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*This announcement, for which the directors (the "**Directors**") of Max Sight Group Holdings Limited (the "**Company**") 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 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.*

MaxSight Photo
名仕快相

Max Sight Group Holdings Limited
名仕快相集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8483)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

* *For identification only*

ANNUAL RESULTS HIGHLIGHTS

- The Group's revenue decreased by approximately HK$962,000 or 2.03%, from approximately HK$47,453,000 for the year ended 31 December 2016 to approximately HK$46,491,000 for the year ended 31 December 2017.

- The Group's gross profit amounted to approximately HK$20,508,000 and HK$20,810,000 for the years ended 31 December 2017 and 2016 respectively, representing gross profit margin of approximately 44.11% and 43.85% respectively, maintained at a stable level.

- The Group's loss attributable to owners of the Group increased by approximately HK$9,462,000 or 158.3% from profit of approximately HK$5,976,000 for the year ended 31 December 2016 to loss of approximately HK$3,486,000 for the year ended 31 December 2017.

- The Directors do not recommend to declare a final dividend for the year ended 31 December 2017.

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 2017 (the "**Reporting Period**") together with the comparative figures for the year ended 31 December 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	2017 HK$'000	2016 HK$'000
Revenue	*4*	**46,491**	47,453
Cost of sales		**(25,983)**	(26,643)
Gross profit		**20,508**	20,810
Other income		**158**	7
Other gains and losses, net		**65**	(141)
Administrative expenses		**(9,211)**	(9,585)
Finance costs		**(9)**	(15)
Listing expenses		**(11,268)**	–
Profit before taxation		**243**	11,076
Income tax expense	*5*	**(2,076)**	(2,076)
(Loss) profit for the year		**(1,833)**	9,000
Other comprehensive income (expense) for the year			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation		**245**	(136)
Total comprehensive (expense) income for the year		**(1,588)**	8,864
(Loss) profit for the year attributable to:			
Owners of the Company		**(3,486)**	5,976
Non-controlling interests		**1,653**	3,024
		(1,833)	9,000
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(3,293)**	5,911
Non-controlling interests		**1,705**	2,953
		(1,588)	8,864
(Loss) earnings per share			
– Basic (HK cents)	*7*	**(0.68)**	1.40

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Non-current assets			
Property, plant and equipment		**2,556**	3,011
Deposits		**4,929**	1,366
		7,485	4,377
Current assets			
Inventories		**280**	603
Trade receivables	*8*	**702**	684
Other receivables, deposits and prepayments	*9*	**4,312**	1,851
Amount due from a related company		**–**	129
Amount due from a director		**–**	271
Bank balances and cash		**12,746**	24,543
		18,040	28,081
Current liabilities			
Trade payables	*10*	**–**	9
Other payables and accrued charges	*11*	**5,490**	3,121
Dividend payables		**10,800**	–
Amount due to a director		**–**	230
Obligation under finance lease		**183**	214
Tax payable		**745**	1,105
		17,218	4,679
Net current assets		**822**	23,402
Non-current liabilities			
Deferred tax liabilities		**130**	156
Obligation under finance lease		**–**	183
		130	339
Net assets		**8,177**	27,440
Capital and reserves			
Share capital		**10**	2,453
Reserves		**8,167**	14,040
Equity attributable to owners of the Company		**8,177**	16,493
Non-controlling interests		**–**	10,947
Total equity		**8,177**	27,440

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company (the "Shares") have been listed on GEM of The Stock Exchange of Hong Kong Limited ("Stock Exchange") since 28 February 2018. Its ultimate and immediate holding company is Causeway Treasure Holding Limited ("Causeway Treasure"), an entity incorporated in the British Virgin Islands (the "BVI"). The address of the Company's registered office and the principal place of business is 14th Floor, McDonald's Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of photography services by supplying automatic identity ("ID") photo booths in Hong Kong and Guangdong Province, the People's Republic of China ("PRC").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparation of the listing of the Company's shares on the GEM of the Stock Exchange (the "Listing"), the companies now comprising the Group underwent a reorganisation which involves setting up of the Company as new parent company of the Group (the "Reorganisation"). Historically and prior to the completion of the Reorganisation, the companies now comprising the Group were ultimately controlled by Mr. CHAN Wing Chai, Jamson, Mr. CHAN Tien Kay, Timmy and Ms. AU-YEUNG Ying Ho (collectively referred to as the "Controlling Shareholders"). Mr. CHAN Tien Kay, Timmy is the son of Mr. CHAN Wing Chai, Jamson and Ms. AU-YEUNG Ying Ho. Each of the Controlling Shareholders has reiterated their agreement in writing that, in respect of the arrival and/or execution of all decisions, including but not limited to financial, management and operational matters of the Group's subsidiaries, they have always been acting in concert.

