolidated income statement (Note 11)	26,744
Charged to other comprehensive income	(3,168)
At 31 December 2024	1,320,028

The movements in deferred income tax assets and liabilities during the years ended 31 December 2024 and 2023, after taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Tax depreciation EUR	Fair value change of derivative financial instruments EUR	Tax losses EUR	Provision for retirement benefit EUR	Total EUR
As at 1 January 2023	7,032	–	1,201,784	92,241	1,301,057
Credited/(charged) to the consolidated income statement	6,927	6,959	(4,475)	(16,703)	(7,292)
Credited to other comprehensive income	–	–	–	3,002	3,002
Currency translation differences	(315)	–	–	–	(315)
As at 31 December 2023 and 1 January 2024	13,644	6,959	1,197,309	78,540	1,296,452
(Charged)/credited to the consolidated income statement	(31,390)	(8,271)	67,384	(979)	26,744
Charged to other comprehensive income	–	–	–	(3,168)	(3,168)
As of 31 December 2024	(17,746)	(1,312)	1,264,693	74,393	1,320,028

As of 31 December 2024 and 2023, the Group has recognised deferred tax assets for tax losses of Atlinks Europe SAS, 5Gen Care Limited and Chillax Technology Limited..

28 CASH FLOW INFORMATION

(a) Cash generated from operations

	2024 EUR	2023 EUR
Profit before income tax	77,990	79,618
Adjustments for:		
Depreciation of property, plant and equipment	249,899	280,941
Depreciation of right-of-use assets	132,206	116,095
Provision/(reversal) of loss allowance of trade receivables	33,545	(84,693)
Amortisation of intangible assets	344,830	321,098
(Gain)/loss on financial assets at fair value through profit or loss	(60,921)	1,340
Provision for product warranty	102,403	275,835
Finance costs, net	634,655	738,263
Foreign exchange difference	30,626	74,822
Loss on disposal of property, plant and equipment	5,973	–
Share of profits of an associate	(19,095)	–
Operating profit before working capital changes	1,532,111	1,803,319
Changes in operating assets and liabilities:		
Decrease in inventories	680,813	822,699
(Increase)/decrease in trade receivables	(333,816)	79,504
(Increase)/decrease in prepayments, deposits and other receivables	(533,908)	672,386
Increase/(decrease) in trade payables	1,648,409	(2,420,434)
Decrease in accruals, provisions and other payables	(932,862)	(1,380,475)
Increase/(decrease) in contract liabilities	(51,639)	47,926
Cash generated/(used) in operations	2,009,108	(375,075)

(b) Reconciliation of liabilities arising from financing activities:

	Borrowings EUR (Note)	Lease liabilities EUR	Loans from related parties EUR	Total EUR
As at 1 January 2023	9,733,579	129,137	2,768,735	12,631,451
Proceeds from bank borrowings	33,946,119	–	–	33,946,119
Repayment of bank borrowings	(36,234,479)	–	–	(36,234,479)
Proceeds from loans from related parties	–	–	1,410,392	1,410,392
Interest paid	(614,740)	(2,353)	(119,231)	(736,324)
Principal elements of lease payments	–	(118,642)	–	(118,642)
Non-cash items:				
Addition of new lease	–	230,197	–	230,197
Finance cost	614,740	2,353	119,231	736,324
Foreign exchange movement	(128,494)	(2,771)	193,238	61,973
As at 31 December 2023 and 1 January 2024	7,316,725	237,921	4,372,365	11,927,011
Proceeds from bank borrowings	27,098,803	–	–	27,098,803
Repayment of bank borrowings	(27,160,395)	–	–	(27,160,395)
Repayment of loans from related parties	–	–	(324,750)	(324,750)
Interest paid	(476,984)	(10,955)	(141,217)	(629,156)
Principal elements of lease payments	–	(159,005)	–	(159,005)
Non-cash items:				
Additions of new lease from acquisition of subsidiaries	–	81,087	–	81,087
Finance cost	476,984	10,955	141,217	629,156
Foreign exchange movement	–	(846)	108,955	108,109
As at 31 December 2024	7,255,133	159,157	4,156,570	11,570,860

