

# ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8043

## INTERIM REPORT 2024



## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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

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

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

This report, for which the directors (the “**Directors**”) of Atlinks Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

# Content

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

# Corporate Information

## **DIRECTORS**

### **Executive Directors:**

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

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

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

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

## **BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG**

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

## **LEGAL ADVISER TO THE COMPANY**

(*as to the laws of Hong Kong*)

CFN Lawyers  
Room Nos. 4101-4104, 41/F, Sun Hung Kai Centre  
30 Harbour Road, Wanchai  
Hong Kong

## **PRINCIPAL BANK**

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

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](http://www.atlinks.com)

# Financial Highlights

The Group's revenue decreased from approximately EUR16.3 million for the six months ended 30 June 2023 to approximately EUR13.2 million for the six months ended 30 June 2024, representing a decrease of approximately 18.9%. This was mainly due to a decline in sales in the home telephone segment and weak market demand in APAC/MEA and Latin America.

The Group recorded a loss attributable to the equity holders of the Company of approximately EUR0.4 million for the six months ended 30 June 2024, compared to a profit of approximately EUR80 thousand for the six months ended 30 June 2023.

The Directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2024.

# Management Discussion and Analysis

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding periods in 2023.

## BUSINESS REVIEW

The Group’s revenue decreased from approximately EUR16.3 million for the six months ended 30 June 2023 to approximately EUR13.2 million for the six months ended 30 June 2024, representing a decrease of approximately 18.9%. This was mainly due to a decline in sales in the home telephone segment and weak market demand in APAC/MEA and Latin America.

The following table shows the breakdown of the Group’s revenue by product categories for the six months ended 30 June 2023 and 2024:

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	<b>8,587</b>	<b>64.9%</b>	12,560	77.0%
Senior products	<b>2,340</b>	<b>17.7%</b>	2,250	13.8%
Office telephone	<b>1,723</b>	<b>13.0%</b>	1,464	9.0%
Others ( <i>Note</i> )	<b>585</b>	<b>4.4%</b>	39	0.2%
<b>Total</b>	<b>13,235</b>	<b>100.0%</b>	16,313	100.0%

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

Sales of home telephone segment for the six months ended 30 June 2024 has decreased approximately 31.6% as compared to the corresponding period in 2023, with sales of approximately EUR8.6 million.

Sales of the senior products category for the six months ended 30 June 2024 has increased by approximately EUR0.1 million or in percentage of 4.1%.

## Management Discussion and Analysis

Sales of the office telephone for the six months ended 30 June 2024 has increased by approximately EUR0.3 million or in percentage of 17.6%.

Baby monitor and subscription income is a new product category of revenue since Q2 2024, which has contributed approximately EUR0.6 million or 4.4% to the total revenue.

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

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	<b>6,514</b>	<b>49.2%</b>	7,778	47.7%
Other European countries (Note 2)	<b>4,503</b>	<b>34.0%</b>	4,843	29.7%
APAC/MEA (Note 3)	<b>1,178</b>	<b>8.9%</b>	2,781	17.0%
Latin America (Note 4)	<b>491</b>	<b>3.7%</b>	911	5.6%
North America (Note 5)	<b>549</b>	<b>4.2%</b>	–	–
<b>Total</b>	<b>13,235</b>	<b>100.0%</b>	16,313	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 Canada and United States of America.

Sales to France for the six months ended 30 June 2024 has dropped by 16.3% to approximately EUR6.5 million as compared to the corresponding period in 2023. This represented approximately 49.2% of our total revenue for six months ended 30 June 2024.

Sales to other European countries for the six months ended 30 June 2024 has decreased by approximately 7.0% to approximately EUR4.5 million as compared to the corresponding period in 2023.

Sales to the Asia Pacific Region and the Middle East area has decreased 57.6% to approximately EUR1.2 million for the six months ended 30 June 2024 as compared to the corresponding period in 2023.

Sales to Latin America has decreased by 46.1% to approximately EUR0.5 million as compared to the corresponding period in 2023.

Sales to North America represented sales of baby monitor and subscription income during the period.

### **OUTLOOK**

H1 2024 revenue recorded a decrease of 18.9% compared to the same period in 2023. The high interest rate and political uncertainty has softened demand and led to a drop in revenue.