The principal steps of the Reorganisation are as below:

i) Causeway Treasure was incorporated with limited liability on 24 May 2017 in the BVI. On incorporation, Causeway Treasure was authorised to issue 50,000 ordinary shares of a single class without par value. On the same day, 4,725 shares, 4,725 shares, and 550 shares, were allotted, issued and credited as fully-paid to each of Mr. CHAN Wing Chai, Jamson, Mr. CHAN Tien Kay, Timmy and Ms. AU-YEUNG Ying Ho, respectively.

ii) At the time of its incorporation, the Company had an authorised share capital of HK$380,000, divided into 38,000,000 shares of HK$0.01 each. Upon incorporation, one share was issued and allotted to the initial subscriber for cash at par, which was then transferred to Mr. CHAN Tien Kay, Timmy.

iii) Max Sight (BVI) Limited ("Max Sight (BVI)") was incorporated with limited liability in the BVI on 27 January 2017. At the time of its incorporation, Max Sight (BVI) was authorised to issue 50,000 ordinary shares of a single class without par value. On the same day, one share was allotted, issued and credited as fully-paid to the Company. Max Sight (BVI) became a wholly owned subsidiary of the Company.

iv) Treasure Star (China) Holding Limited ("Treasure Star (China)") was incorporated with limited liability in the BVI on 27 January 2017. At the time of its incorporation, Treasure Star (China) was authorised to issue 50,000 ordinary shares of a single class without par value. On the same day, one share was allotted, issued and credited as fully-paid to the Company. Treasure Star (China) became a wholly owned subsidiary of the Company.

v) On 6 July 2017, Max Sight (BVI) acquired the entire issued share capital of Max Sight Limited ("Max Sight") from Mr. CHAN Wing Chai, Jamson, Mr. CHAN Wing Chai, Jamson and Ms. AU-YEUNG Ying Ho as joint holders, Mr. CHEUNG Kam Ting and Photo-Me International Plc. ("Photo-Me") by issuing and allotting 262,665 shares of the Company to Causeway Treasure, 104,044 shares of the Company to Mr. CHEUNG Kam Ting and 183,286 shares of the Company to Photo-Me, credited as fully paid, respectively.

   Upon completion of this step, Max Sight (BVI) indirectly wholly-owns Guangzhou Max Sight Photo-Me Co. Ltd. ("GZ Max Sight") through Max Sight.

vi) On 6 July 2017, Max Sight (BVI) acquired the entire issued share capital of MV Asset Management Limited ("MV Asset") from Mr. CHAN Wing Chai, Jamson and Max Sight by issuing and allotting 2 shares of the Company, credited as fully paid, to Causeway Treasure.

vii) On 6 July 2017, Max Sight (BVI) acquired the entire issued share capital of Fullwise International Limited ("Fullwise") from Max Sight Holdings, Photo-Me and Big Star Properties Limited ("Big Star"), a company was owned as to 50% by Mr. CHAN Tien Kay, Timmy and 50% by Ms. AU-YEUNG Ying Ho issuing and allotting 1 share of the Company, 1 share of the Company and 1 shares of the Company, credited as fully paid, to Mr. CHEUNG Kam Ting, Causeway Treasure and Photo-Me, respectively.

viii) On 6 July 2017, Treasure Star (China) acquired the entire issued share capital of Treasure Star (China) Limited ("Treasure Star") from Mr. CHAN Tien Kay, Timmy by issuing and allotting 449,997 shares of the Company, credited as fully paid, to Causeway Treasure.

ix) On 6 July 2017, Treasure Star (China) acquired the entire issued share capital of Max Sight International Limited ("Max Sight International") from Mr. CHAN Tien Kay, Timmy and Kwide Foong Limited, a company indirectly wholly-owned by Mr. CHAN Tien Kay, Timmy by issuing and allotting 2 shares of the Company, credited as fully paid, to Causeway Treasure.

Upon the completion of the above steps, Causeway Treasure, Photo-Me and Mr. CHEUNG Kam Ting, held equity interest of the Company as to 71.27%, 18.33% and 10.40% respectively.