29 RETIREMENT BENEFITS OBLIGATIONS

To abide by the French Social Security Code, retiring allowances are to be paid by the employer when employees retire. It provides benefits to employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salaries in the final years leading up to retirement.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2024 EUR	2023 EUR
Present value of unfunded obligation	297,578	314,162
Liability in the consolidated statement of financial position	297,578	314,162

The amounts recognised in the consolidated income statement are as follows:

	2024 EUR	2023 EUR
Current service cost	15,620	15,521
Prior service cost due to plan amendment	–	(9,617)
Total expenses, included in employee benefit expenses (Note 8)	15,620	5,904
Interest expense	9,136	10,963
Total expenses, included in finance cost, net (Note 10)	9,136	10,963

Movements in the retirement benefits obligations over the years is as follows:

	2024 EUR	2023 EUR
At the beginning of the year	314,162	314,650
Current service cost	15,620	15,521
Benefit payments	(28,669)	(29,363)
Prior service cost due to plan amendment	–	(9,617)
Interest expense	9,136	10,963
Remeasurement arising from experience adjustment and changes in actuarial assumptions	(12,671)	12,008
As at end of the year	297,578	314,162

The significant actuarial assumptions as follows:

	2024	2023
Discount rate	3.40%	3.20%
Inflation	2.00%	2.10%
Salary growth rate	3.00%	3.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in France. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 64.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

29 RETIREMENT BENEFITS OBLIGATIONS (Continued)

	Impact on defined benefit obligation
For the year ended 31 December 2024 – If discount rate increases by 0.25% – If discount rate decreases by 0.25%	Decrease by 1.83% Increase by 1.88%
For the year ended 31 December 2023 – If discount rate increases by 0.25% – If discount rate decreases by 0.25%	Decrease by 2.04% Increase by 2.10%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

30 BUSINESS COMBINATIONS

In order to develop the Group's baby care product business, the Group acquired 100% equity interest in the following companies 5Gen Care Limited, 5Gencare.com Limited, Chillax Care Limited, Chillax Technology Limited and Chillaxcare LLC on 31 March 2024 and 5GenCare Vietnam Company Limited on 27 May 2024 respectively (known as "5Gen/Chillax") for a total consideration of approximately EUR243,576. 5Gen/Chillax were engaged in trading of baby care products and provision of mobile phone application.

The fair value of the identifiable assets and liabilities of the companies as at the date of business combination was as follows:

	Fair value recognised on business combination EUR
Property, plant and equipment (Note 14(a))	58,929
Intangible assets (Note 15)	221,241
Right-of-use assets (Note 14(b))	45,545
Inventories	232,619
Trade receivables	44,928
Prepayment, deposit and other receivables	90,092
Cash and bank balances	41,461
Trade payables	(223,260)
Other payables and accruals	(857,158)
Lease liability	(81,087)
Deferred tax liability	(36,505)
Total identifiable net liabilities at fair value	(463,195)
Goodwill on acquisition	706,771
	243,576
Satisfied by:	
Cash consideration	243,576

30 BUSINESS COMBINATIONS *(Continued)*

Goodwill arising from the acquisition of 5Gen/Chillax represented the premium paid for the benefits of expected synergies from combining the operation of 5Gen/Chillax and the Group to provide comprehensive and integrated business. None of the goodwill recognised is expected to be deductible for tax purposes.

An analysis of the cash flows in respect of the combination of 5Gen/Chillax is as follows:

	EUR
Cash consideration	243,576
Cash and cash equivalents acquired and net cash inflow from 5Gen/Chillax acquisition of subsidiaries	41,461
Net outflow of cash and cash equivalents included in cash flows	202,115

Included in the profit for the year is approximately EUR264,673 attributable to the additional business generated by 5Gen/Chillax. Revenue of the Group for the year includes approximately EUR1,400,000 generated from 5Gen/Chillax. Had the acquisition been completed on 1 January 2024, total revenue for the year would have been approximately EUR4,200,000, and profit for the year would have been approximately EUR350,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

Impairment testing of goodwill

Details of the impairment testing of goodwill have been set out in note 32 to the consolidated financial statements.

31 INTEREST IN ASSOCIATE

On 1 August 2024, Atlinks Group Limited entered into an agreement to establish a limited liability company in Hong Kong, Hubble Baby Care Limited ("**Associate**"). Atlinks Group Limited subscribed to new shares equivalent to 30% equity interest of the Associate by injection of EUR 2,760. Hubble Baby Care Limited is principally engaged in trading of baby care products. Mr. Tong Chi Hoi is the Chief Executive Director of Associate.