Gross margin has improved from 33.1% in H1 2023 to 34.4% in H1 2024, mainly due to the product mix, we expect to achieve a similar profit margin throughout 2024.

During the last 2 years, we spent significant resources to migrate our home phone technical platform to a new alternative solution. These activities are expected to be completed in Q3, 2024. We have started to redirect some of our engineering and operational resources to work on new business products. In the senior products market, we will continue to expand our product range aimed at the visually and hearing impaired, provide ancillary services for our mobile devices, and further strengthen the Swissvoice and Amplicomms brands.

In the baby care product business, we will be working with a well-established baby care product company. Under this co-operation, sales in Europe will make use of Atlinks's sales and distribution network, Atlinks will also provide back-end support as a service. In this way, we will use the best of both companies to drive the sales with minimal overheads.

With this partnership, we have a much bigger customer base, a strong cloud service offering, and a full product range offered to on-line and retail customers. This new business model gives Atlinks an opportunity to fully utilize engineering, financial and operational resources. Combining the home phone business with this new fast-growing business, we should be able to return to the growth path.

### **FINANCIAL REVIEW**

#### **Cost of Sales and Gross Profit**

The majority of the Group's cost of sales comprised of cost of inventories and depreciation and amortisation. The cost of sales decreased by approximately 20.5% from approximately EUR10.9 million for the six months ended 30 June 2023 to approximately EUR8.7 million for the six months ended 30 June 2024.

Gross profit margin has improved from approximately 33.1% for the six months ended 30 June 2023 to approximately 34.5% for the six months ended 30 June 2024, which is mainly driven by the decrease in costs of materials when comparing the six months ended 30 June 2024 to the corresponding period in 2023.

#### **Selling and Distribution Expenses**

Selling and distribution expenses was relatively stable at approximately EUR1.7 million for the six months ended 30 June 2023 and approximately EUR1.8 million for the six months ended 30 June 2024.

#### **Administrative Expenses**

Administrative expenses was relatively stable at approximately EUR3.0 million for the six months ended 30 June 2023 and approximately EUR2.9 million for the six months ended 30 June 2024.



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

The Group recorded a loss of approximately EURO.4 million for the six months ended 30 June 2024, compared to a profit of approximately EUR80 thousand for the six months ended 30 June 2023.

### **Dividend**

The Board does not recommend the payment of a dividend for the six months ended 30 June 2024.

### **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 acquire 100% of the issued share capital of a group of companies, including 5Gen Care Limited, 5Gencare.com Limited, Chillax Technology Limited and Chillax Care Limited at the cash consideration of approximately HK\$2 million. Completion of the acquisition took place in March 2024. The Target Companies were primarily involved in the business of providing baby monitor products and related video streaming services on mobile devices in the North American market. For further details, please refer to the announcement of the Company dated 9 January 2024.

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

There were neither significant investments held as at 30 June 2024 nor material acquisitions and disposals of subsidiaries during six months ended 30 June 2024 and there is no plan for material investment or capital assets as at the date of this report.

### **Treasury Policies**

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

### **Foreign Currency Exposure and Hedging Policies**

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

The Group adopts a hedging policy to manage our exposure to foreign exchange risk in relation to RMB and USD. Due to our business nature, our goal is to control foreign exchange risk to an acceptable level by ensuring that we will only consider hedging operational flows and no hedging position will be taken without an underlying operational flow. As at 30 Jun 2024, the Group had outstanding foreign exchange forward contracts in respect of EUR against RMB of notional principal amounts of approximately RMB19.6 million (as at 31 December 2023: RMB27.6 Million) and had no outstanding foreign exchange forward contracts in respect of EUR against USD (as at 31 December 2023: Nil). Management will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

### **Employees and Remuneration Policies**

As at 30 June 2024, the Group had a total of 69 staff (31 December 2023: 48). Total staff costs (including Directors' emoluments) were approximately EUR1.9 million for the six months ended 30 June 2024 as compared to that of approximately EUR2.0 million for the six months ended 30 June 2023. Remuneration is determined with reference to market conditions and the performance, qualifications and experience and composition package of the Directors, senior management and other employees. Year-end bonus will be paid to employees as recognition of and reward for their contributions according to individual performance. Other benefits include contributions to statutory mandatory provident fund schemes and social insurance to employees.

