

# ATLINKS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8043



**Third Quarterly Report**

# 2021

## **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.**

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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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# Financial Highlights

The Group's revenue increased from approximately EUR21.5 million for the nine months ended 30 September 2020 to approximately EUR24.3 million for the nine months ended 30 September 2021, representing an increase of approximately 13.2%. This was mainly due to increase in sales in the home telephone and senior products segments in France and in other European countries.

The Group recorded a profit attributable to the equity holders of the Company of approximately EUR0.6 million for the nine months ended 30 September 2021, compared to a profit of approximately EUR0.8 million for the nine months ended 30 September 2020.

The Directors do not recommend the payment of any dividend in respect of the nine months ended 30 September 2021.

# 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 nine months ended 30 September 2021, together with the unaudited comparative figures for the corresponding periods in 2020.

## BUSINESS REVIEW

The Group’s revenue increased from approximately EUR21.5 million for the nine months ended 30 September 2020 to approximately EUR24.3 million for the nine months ended 30 September 2021, representing an increase of approximately 13.2%. This was mainly due to increase in sales in the home telephone and senior products segments in France and in other European countries.

The following table shows the breakdown of our revenue by product categories for each of the three and nine months ended 30 September 2020 and 2021:

	For the three months ended 30 September			
	2021 (Unaudited)		2020 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	5,406	74.3%	5,618	70.9%
Senior products	1,315	18.1%	1,671	21.1%
Office telephone	538	7.4%	612	7.7%
Others ( <i>Note</i> )	19	0.2%	24	0.3%
<b>Total</b>	<b>7,278</b>	<b>100.0%</b>	<b>7,925</b>	<b>100.0%</b>

	For the nine months ended 30 September			
	2021 (Unaudited)		2020 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
Home telephone	17,621	72.4%	15,164	70.5%
Senior products	4,546	18.7%	4,153	19.3%
Office telephone	2,144	8.8%	1,969	9.2%
Others ( <i>Note</i> )	38	0.1%	218	1.0%
<b>Total</b>	<b>24,349</b>	<b>100.0%</b>	<b>21,504</b>	<b>100.0%</b>

*Note:* Others include IP devices and other miscellaneous products.

Sales of the home telephone segment for the nine months ended 30 September 2021 has increased approximately 16.2% with sales of approximately EUR17.6 million, as compared to the corresponding period in 2020.

Sales of the senior products category grew by approximately EUR0.4 million or 9.5%. This was mainly driven by higher sales of our Big Button Picture phones, and a new series of elderly mobile devices.

Sales of the office telephone products was approximately EUR2.1 million, which represents a growth of 8.9% compared to the same period in 2020. The growth was mainly driven by the higher demand for office telephones in Europe.

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

	For the three months ended 30 September			
	2021 (Unaudited)		2020 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	<b>3,824</b>	<b>52.5%</b>	4,488	56.6%
Other European countries (Note 2)	<b>2,026</b>	<b>27.8%</b>	1,789	22.6%
APAC/Russia/MEA (Note 3)	<b>738</b>	<b>10.2%</b>	738	9.3%
Latin America (Note 4)	<b>690</b>	<b>9.5%</b>	910	11.5%
<b>Total</b>	<b>7,278</b>	<b>100.0%</b>	7,925	100.0%

	For the nine months ended 30 September			
	2021 (Unaudited)		2020 (Unaudited)	
	EUR'000	% of total revenue	EUR'000	% of total revenue
France	<b>13,327</b>	<b>54.7%</b>	12,092	56.2%
Other European countries (Note 2)	<b>6,496</b>	<b>26.7%</b>	4,875	22.7%
APAC/Russia/MEA (Note 3)	<b>2,274</b>	<b>9.3%</b>	2,868	13.3%
Latin America (Note 4)	<b>2,252</b>	<b>9.3%</b>	1,669	7.8%
<b>Total</b>	<b>24,349</b>	<b>100.0%</b>	21,504	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, Greece, Italy, Portugal, Spain and Switzerland but excludes France.
3. APAC/Russia/MEA include but are not limited to Asia Pacific Region, Russia and Middle East area.
4. Latin America includes Argentina, Chile, Mexico, Peru and others.

## Management Discussion and Analysis

Sales to France for the nine months ended 30 September 2021 have grown by approximately 10.2% to approximately EUR13.3 million as compared to the corresponding period in 2020.

