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ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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.

FINANCIAL HIGHLIGHTS

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 Group recorded a profit attributable to the equity holders of the Company of approximately EUR15K for the year ended 31 December 2024, compared to a profit of approximately EUR105K for the year ended 31 December 2023.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2024.

ANNUAL RESULTS

The Board of Directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023.

CONSOLIDATED INCOME STATEMENT

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

	Note	2024 EUR	2023 EUR
Revenue	3	29,474,163	29,729,520
Cost of sales	5	<u>(18,753,093)</u>	<u>(20,312,821)</u>
Gross profit		10,721,070	9,416,699
Selling and distribution expenses	5	(4,003,153)	(3,267,065)
Administrative expenses	5	(6,048,695)	(5,664,984)
		669,222	484,650
Other net gain/(loss)	4		
– 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		3,637	9,024
Finance costs		(638,292)	(747,287)
Finance costs, net		(634,655)	(738,263)
Share of profits of an associate		19,095	–
Profit before income tax		77,990	79,618
Income tax (expense)/credit	6	(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)	7	0.00	0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	2024	2023
	EUR	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

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		1,223,116	1,297,234
Interest in an associate		21,855	–
Right-of-use assets		157,381	237,669
Intangible assets		2,798,676	2,905,304
Goodwill		706,771	–
Deferred income tax assets		1,320,028	1,296,452
Prepayments, deposits and other receivables		42,001	42,309
		<u>6,269,828</u>	<u>5,778,968</u>
Current assets			
Inventories		8,044,384	8,492,196
Trade receivables	8	9,427,392	9,069,571
Prepayments, deposits and other receivables		4,223,828	3,592,839
Income tax recoverable		–	49,402
Financial assets at fair value through profit or loss		33,083	–
Pledged bank deposits		959,795	1,067,384
Cash and cash equivalents		1,730,058	1,121,572
		<u>24,418,540</u>	<u>23,392,964</u>
Total assets		<u>30,688,368</u>	<u>29,171,932</u>
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	10	417,819	417,819
Reserves		7,391,560	7,397,769
Total Equity		<u>7,809,379</u>	<u>7,815,588</u>

	<i>Note</i>	2024 <i>EUR</i>	2023 <i>EUR</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		12,774	127,831
Retirement benefits obligation		297,578	314,162
Other payables		756,034	1,109,032
		1,066,386	1,551,025
Current liabilities			
Trade payables	<i>9</i>	6,805,528	4,933,859
Contract liabilities		245,478	89,072
Accruals, provision and other payables		3,180,331	2,955,370
Financial liabilities at fair value through profit or loss		–	27,838
Loan from related parties		4,156,570	4,372,365
Borrowings		7,255,133	7,316,725
Lease liabilities		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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company and its subsidiaries (the “**Group**”) are principally engaged in designing, developing and selling home and office telecommunication products 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. APPLICATION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSS**”)

(i) New and amended standards adopted by the Group

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

- Amendments to 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.

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

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, 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.

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.

(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:

	2024	2023
	EUR	EUR
Revenue from contracts from customers recognised at a point in time		
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 (<i>Note</i>)	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	2023
	EUR	EUR
France	14,724,312	13,914,662
Other European countries (<i>Note i</i>)	8,541,252	9,516,507
APAC/MEA (<i>Note ii</i>)	4,067,505	4,912,793
Latin America (<i>Note iii</i>)	814,120	1,385,558
North America (<i>Note iv</i>)	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.