### **Liquidity and Financial Resources**

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately EUR1.1 million, which was similar to that 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 30 June 2024, we had various bank borrowings and overdrafts of approximately EUR7.1 million, including factoring loan for trade receivables (31 December 2023: approximately EUR7.3 million).

Net current assets decreased from approximately EUR3.6 million for the year ended 31 December 2023 to approximately EUR2.3 million for the six months ended 30 June 2024.

The Group requires cash primarily for working capital. As of 30 June 2024, the Group had approximately EUR1.1 million in cash and bank balances (31 December 2023: approximately EUR1.1 million).

### **Net Gearing Ratio**

As at 30 June 2024, the net gearing ratio of the Group was approximately 57.8%, which was comparable to approximately 57.5% as at 31 December 2023. 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.

### **Contingent Liabilities**

As at 30 June 2024, the Company had no significant contingent liabilities (31 December 2023: Nil).

### **Capital Structure**

There has been no change in the Company's capital structure for the six months ended 30 June 2024. 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**

As at 30 June 2024, the Group's banking facilities were secured by:

- (i) certain of the Group's trade receivables with an aggregate amount of approximately EUR3,893,385 (31 December 2023: EUR4,720,122);
- (ii) pledged bank deposits with an aggregate amount of approximately EUR879,553 (31 December 2023: EUR1,067,384);
- (iii) a corporate guarantee from the Group with an aggregate amount of approximately EUR5,092,593 (31 December 2023: EUR5,045,872).

### **Capital Commitments**

As at 30 June 2024, the Company had no capital commitment (31 December 2023: Nil).

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including treasury shares (as defined in the GEM Listing Rules)) for the six months ended 30 June 2024. As at 30 June 2024, there were no treasury shares held by the Company.

## SHARE OPTION SCHEME

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

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during the six months ended 30 June 2024. As at 30 June 2024, the Company has no outstanding share option under the Share Option Scheme.

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

At 30 June 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)("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:

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

## Other Information

Save as disclosed above, as at 30 June 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

There is no contract of significance to which the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the six months ended 30 June 2024.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Required Standard of Dealing**"). Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the Required Standard of Dealings and there was no event of non-compliance for the six months ended 30 June 2024.

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

As at 30 June 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 and 9.67% by Mr. Duc respectively.

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

Save as disclosed above, as at 30 June 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.

### **COMPETING BUSINESS**

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

### **CORPORATE GOVERNANCE PRACTICES**

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 of the GEM Listing Rules. The Board is of the opinion that the Company has complied with the CG Code during the six months ended 30 June 2024.

### **AUDIT COMMITTEE**

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

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 are unaudited, but have been reviewed by the Audit Committee.

### **PUBLICATION OF INFORMATION ON WEBSITES**

This interim report is available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.atlinks.com](http://www.atlinks.com).

By the order of Board

**Long Hak Kan**

*Chairman*

30 August 2024

# Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2024

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023 which have been reviewed and approved by the audit committee of the Company (the “**Audit Committee**”), as follows:

	Notes	Six months ended 30 June	
		2024 EUR (Unaudited)	2023 EUR (Unaudited)
Revenue	3	13,235,043	16,313,292
Cost of sales		(8,669,232)	(10,907,777)
Gross profit		4,565,811	5,405,515
Selling and distribution expenses		(1,837,988)	(1,706,918)
Administrative expenses		(2,927,520)	(2,984,771)
		(199,697)	713,826
<b>Other gain/(loss)</b>			
– Exchange difference		(20,288)	(5,019)
– Fair value changes on financial assets/liabilities at fair value through profit or loss		55,510	(284,946)
<b>Operating (loss)/profit</b>		(164,475)	423,861
Finance income		1,931	4,227
Finance costs		(300,668)	(394,445)
Finance costs, net		(298,737)	(390,218)
<b>(Loss)/profit before income tax</b>		(463,212)	33,643
Income tax credit	4	104,531	45,924
<b>(Loss)/profit for the period</b>		(358,681)	79,567
Attributable to:			
Equity holders of the Company		(358,681)	79,567
Non-controlling interests		–	–
		(358,681)	79,567
<b>(Loss)/earnings per share</b>			
– Basic and diluted (expressed in Euro cents per share)	5	(0.09)	0.02

# Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>EUR</b> <b>(Unaudited)</b>	<b>2023</b> <b>EUR</b> <b>(Unaudited)</b>
<b>(Loss)/profit for the period</b>	<b>(358,681)</b>	79,567
<b>Other comprehensive loss</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences	<b>(63,308)</b>	(39,305)
<b>Other comprehensive loss for the period</b>	<b>(63,308)</b>	(39,305)
<b>Total comprehensive (loss)/income for the period</b>	<b>(421,989)</b>	40,262
Attributable to:		
Equity holders of the Company	<b>(421,989)</b>	40,262
Non-controlling interests	–	–
	<b>(421,989)</b>	40,262



# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,296,798	1,297,234
Right-of-use assets		223,085	237,669
Intangible assets and goodwill	7	3,603,873	2,905,304
Deferred income tax assets		1,400,983	1,296,452
Prepayments, deposits and other receivables		42,001	42,309
		<b>6,566,740</b>	5,778,968
<b>Current assets</b>			
Inventories	8	6,994,161	8,492,196
Trade receivables	9	7,790,007	9,069,571
Prepayments, deposits and other receivables		4,513,613	3,592,839
Income tax recoverable		39,827	49,402
Pledged bank deposits		879,553	1,067,384
Financial assets at fair value through profit or loss		27,672	–
Cash and cash equivalents		1,060,868	1,121,572
		<b>21,305,701</b>	23,392,964
<b>Total assets</b>		<b>27,872,441</b>	29,171,932
<b>EQUITY</b>			
Equity attributable to the equity holders of the Company			
Share Capital	10	417,819	417,819
Reserves		6,975,780	7,397,769
<b>Total equity</b>		<b>7,393,599</b>	7,815,588

# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		107,320	127,831
Retirement benefits obligation		314,162	314,162
Other payables		1,014,437	1,109,032
		<b>1,435,919</b>	1,551,025
<b>Current liabilities</b>			
Trade payables	11	4,399,932	4,933,859
Contract liabilities		18,717	89,072
Accruals, provision and other payables		3,285,062	2,955,370
Financial Liabilities at fair value through profit or loss		–	27,838
Loans from related parties	12	4,079,023	4,372,365
Borrowings	13	7,110,733	7,316,725
Lease liabilities		149,456	110,090
		<b>19,042,923</b>	19,805,319
<b>Total liabilities</b>		<b>20,478,842</b>	21,356,344
<b>Total equity and liabilities</b>		<b>27,872,441</b>	29,171,932

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital EUR	Merger reserve EUR	Share premium EUR	Other reserve EUR	Retained earnings/ (accumulated losses) EUR	Total EUR
<b>Balances at 1 January 2024 (Audited)</b>	417,819	4,386,123	3,557,226	523,355	(1,068,935)	7,815,588
<b>Comprehensive loss</b>						
Loss for the period	-	-	-	-	(358,681)	(358,681)
<b>Other comprehensive loss</b>						
Currency translation difference	-	-	-	(63,308)	-	(63,308)
Other comprehensive loss	-	-	-	(63,308)	-	(63,308)
<b>Total comprehensive loss for the period</b>	-	-	-	(63,308)	(358,681)	(421,989)
<b>Balances at 30 June 2024 (Unaudited)</b>	417,819	4,386,123	3,557,226	460,047	(1,427,616)	7,393,599
<b>Balances at 1 January 2023 (Audited)</b>	417,819	4,386,123	3,557,226	591,797	(1,174,114)	7,778,851
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	79,567	79,567
<b>Other comprehensive loss</b>						
Currency translation difference	-	-	-	(39,305)	-	(39,305)
Other comprehensive loss	-	-	-	(39,305)	-	(39,305)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	(39,305)	79,567	40,262
<b>Balances at 30 June 2023 (Unaudited)</b>	417,819	4,386,123	3,557,226	552,492	(1,094,547)	7,819,113