Sales to other European countries for the nine months ended 30 September 2021 have grown by approximately 33.3% to approximately EUR6.5 million as compared to the corresponding period in 2020.

Our sales to Asia Pacific Region, Russia and Middle East area have dropped by approximately 20.7% to approximately EUR2.3 million for the nine months ended 30 September 2021 as compared to the corresponding period in 2020.

Sales to Latin America for the nine months ended 30 September 2021 have grown by approximately 34.9% to approximately EUR2.3 million as compared to the corresponding period in 2020.

### **OUTLOOK**

Revenue for Q3 2021 has dropped slightly compared to the same period in 2020. This was mainly caused by the shortage of some critical components, lack of cargo containers and a longer transit time to Europe. We foresee that these issues in the supply chain will continue to impact our business operation throughout the remainder of this year. That being said, during the first nine months of 2021 the Group recorded revenue growth of approximately 13.2% compared to the same period in 2020. Gross margin has also improved from approximately 30.0% for the nine months ended 30 September 2020 to approximately 31.6% for the nine months ended 30 September 2021.

Our goal for geographic expansion is on track, with revenue in other European countries growing approximately 33.3% in Q3 2021 compared to the same period in 2020. We expect this trend to continue as our products gain more retail listings in other European countries.

The sales of our senior products are also expected to grow. We will be launching a new range of big button and picture phones under the Swissvoice and Amplicoms brands in Q4 of 2021, and we are expecting to see more retail listings and also online sales in the Q4 of 2021.

A major challenge that we are facing during the remainder of 2021 is the component shortages, cargo container shortages and extended transit time to Europe as mentioned above. These factors have impacted our revenue growth and our operating margin in Q3 of 2021 and we foresee that this may continue to impact our revenue growth for the rest of 2021. These factors together with the uncertain impact arising from the outbreak of the COVID-19's Delta variant make it difficult to gauge our Group revenue expectation.

## **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. Cost of sales increased by approximately 10.5% from approximately EUR15.1 million for the nine months ended 30 September 2020 to approximately EUR16.6 million for the nine months ended 30 September 2021, which is in line with our increase in revenue. Gross profit margin increased from approximately 30.0% for the nine months ended 30 September 2020 to approximately 31.6% for the nine months ended 30 September 2021.

### **Selling and Distribution Expenses**

Selling and distribution expenses increased from approximately EUR2.0 million for the nine months ended 30 September 2020 to approximately EUR2.9 million for the nine months ended 30 September 2021, which mainly resulted from the increase in logistic expenses and sales commission.

### **Administrative Expenses**

Administrative expenses was relatively stable at approximately EUR3.7 million for the nine months ended 30 September 2020 and approximately EUR3.8 million for the nine months ended 30 September 2021, respectively.

### **Profit attributable to the Equity Holders of the Company**

The Group recorded a profit attributable to the equity holders of the Company of approximately EUR0.6 million for the nine months ended 30 September 2021, compared to a profit of approximately EUR0.8 million for the nine months ended 30 September 2020.

### **Dividend**

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2021.



# Other Information

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the nine months ended 30 September 2021.

## **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. 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. Further details of the Share Option Scheme are set out in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV to the Prospectus.

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during the nine months ended 30 September 2021. As at 30 September 2021, 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 September 2021, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("**SFO**") which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

## Long positions in shares of the Company

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

### Notes:

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

Save as disclosed above, as at 30 September 2021, 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.

## Other Information

### 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 nine months ended 30 September 2021.

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

As at 30 September 2021, to the best of the Directors' knowledge, the following shareholders had, or were deemed to have, interests or short positions, in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in shares of the Company

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

#### Notes:

- 1 TOHL is deemed or taken to be interested in all the Shares which are beneficially owned by Eiffel Global under the SFO. Eiffel Global is owned as to 75% by TOHL, 11.83% by AIL, 9.67% by Mr. Duc, and 3.5% by Ms. Ho respectively.
- 2 Mr. Long is the spouse of Ms. Chu and he is deemed or taken to be interested in all the Shares which are beneficially owned by Ms. Chu under the SFO.
- 3 Ms. Ng is the spouse of Mr. Tong and she is deemed or taken to be interested in all the Shares which are beneficially owned by Mr. Tong under the SFO.

Save as disclosed above, as at 30 September 2021, 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 Appendix 15 of the GEM Listing Rules. The Board is of the opinion that the Company has complied with the CG Code during the nine months ended 30 September 2021 and up to the date of this report.