Pursuant to the Reorganisation detailed above, the Company has become the holding company of the companies now comprising the Group on 6 July 2017. As the Company and its subsidiaries have been under the common control of the Controlling Shareholders throughout the two years ended 31 December 2017 or since their respective dates of incorporation, where there is a shorter period, and before and after the Reorganisation, as a result, the Group resulting from the Reorganisation is regarded as a continuing entity.

Accordingly, the consolidated financial statements have been prepared under the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting For Common Control Consolidations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The consolidated statement of profit or loss and other comprehensive income for both years has been prepared to present the results of the companies comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout both years or since their respective dates of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at that date taking into account the respective dates of incorporation, where applicable.

Non-controlling interests comprise of Mr. CHEUNG Kam Ting's interests in Max Sight, Fullwise and MV Asset and Photo-Me's interests in Max Sight and Fullwise.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the consolidated financial statements for both years, the Group has consistently adopted the HKFRSs issued by the HKICPA that are effective for the Group's financial year beginning on 1 January 2017.

At the date of this announcement, HKICPA has issued the following new and amendments to HKFRSs that are not yet effective. The Group has not early adopted these new and amendments to HKFRSs.

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance contracts[4]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts[3]
Amendments to HKFRS 9	Prepayment features with negative compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and it associate or joint venture[3]
Amendments to HKAS 28	Long-term interests in associates and joint ventures[2]
Amendments to HKAS 28	As part of the Annual improvements to HKFRSs 2014-2016 cycle[1]
Amendments to HKAS 40	Transfer of investment property[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2015 – 2017 cycle[1]
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration[1]
HK(IFRIC) – Int 23	Uncertainty over income tax treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2021.

4. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the fair value of amounts received and receivable from sales of photos by the Group to external customers, net of sales returns.

Segment information

The Group's operation is solely derived from sales of photos in Hong Kong and Guangdong Province, PRC during both years. For the purposes of resources allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) (the "CODM") reviews the overall results and financial position of the Group as a whole which prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

Geographical information

The Group's revenue from external customers and non-current assets (excluding financial assets) by jurisdictions based on the place of domicile are detailed below:

	Revenue Year ended 31 December		Non-current assets As at 31 December	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
			(Note)	*(Note)*
Hong Kong	**40,826**	41,725	**1,270**	1,492
PRC	**5,665**	5,728	**4,347**	1,519
	46,491	47,453	**5,617**	3,011

Note: Non-current assets excluded financial instruments.

For both years, no single customer accounted for 10% or more of the Group's total revenue.

5. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
– Current tax	**1,759**	1,530
– Overprovision in prior years	**(40)**	–
	1,719	1,530
PRC Enterprise Income Tax:		
– Current tax	**363**	486
– Underprovision in prior years	**20**	–
	383	486
Deferred tax (credit) expense	**(26)**	60
	2,076	2,076

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The taxation charges of the PRC Enterprise Income Tax for both years have been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiary in the PRC.

6. DIVIDEND

No dividend was paid or declared by the Company since its incorporation, nor has any dividend been proposed since 31 December 2017.

Dividends declared and paid by the Group during the years ended 31 December 2017 and 2016 were as follows:

	2017	2016
	HK$'000	*HK$'000*
Max Sight	**4,000**	4,000
MV Asset	**125**	–
Treasure Star	**2,750**	–

During the year ended 31 December 2017, Max Sight and Treasure Star declared dividends of HK$8,600,000 and HK$2,200,000, respectively, and presented as dividend payable as at 31 December 2017.

Other than disclosed above, no dividend was paid or declared by any group entity during both years.

7. (LOSS) EARNINGS PER SHARE

The calculation of basis (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2017	2016
	HK$'000	*HK$'000*
(Loss) earnings:		
(Loss) earnings for the purpose of calculating basic (loss) earnings per share		
– (Loss) profit for the year attributable to the owners of the Company	**(3,486)**	5,976
	'000	*'000*
Weighted average number of shares:		
Number of ordinary shares for the purpose of calculating basic (loss) earnings per share	**512,147**	427,601

The weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share has been determined on the assumption that the Reorganisation and the capitalisation issue had been effective on 1 January 2016.

No diluted (loss) earnings per share for both years were presented as there were no potential ordinary shares in issue during both years.

8. TRADE RECEIVABLES

The Group grants credit terms of 0 – 20 days to its lessor which holds the money from customer on behalf of the Group. An ageing analysis of the trade receivables is presented based on the monthly statement issued to the lessor at the end of the reporting period.