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

# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 EUR (Unaudited)	2023 EUR (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated/(used) in operations	1,644,079	(246,943)
Interest received	1,931	4,227
Income tax refunded/(paid)	6,715	(32,139)
Net cash inflow/(outflow) from operating activities	1,652,725	(274,855)
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(894,813)	–
Purchase of property, plant and equipment	(126,958)	(83,192)
Net cash outflow from investing activities	(1,021,771)	(83,192)
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	12,493,748	20,085,952
Repayment of bank borrowings	(12,699,740)	(21,003,562)
Proceeds from loans from related parties	–	1,152,440
Repayment of loans from related parties	(353,699)	–
Interest paid	(300,668)	(394,445)
Pledged bank deposit for bank loans	187,831	(239,667)
Principal elements of lease payments	(19,386)	–
Net cash outflow from financing activities	(691,914)	(399,282)
<b>Net decrease in cash and cash equivalents</b>	(60,960)	(757,329)
Cash and cash equivalents at beginning of the period	1,121,572	2,464,451
Effects of exchange rate changes on cash and cash equivalents	256	(26,981)
Cash and cash equivalents at end of the period	1,060,868	1,680,141

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 1 GENERAL INFORMATION

Atlinks Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in designing, developing and selling home and office telecommunication products and baby monitors to retailers, telecommunication operators and distributors customers all around the world under four brands, namely Alcatel, Swissvoice, Amplicomms and Chillax.

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

## 2 BASIS OF PREPARATION

This unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 has been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of the Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”). The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group in the annual report for the year ended 31 December 2023 (“**2023 Annual Report**”). The accounting policies used in the preparation of this unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2023 Annual Report, except for the adoption of new and revised HKFRSs which are effective for accounting periods beginning on or after 1st January 2024.

## 3 REVENUE AND SEGMENT INFORMATION

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

The Group’s principal activity is trading and development of telecommunication equipment 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.

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

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

	<b>Six months ended 30 June</b>	
	<b>2024</b> EUR (Unaudited)	2023 EUR (Unaudited)
Revenue		
Home telephone	8,586,874	12,560,423
Senior products	2,340,792	2,249,696
Office telephone	1,722,427	1,464,419
Others	584,950	38,754
	<b>13,235,043</b>	16,313,292

**(b) Revenue by location**

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

	<b>Six months ended 30 June</b>	
	<b>2024</b> EUR (Unaudited)	2023 EUR (Unaudited)
France	6,513,798	7,778,423
Other European countries <i>(Note i)</i>	4,503,472	4,842,916
APAC/MEA <i>(Note ii)</i>	1,178,005	2,780,732
Latin America <i>(Note iii)</i>	490,785	911,221
North America <i>(Note iv)</i>	548,983	–
	<b>13,235,043</b>	16,313,292

*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 United States of America and Canada.

#### 4 INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2024 (2023: 16.5%).

Corporate income tax on profits from a subsidiary operating in Mainland China has been calculated at 25.0% for the six months ended 30 June 2024 (2023: 25.0%).

Corporate income tax on profits from a subsidiary operating in France has been calculated at 25.0% in accordance with the relevant France tax laws and regulations for the six months ended 30 June 2024 (2023: 25.0%).

##### Income tax credit

	Six months ended 30 June	
	2024 EUR (Unaudited)	2023 EUR (Unaudited)
Current income tax	–	22,645
Deferred income tax	(104,531)	(68,569)
	(104,531)	(45,924)

#### 5 (LOSS)/EARNINGS PER SHARE

##### (a) Basic (loss)/earnings per share

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

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (Euro)	(358,681)	79,567
Number of shares in issue (thousands)	400,000	400,000
Basic (loss)/earnings per share (expressed in Euro cents per share)	(0.09)	0.02