## 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 nine months ended 30 September 2021 are unaudited, but have been reviewed by the Audit Committee.

## PUBLICATION OF INFORMATION ON WEBSITES

This third quarterly 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*

9 November 2021

# Unaudited Condensed Consolidated Income Statement

For the nine months ended 30 September 2021

The Board is pleased to announce the unaudited consolidated results of the Group for the three months and nine months ended 30 September 2021, together with the comparative figures for the corresponding period in 2020 which have been reviewed and approved by the audit committee of the Company (the "Audit Committee"), as follows:

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021	2020	2021	2020
		EUR (Unaudited)	EUR (Unaudited)	EUR (Unaudited)	EUR (Unaudited)
Revenue	3	7,278,462	7,924,614	24,349,125	21,503,858
Cost of sales		(4,985,076)	(5,306,192)	(16,642,838)	(15,061,787)
Gross profit		2,293,386	2,618,422	7,706,287	6,442,071
Other income		–	6	–	6
Selling and distribution expenses		(1,000,896)	(759,410)	(2,937,827)	(1,956,299)
Administrative expenses		(1,139,939)	(1,396,476)	(3,769,965)	(3,691,348)
		152,551	462,542	998,495	794,430
<b>Other gain/(loss)</b>					
– Exchange difference		(54,538)	121,280	(235,682)	323,111
– Fair value changes on financial assets/ liabilities at fair value through profit or loss		26,608	(138,005)	185,374	(46,636)
<b>Operating profit</b>		124,621	445,817	948,187	1,070,905
Finance income		17	(21)	60	1,614
Finance costs		(87,128)	(96,365)	(291,091)	(309,833)
Finance costs, net		(87,111)	(96,386)	(291,031)	(308,219)
<b>Profit before income tax</b>		37,510	349,431	657,156	762,686
Income tax credit/(expenses)	4	1,961	(14,904)	(106,709)	(45,801)
<b>Profit for the period</b>		39,471	334,527	550,447	716,885
Attributable to:					
Equity holders of the Company		39,471	334,527	550,447	759,322
Non-controlling interests		–	–	–	(42,437)
		39,471	334,527	550,447	716,885
<b>Earnings per share</b>					
– Basic and diluted (expressed in Euro cents per share)	5	0.01	0.08	0.14	0.19

# Unaudited Condensed Consolidated Statement of Comprehensive Income

For the nine months ended 30 September 2021

	Three months ended 30 September		Nine months ended 30 September	
	2021 EUR (Unaudited)	2020 EUR (Unaudited)	2021 EUR (Unaudited)	2020 EUR (Unaudited)
<b>Profit for the period</b>	<b>39,471</b>	334,527	<b>550,447</b>	716,885
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Currency translation differences	<b>87,341</b>	(196,109)	<b>144,030</b>	(235,305)
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement of defined benefit retirement plans, net of tax	–	4,932	<b>16,158</b>	7,629
<b>Other comprehensive income/(loss) for the period</b>	<b>87,341</b>	(191,177)	<b>160,188</b>	(227,676)
<b>Total comprehensive income for the period</b>	<b>126,812</b>	143,350	<b>710,635</b>	489,209
Attributable to:				
Equity holders of the Company	<b>126,812</b>	143,350	<b>710,635</b>	489,209
Non-controlling interests	–	–	–	–
	<b>126,812</b>	143,350	<b>710,635</b>	489,209

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2021

	Share capital	Merger reserve	Share premium	Other reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Balances at 1 January 2020 (Audited)</b>	417,819	4,386,123	3,557,226	285,560	(828,375)	7,818,353	42,437	7,860,790
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	759,322	759,322	-	759,322
<b>Other comprehensive income/(loss)</b>								
Currency translation difference	-	-	-	(235,305)	-	(235,305)	-	(235,305)
Remeasurement of defined benefit retirement plans, net of tax	-	-	-	7,629	-	7,629	-	7,629
<b>Other comprehensive loss</b>	-	-	-	(227,676)	-	(227,676)	-	(227,676)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	(227,676)	759,322	531,646	-	531,646
<b>Transaction with owners</b>								
Distribution to shareholders by certain subsidiary	-	-	-	-	-	-	(42,437)	(42,437)
<b>Balances at 30 September 2020 (Unaudited)</b>	417,819	4,386,123	3,557,226	57,884	(69,053)	8,349,999	-	8,349,999
<b>Balances at 1 January 2021 (Audited)</b>	417,819	4,386,123	3,557,226	(83,759)	(314,000)	7,963,409	-	7,963,409
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	550,447	550,447	-	550,447
<b>Other comprehensive income</b>								
Currency translation difference	-	-	-	144,030	-	144,030	-	144,030
Remeasurement of defined benefit retirement plans, net of tax	-	-	-	16,158	-	16,158	-	16,158
Other comprehensive income	-	-	-	160,188	-	160,188	-	160,188
<b>Total comprehensive income for the period</b>	-	-	-	160,188	550,447	710,635	-	710,635
Interim dividend 2021 approved and paid during the period	-	-	-	-	(175,401)	(175,401)	-	(175,401)
<b>Balances at 30 September 2021 (Unaudited)</b>	417,819	4,386,123	3,557,226	76,429	61,046	8,498,643	-	8,498,643