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Group's effective interest	Held by a subsidiary
				2024	2024
Hubble Baby Care Limited	Incorporated	Hong Kong	99,999 ordinary shares of USD0.1 each	30%	30%

31 INTEREST IN ASSOCIATE *(Continued)*

The above associate is accounted for using the equity method in the consolidated financial statements.

	2024 EUR
Percentage ownership interest	30%
Net assets (100%)	72,850
Group share of net assets	21,855

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

	2024 EUR
Product sold to Associate	409,242
Purchase of goods from Associate	147,557
Amount due from an associate (note)	281,954
Management fee charged to Associate	137,902

Note: Amounts due from an associate are unsecured, interest-free and have no fixed terms of repayment.

32 IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

Goodwill and indefinite-lived intangible assets are allocated to "Swissvoice" and "5Gen/Chillax" cash-generating units for impairment testing.

The respective carrying amounts of goodwill and indefinite-lived intangible assets allocated to each of the cash-generating units are as follows:

	Swissvoice EUR	5Gen Care and Chillax Care EUR	FY2024 Total EUR
Carrying amounts of goodwill	–	706,771	706,771
Carrying amounts of indefinite-lived intangible assets	1,380,670	–	1,380,670
	Swissvoice EUR		FY2023 Total EUR
Carrying amounts of indefinite-lived intangible assets		1,365,982	1,365,982

32 IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

(Continued)

The recoverable amounts of “Swissvoice” and “5Gen/Chillax” cash-generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The basis used to determine the value assigned to the budgeted revenue is the average revenue achieved in the year immediately before the budget year, taking into account the expected growth rate. The growth rate and discount rates applied to the cash flow projections are as follows:

	Swissvoice	5Gen Care and Chillax Care
31 December 2024		
Growth rate	2%	1.7% - 2%
Discount rate	12%	11.5%
31 December 2023		Swissvoice
Growth rate		3% - 35%
Discount rate		12%

Assumptions were used in the value in use calculations of the cash-generating units for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and indefinite-lived intangible assets:

Growth rate – The growth rate is determined with reference to the growth rate for the relevant unit, adjusted for expected business, market development and economic condition.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit which is determined with reference to the weighted average cost of capital of the Group.

Other key assumptions for the value in use calculations relate to the estimation of cash outflows for key operating expenses. Such estimation is based on historical performance and/or amounts stipulated in underlying contracts, where applicable.

The directors of the Company believe that any reasonable possible change in the key assumptions on which the receivable amount is based would not cause the carrying amount of the CGUs to exceed its recoverable amount.

33 CONTINGENCIES

As at 31 December 2024 and 2023, the Group did not have any significant contingent liabilities.

34 COMMITMENTS

(a) Capital commitments

As at 31 December 2024 and 2023, the Group had no commitment for capital expenditure.

35 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.

The directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the years ended 31 December 2024 and 2023.

Name of related party	Relationship with the Group
Dong Guan Kan Tsang Electroacoutis Technology Co., Ltd. ("Kan Tsang")	Controlled by Mr. Long Hak Kan (Chairman and non-executive director of the Group)
Mr. Tong Chi Hoi	Chief executive director of the Group
Ms. Chu Lam Fong	Spouse of Mr. Long Hak Kan (Chairman and Non-executive director of the Group)
Mr. Didier Paul Henri Goujard	Non-executive director of the Group

(a) Significant related party transactions

Other than those transactions and balances disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties for the year ended 31 December 2024 and 2023:

All of 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:

	2024 EUR	2023 EUR
Inspection fee charged by a related party – Kan Tsang	59,726	262,374
Interest expense on loans from related parties		
– Mr. Tong Chi Hoi	106,796	77,767
– Ms. Chu Lam Fong	33,048	33,171
– Mr. Dider Paul Henri Goujard	1,373	8,293
	141,217	119,231

35 RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

Key management personnel are deemed to be the members of the Board of Directors of the Company who have responsibility for the planning, directing and controlling the activities of the Group.