4. OTHER NET GAIN/(LOSS)

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

5. EXPENSES BY NATURE

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

	2024	2023
	EUR	EUR
Expenses related to short-term leases	71,528	57,442
Employee benefit expenses other than directors' emoluments	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	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	249,899	280,941
Depreciation of right-of-use assets	132,206	116,095
Provision/(reversal) of loss allowance on trade receivables	33,455	(84,693)
Provision for product warranty	102,403	275,835
Commission fee	696,651	682,380
Storage fee	467,780	575,092
Amortisation of intangible assets	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	<u>927,086</u>	<u>898,821</u>
Total cost of sales, selling and distribution expenses and administrative expense	<u>28,804,941</u>	<u>29,244,870</u>

6. 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 <i>EUR</i>	2023 <i>EUR</i>
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)
	<u>89,437</u>	<u>(32,853)</u>
Deferred income tax (credit)/expense	<u>(26,744)</u>	<u>7,292</u>
	<u>62,693</u>	<u>(25,561)</u>

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

	2024 <i>EUR</i>	2023 <i>EUR</i>
Profit before income tax	<u>77,990</u>	<u>79,618</u>
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	<u>(33,255)</u>	<u>–</u>
Income tax expense/(credit)	<u>62,693</u>	<u>(25,561)</u>

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.

7. 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)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (expressed in Euro cents)	<u><u>0.00</u></u>	<u><u>0.03</u></u>

(b) Diluted earnings per share

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

8. TRADE RECEIVABLES

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

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	2023
	<i>EUR</i>	<i>EUR</i>
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.

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

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”.

9. TRADE PAYABLES

	2024	2023
	<i>EUR</i>	<i>EUR</i>
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	2023
	<i>EUR</i>	<i>EUR</i>
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

10. SHARE CAPITAL

(a) Share capital

	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent nominal value of ordinary shares <i>EUR</i>
Authorised: Ordinary share of HK\$0.01 each At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>4,000,000,000</u>	<u>40,000,000</u>	<u>4,315,579</u>
Issued and fully paid: At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>400,000,000</u>	<u>4,000,000</u>	<u>417,819</u>

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	
	<i>EUR’000</i>	<i>% of total revenue</i>	<i>EUR’000</i>	<i>% of total revenue</i>
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 (<i>Note</i>)	2,590	8.8%	289	1.0%
Total	<u>29,474</u>	<u>100.0%</u>	<u>29,730</u>	<u>100.0%</u>

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.

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	
	<i>EUR'000</i>	<i>% of total revenue</i>	<i>EUR'000</i>	<i>% of total revenue</i>
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	<u>29,474</u>	<u>100.0%</u>	<u>29,730</u>	<u>100.0%</u>

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 as recognition of and reward for their contributions according to individual performance. Other benefits include contributions to statutory mandatory provident fund schemes and social insurance to employees.

Liquidity and Financial Resources

As at 31 December 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).

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code (the “**CG Code**”) and Corporate Governance Report contained in 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.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

Having been made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the year ended 31 December 2024.

COMPETING BUSINESS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of at least 25% of the Company's issued shares at the year ended 31 December 2024 prior to issue of this announcement under the GEM Listing Rules.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**Annual General Meeting**”) will be held on 9 May 2025. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company on 20 March 2025 and dispatched to the shareholders on 20 March 2025.

CLOSURE OF THE REGISTER OF MEMBER

The register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both dates inclusive, during which period no transfer of shares of the Company could be registered for determination of entitlement of shareholders of the Company to the attendance at the forthcoming annual general meeting of the Company.

In order to qualify for attending and voting at the annual general meeting of the Company or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 2 May 2025.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established the Audit Committee on 21 December 2017 with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Audit Committee comprises three members namely Ms. Lam Lai Ting Maria Goretti (Chairman), Ms. Chan Cheuk Man Vivian and Ms. Lee Kit Ying Catherine.

All the members are independent non-executive Directors (including one independent non-executive Director who possess the appropriate professional qualifications, accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The Audit Committee has reviewed the results of the Group for the year ended 31 December 2024.

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

Hong Kong, 14 March 2025

As at the date of this announcement, the executive Directors are Mr. TONG Chi Hoi, Mr. Jean-Alexis René Robert DUC and Mr. LONG Shing; the non-executive Directors are Mr. LONG Hak Kan and Mr. Didier Paul Henri GOUJARD; and the independent non-executive Directors are Ms. LAM Lai Ting Maria Goretti, Ms. CHAN Cheuk Man Vivian and Ms. LEE Kit Ying Catherine.

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

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.atlinks.com.