**5 (LOSS)/EARNINGS PER SHARE (Continued)**

**(b) Diluted earnings per share**

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

**6 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
<b>Period ended 30 June 2024 (Unaudited)</b>							
Opening net book amount	34,905	232,794	253,865	17,601	-	758,069	1,297,234
Additions	15,817	2,160	63,786	-	45,195	-	126,958
Currency translation differences	-	-	(911)	(4)	-	-	(915)
Depreciation charge	(11,191)	(17,631)	(76,805)	(394)	(3,978)	(16,480)	(126,479)
Closing net book amount	39,531	217,323	239,935	17,203	41,217	741,589	1,296,798
<b>At 30 June 2024 (Unaudited)</b>							
Cost	526,535	431,570	3,599,224	484,257	45,195	823,980	5,910,761
Accumulated depreciation	(487,004)	(214,247)	(3,359,289)	(467,054)	(3,978)	(82,391)	(4,613,963)
Net book amount	39,531	217,323	239,935	17,203	41,217	741,589	1,296,798
<b>Representing:</b>							
Cost	39,531	217,323	239,935	17,203	41,217	-	546,969
Valuation	-	-	-	-	-	741,589	749,829
<b>Period ended 30 June 2023 (Unaudited)</b>							
Opening net book amount	13,168	257,813	354,348	3,970	-	791,028	1,420,327
Additions	10,641	-	72,551	-	-	-	83,192
Currency translation differences	-	-	(12,262)	(63)	-	-	(12,325)
Depreciation charge	(4,716)	(13,359)	(100,125)	(1,093)	-	(16,480)	(135,773)
Closing net book amount	19,093	244,454	314,512	2,814	-	774,548	1,355,421
<b>At 30 June 2023 (Unaudited)</b>							
Cost	486,204	421,030	3,499,993	468,868	-	823,980	5,700,075
Accumulated depreciation	(467,111)	(176,576)	(3,185,481)	(466,054)	-	(49,432)	(4,344,654)
Net book amount	19,093	244,454	314,512	2,814	-	774,548	1,355,421
<b>Representing:</b>							
Cost	19,093	244,454	314,512	2,814	-	-	580,873
Valuation	-	-	-	-	-	774,548	774,548



## 7 INTANGIBLE ASSETS AND GOODWILL

	Goodwill EUR	Licensing right EUR	Trademarks EUR	Design patent EUR	Domain name and website EUR	Total EUR
<b>Period ended 30 June 2024 (Unaudited)</b>						
Opening net book amount	–	1,080,118	1,694,976	123,570	6,640	2,905,304
Additions	569,569	–	325,244	–	–	894,813
Amortisation	–	(135,015)	(14,782)	(9,807)	(1,115)	(160,719)
Currency translation differences	–	–	(35,318)	(69)	(138)	(35,525)
Closing net book amount	569,569	945,103	1,970,120	113,694	5,387	3,603,873
<b>At 30 June 2024 (Unaudited)</b>						
Cost	569,569	4,860,530	2,144,347	196,146	22,292	7,792,884
Accumulated depreciation	–	(3,915,427)	(174,227)	(82,452)	(16,905)	(4,189,011)
Net book amount	569,569	945,103	1,970,120	113,694	5,387	3,603,873
<b>Period ended 30 June 2023 (Unaudited)</b>						
Opening net book amount	–	1,350,149	1,638,023	142,985	8,467	3,139,624
Amortisation	–	(135,015)	(14,049)	(9,780)	(1,059)	(159,903)
Currency translation differences	–	–	16,287	26	53	16,366
Closing net book amount	–	1,215,134	1,640,261	133,231	7,461	2,996,087
<b>At 30 June 2023 (Unaudited)</b>						
Cost	–	4,860,530	1,781,960	195,918	21,837	6,860,245
Accumulated depreciation	–	(3,645,396)	(141,699)	(62,687)	(14,376)	(3,864,158)
Net book amount	–	1,215,134	1,640,261	133,231	7,461	2,996,087

**8 INVENTORIES**

	<b>30 June 2024 EUR (Unaudited)</b>	31 December 2023 EUR (Audited)
Finished goods	7,283,746	8,781,781
Provision for impairment	(289,585)	(289,585)
	<b>6,994,161</b>	8,492,196

**9 TRADE RECEIVABLES**

	<b>30 June 2024 EUR (Unaudited)</b>	31 December 2023 EUR (Audited)
Trade receivables	8,044,213	9,323,777
Loss allowance	(254,206)	(254,206)
	<b>7,790,007</b>	9,069,571

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

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

	<b>30 June 2024 EUR (Unaudited)</b>	31 December 2023 EUR (Audited)
0 – 30 days	2,231,797	2,450,809
31 – 60 days	2,351,580	2,437,087
61 – 90 days	861,135	1,652,645
Over 90 days	2,345,495	2,529,030
	<b>7,790,007</b>	9,069,571

As at 30 June 2024 and 31 December 2023, the Group had factored trade receivables of EUR3,893,385 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".