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

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 1 GENERAL INFORMATION

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

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

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

## 2 BASIS OF PREPARATION

This unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2021 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 2020 (“**2020 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 2020 Annual Report, except for the adoption of new and revised HKFRSs which are effective for accounting periods beginning on or after 1 January 2021.

## 3 REVENUE AND SEGMENT INFORMATION

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

The Group’s principal activity is trading and development of telecommunication equipment. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group’s performance based on revenue and gross profit margin. No other discrete financial information was provided to the CODM. As the Group’s resources are integrated and there are no discrete operating segment assets and liabilities reported to the CODM, accordingly, no separate segment information is presented.



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

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2021 EUR (Unaudited)	2020 EUR (Unaudited)	2021 EUR (Unaudited)	2020 EUR (Unaudited)
Revenue				
Home telephone	5,405,697	5,618,042	17,621,300	15,163,754
Senior products	1,315,610	1,671,210	4,546,026	4,153,442
Office telephone	538,359	611,801	2,143,822	1,969,058
Others	18,796	23,561	37,977	217,604
	<b>7,278,462</b>	7,924,614	<b>24,349,125</b>	21,503,858

**(b) Revenue by location**

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2021 EUR (Unaudited)	2020 EUR (Unaudited)	2021 EUR (Unaudited)	2020 EUR (Unaudited)
France	3,823,438	4,488,230	13,326,325	12,092,342
Other European countries <i>(Note i)</i>	2,026,296	1,788,940	6,496,194	4,874,596
APAC/Russia/MEA <i>(Note ii)</i>	738,547	737,133	2,274,182	2,867,511
Latin America <i>(Note iii)</i>	690,181	910,311	2,252,424	1,669,409
	<b>7,278,462</b>	7,924,614	<b>24,349,125</b>	21,503,858

Notes:

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

#### 4 INCOME TAX (CREDIT)/EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the nine months ended 30 September 2021, except for one of its subsidiaries operating in Hong Kong for which Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profit up to HK\$2 million, equivalent to approximately EUR215,000 and 16.5% thereafter (2020: same).

Corporate income tax on profits from a subsidiary operating in Mainland China has been calculated at 25% for the nine months ended 30 September 2021 (2020: 25%).

Corporate income tax on profits from a subsidiary operating in France has been calculated at 26.5% in accordance with the relevant France tax laws and regulations for nine months ended 30 September 2021 (2020: 28%).

##### Income tax (credit)/expenses

	Three months ended 30 September		Nine months ended 30 September	
	2021 EUR (Unaudited)	2020 EUR (Unaudited)	2021 EUR (Unaudited)	2020 EUR (Unaudited)
Current income tax	34,410	5,341	67,479	(2,764)
Deferred income tax	(36,371)	9,563	39,230	48,565
	(1,961)	14,904	106,709	45,801

**5 EARNINGS PER SHARE****(a) Basic earnings per share**

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to equity holders of the Company (Euro)	39,471	334,527	550,447	759,322
Number of shares in issue (thousands)	400,000	400,000	400,000	400,000
Basic earnings per share (expressed in Euro cents per share)	0.01	0.08	0.14	0.19

**(b) Diluted earnings per share**

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

**6 DIVIDEND**

An interim dividend of EUR175,401.00, representing HK0.41 cents (2020: Nil) per ordinary share, in respect of the six months ended 30 June 2021 was approved by the Board on 10 August 2021 and paid on 2 September 2021.

Other than disclosed above, no dividends were paid or declared by the Company during the nine months ended 30 September 2021 (2020: Nil).