	2017	2016
	HK$'000	*HK$'000*
0 – 20 days	**702**	684

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017	2016
	HK$'000	*HK$'000*
Rental and utilities deposits	**2,211**	2,208
Prepayments	**289**	1,000
Other receivables	**360**	9
Deferred issue costs	**3,320**	–
Deposits for acquisition of property, plant and equipment	**3,061**	–
Total	**9,241**	3,217
Presented as non-current assets	**4,929**	1,366
Presented as current assets	**4,312**	1,851
Total	**9,241**	3,217

As at 31 December 2017, the balance includes an aggregate amount of approximately HK$780,000 (2016: nil) in relation to the deposits for the acquisition of property, plant and equipment placed to a subsidiary of Photo-Me.

10. TRADE PAYABLES

The average credit period for purchases of goods is 0 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2017	2016
	HK$'000	*HK$'000*
Trade payables:		
0 – 30 days	**–**	9

As at 31 December 2016, the balance represented of HK$9,000 in relation to the purchase of consumables from a subsidiary of Photo-Me.

11. OTHER PAYABLES AND ACCRUED CHARGES

	2017	2016
	HK$'000	*HK$'000*
Accrued expenses	**470**	310
Accrued listing expenses	**3,159**	–
Salaries payables and provision for bonus	**429**	1,260
Machine licence fee payable	**542**	504
Photo validation fee payable	**163**	78
Other lease and licence fee payables	**454**	891
Other payables	**232**	41
Other tax payables	**41**	37
	5,490	3,121

As at 31 December 2017, the balance included an aggregate amount of approximately HK$155,000 (2016: nil) in relation to the purchase of photo booths from a subsidiary of Photo-Me.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company continued to progress its listing plan on GEM of the Stock Exchange during year ended 31 December 2017 and was successfully listed on the Stock Exchange on 28 February 2018 (“**Listing**”), marking a milestone for the Group in improving capital strength and corporate governance as well as enhancing our competitive edge.

Besides our successful Listing, the Group is engaged in operation on automatic ID photo booths and we operate an iconic brand “Max Sight Photo 名仕快相” and “名仕富美” for automatic ID photo booths in Hong Kong and Guangdong Province, respectively.

The Group is the main photo booth operator of the automatic ID photo service market in Hong Kong and Guangdong Province in terms of the number of ID photo booths operated and market share, we believe our brand has become synonymous with automatic ID photo booths.

In the foreseeable future, both business models of automatic photo booth and photo studio are expected to maintain substantial growth underpinned by increasing demand for ID photos. In particular, along with the convenience and improving market perception of automatic photo booths, the revenue of ID photo service market generated by automatic photo booths is estimated to be further increased.

At the date of this announcement, we owned an aggregate of 217 automatic photo booths, of which 84 photo booths were in Hong Kong and 133 photo booths in Guangdong Province.

We intend to replicate the success of our business model in Hong Kong to the Guangdong Province by expanding our network of ID photo booths through installing new photo booths in selected sites of railway stations and ID Documentation Issuing Authorities and upgrading existing photo booths; maintain our competitiveness in Hong Kong through continued market penetration by extending our reach at metro stations and exploring new sites; and upgrade our validation centre and IT infrastructure to cope with our anticipated business growth. We believe the automatic ID photo booth business has considerable expansion potential in the PRC.

The Directors believed that the net proceeds from the Listing enabled the Group to raise additional fund to expand our network of ID photo booths and upgrade our validation centre and IT infrastructure.

OUTLOOK

Going forward, we are optimistic about the development of the Group’s business. Favourable factors for increasing demand for ID documentation photos include:

– Continuing urban population growth;

– Increasing number of outbound travel of Chinese as well as driving license holders and motor vehicles consumption in the PRC, which is helped by supportive policies of population growth; and

– Expected boom in cross-border movement underpinned by a seamless regional transportation system in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK$962,000 or 2.03%, from approximately HK$47,453,000 for the year ended 31 December 2016 to approximately HK$46,491,000 for the year ended 31 December 2017. For the year ended 31 December 2017, the lower revenue was attributed to the slight decrease in number of transactions generated by photo booths located in Hong Kong and Guangdong Province.

Cost of sales

The Group's cost of sales primarily consisted of (i) license fees paid to lessors for the operational sites of our photo booths; (ii) staff costs in relation to ID photo booth attendants; (iii) photo booth consumables; (iv) depreciations and others. Our cost of sales was mainly comprised of license fees paid/payable for premises of our photo booths, which accounted for approximately 80.04% of our total cost of sales, for the year ended 31 December 2017.