**10 SHARE CAPITAL**

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares EUR
<b>Authorised:</b>			
Ordinary share of HK\$0.01 each			
At 31 December 2023 and 30 June 2024	4,000,000,000	40,000,000	4,315,579
<b>Issued and fully paid:</b>			
At 31 December 2023 and 30 June 2024	400,000,000	4,000,000	417,819

**11 TRADE PAYABLES**

	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
Trade payables	4,399,932	4,933,859

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

	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
0 – 30 days	1,128,692	1,673,120
31 – 60 days	917,747	377,958
61 – 90 days	1,014,185	781,780
Over 90 days	1,339,308	2,101,001
	4,399,932	4,933,859

## 12 RELATED PARTY TRANSACTIONS

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

### (a) Significant related party transactions

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

	Six months ended 30 June	
	2024 EUR (Unaudited)	2023 EUR (Unaudited)
Purchases from Kan Tsang New Technology Development Limited (" <b>Kan Tsang</b> ") (Note a)	–	–
Inspection fee charged from Kan Tsang	59,650	117,910
Interest expense on loans from shareholders/key management personnel		
– Ms. Chu Lam Fong	16,526	16,610
– Mr. Tong Chi Hoi	53,401	28,626
– Mr. Didier Paul Henri Goujard	1,373	4,152
	130,950	167,298

### (b) Balances with related parties

	30 June	31 December
	2024 EUR (Unaudited)	2023 EUR (Audited)
Loans from related parties (Note b)		
– Mr. Tong Chi Hoi	1,522,049	1,500,612
– Ms. Chu Lam Fong	955,158	941,706
– Mr. Didier Paul Henri Goujard	–	235,426
Revolving loan from Mr. Tong Chi Hoi (Note c)	1,601,816	1,694,621
	4,079,023	4,372,365

## 12 RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (a) On 29 November 2021, Atlinks Asia Limited, an indirect wholly owned subsidiary of the Company and Kan Tsang entered into a framework agreement, pursuant to which Atlinks Asia Limited agreed to enter into agreements for purchase and Kan Tsang agreed to manufacture and sell certain cordless phone products to the Group for a term of 3 years commencing from 1 January 2022 and ending on 31 December 2024. For details, please refer to the circular of the Company dated 22 December 2021.
- (b) The loans from Mr. Tong Chi Hoi and Ms. Chu Lam Fong are unsecured, interest bearing at 3% – 3.5% per annum. On 27 June 2024, the loan has been renewed and extended to 30 September 2024 and the interest bearing at 3% – 3.5% per annum and dominated in HK\$. The loans will be reviewed quarterly for extension.
- (c) On 1 June 2023, Atlinks Holdings Limited, an indirect wholly owned subsidiary of the Company, as borrower, and Mr. Tong Chi Hoi as lender, entered into a revolving loan facility agreement pursuant to which Mr. Tong agreed to provide a revolving loan facility of HKD20,000,000, which was unsecured, interest-bearing at 3.5% per annum and for a term of 5 years ending on 31 May 2028. The terms of the agreement will be reviewed annually. As at 30 June 2024, the outstanding loan balance was HKD13,521,400 (EUR1,601,816).

## 13 BORROWINGS

	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
<i>Secured</i>		
Factoring loans	3,893,385	4,720,122
Bank borrowings	3,217,348	2,596,603
	<b>7,110,733</b>	<b>7,316,725</b>

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

	30 June 2024 EUR (Unaudited)	31 December 2023 EUR (Audited)
Pledged bank deposits	879,553	1,067,384
Trade receivables	3,893,385	4,720,122
Corporate guarantee (provided by Atlinks Holdings Limited)	5,092,593	5,045,872
	<b>9,865,531</b>	<b>10,833,378</b>

## 14 CAPITAL COMMITMENTS

As at 30 June 2024 and 31 December 2023, the Group had no commitment for capital expenditure.

## 15 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2024 (2023: Nil).