Key management compensation are as follows:

	2024 EUR	2023 EUR
Basic salaries, allowances and benefits	578,741	737,515
Discretionary bonuses	–	93,399
Defined contribution pension costs	70,533	86,638
Defined benefit pension costs	1,899	7,279
	651,173	924,831

(c) Balances with related parties

	2024 EUR	2023 EUR
Loans from related parties (Note (a))		
– Mr. Tong Chi Hoi	1,570,665	1,500,612
– Ms. Chu Lam Fong	985,667	941,706
– Mr. Dider Paul Henri Goujard	–	235,426
Revolving loan from Mr. Tong Chi Hoi (Note (b))	1,600,238	1,694,621
	4,156,570	4,372,365

Notes:

- (a) The loans from Mr. Tong Chi Hoi and Ms. Chu Lam Fong are unsecured, interest bearing at 3%-3.5% (2023: 3%-3.5%) per annum, repayable on 31 December 2025 (2023: 31 March 2024) and dominated in HK\$. The loans will be reviewed annually (2023: quarterly) for extension.
- (b) 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 2024, the outstanding loan balance was HKD13,521,340 (EUR1,601,816).

(Expressed in EURO unless otherwise indicated)

Management consider that Talent Ocean Holdings Limited as the ultimate holding company of the Group, which is a company incorporated in the British Virgin Islands and was wholly owned by Ms. Chu Lam Fong. On 8 July 2020, Ms. Chu Lam Fong transferred her 49% shareholding in Talent Ocean Holdings Limited to Mr. Tong Chi Hoi. Talent Ocean Holdings Limited is owned as to 51% by Ms. Chu Lam Fong and 49% by Mr. Tong Chi Hoi.

Statement of financial position of the Company

Statement of financial position of the Company was approved by the Board of Directors on 14 March 2025 and was signed on its behalf

Tong Chi Hoi

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

Note:

(a) Reserve movement of the Company

	Merger reserve EUR	Share premium EUR	Other reserve EUR	Total EUR
Balance at 1 January 2023	4,290,616	3,557,226	(1,902,893)	5,944,949
Total comprehensive income				
Profit for the year	–	–	–	–
Balance at 31 December 2023 and 1 January 2024	4,290,616	3,557,226	(1,902,893)	5,944,949
Total comprehensive income				
Profit for the year	–	–	19,095	19,095
Balance at 31 December 2024	4,290,616	3,557,226	(1,883,798)	5,964,044

38 DIVIDEND

No interim dividend has been paid and declared during the year (2023: Nil). No final dividend has been paid or declared by the Company as for the year ended 31 December 2024 and 2023.

39 SUBSEQUENT EVENTS

As of the approval date on these financial statements, the Group had no significant events after reporting period which need to be disclosed.

Financial Summary

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from this annual report and the accountant's report as contained in the Prospectus, is set out below.

	2024 EUR	2023 EUR	2022 EUR	2021 EUR	2020 EUR
Revenue	29,474,163	29,729,520	29,961,316	34,068,881	29,829,719
Gross profit	10,721,070	9,416,699	7,974,414	10,604,651	9,013,666
Operating Profit/(loss)	693,550	817,881	(674,025)	722,814	1,287,990
Finance costs, net	(634,655)	(738,263)	(548,810)	(405,755)	(410,826)
Income tax (expense)/credit	(62,693)	25,561	332,939	(111,876)	(362,789)
Share of profits of an associate	19,095	–	–	–	–
Profit/(loss) for the year	15,297	105,179	(889,896)	205,183	514,375
Profit/(loss) for the year attributable to equity holders of the Company	15,297	105,179	(889,896)	205,183	514,375
	2024 EUR	2023 EUR	2022 EUR	2021 EUR	2020 EUR
Non-current assets	6,269,828	5,778,968	6,029,655	6,190,537	5,676,355
Current assets	24,418,540	23,392,964	27,300,301	27,049,802	24,997,714
Total assets	30,688,368	29,171,932	33,329,956	33,240,339	30,674,069
Non-current liabilities	1,066,386	1,551,025	1,768,972	2,259,127	2,624,737
Current liabilities	21,812,603	19,805,319	23,782,133	22,672,158	20,085,923
Total liabilities	22,878,989	21,356,344	25,551,105	24,931,285	22,710,660
Total equity	7,809,379	7,815,588	7,778,851	8,309,054	7,963,409