Gross profit and gross profit margin

The Group's gross profit amounted to approximately HK$20,508,000 and HK$20,810,000 for the years ended 31 December 2017 and 2016 respectively, representing gross profit margin of approximately 44.11% and 43.85% respectively, maintained at a stable level. For the years ended 31 December 2017 and 2016, the gross profit of the Group is mainly generated by the photo booths in Hong Kong. Our gross profit margin attributable to photo booths in Hong Kong and Guangdong Province were similar for the years ended 31 December 2017 and 2016.

Other income

Other income mainly represented trading of photo booths and interest income from bank deposits.

Other gains and losses, net

Other gains and losses, net mainly represented a net exchange gain of approximately HK$65,000 for the year ended 31 December 2017.

Administrative expenses

The Group's administrative expenses decreased mildly by approximately HK$374,000, or 3.90%, from approximately HK$9,585,000 for the year ended 31 December 2016 to approximately HK$9,211,000 for the year ended 31 December 2017. The decrease was mainly attributable to (i) a decrease in staff cost; and (ii) a decrease in the office rental, rates and management fees.

Finance costs

Finance costs comprised interest charges on finance lease obligation. Finance costs amounted to approximately HK$9,000 and HK$15,000, respectively, for the years ended 31 December 2017 and 2016.

Listing expenses

The Group's Listing expenses comprised professional and other expenses in relation to the Listing.

The Group's Listing expenses amounted to approximately HK$11,268,000 for the year ended 31 December 2017.

Income tax expenses

Income tax expense amounted to approximately HK$2,076,000 and HK$2,076,000 for the years ended 31 December 2017 and 2016, maintained at a stable level.

Profit/(loss) attributable to owners of the Company

The Group's loss attributable to owners of the Group increased by approximately HK$9,462,000 or 158.3% from profit of approximately HK$5,976,000 for the year ended 31 December 2016 to loss of approximately HK$3,486,000 for the year ended 31 December 2017. Excluding the non-recurring Listing expenses of approximately HK$11,268,000 incurred for the year ended 31 December 2017, our profit attributable to owners of the Company would increase by approximately HK$1,806,000 or approximately 30.22% as compared to that for the year ended 31 December 2016.

Segment information

An analysis of the Group's performance for the years ended 31 December 2017 and 2016 by geographical information is set out in note 4 to this announcement.

Liquidity and capital resources

Our use of cash primarily related to operating activities and capital expenditure. We finance our operations through cash flow generated from our operations.

In managing our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of unexpected fluctuations in cash flows, sufficient bank and cash balance. The Group has built an appropriate liquidity risk management framework for the management of its short, medium and long-term funding and liquidity management requirements. We regularly monitor the repayment dates of financial liabilities, for example other payables and accrued charges, to match with financial resources available to us from time to time. The Group manages liquidity risk by maintaining adequate financial resources, including existing cash and bank balances and operating cash flows.

Capital expenditure

The capital expenditure for the years ended 31 December 2017 and 2016 were primarily related to expenditures on additions of property, plant and machinery, amounting to approximately HK$624,000 and HK$1,182,000.

Foreign exchange risk management

The Group derives its turnover, makes purchases and incurs expenses denominated mainly in Renminbi and HK$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. The management considers that the exchange rate of Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Significant investments

As at 31 December 2017 and 2016, the Group did not hold any significant investments.

Pledge of assets

As at 31 December 2017 and 2016, the Group had no pledge of assets.

Contingent liabilities

As at 31 December 2017 and 2016, the Group did not have any significant contingent liabilities.

Subsequent events

Pursuant to a written resolution passed at the extraordinary general meeting held on 8 February 2018, it was resolved, among other things, that:

(i) the Company has conditionally adopted a share option scheme, the principal items of which are set out in the prospectus of the Company dated 15 February 2018;

(ii) the authorised share capital of the Company was increased to HK$50,000,000 divided into 5,000,000,000 shares of the Company of HK$0.01 each by creation of an additional 4,962,000,000 shares of the Company; and

(iii) the Directors are authorised to capitalise HK$5,990,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 599,000,000 shares for allotment and issue to holders of shares whose names appear on the register of members of the Company at the close of business on 8 February 2018 (or as they may direct) in proportion (as near as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in the Company and so that the shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the then existing issued shares of the Company (the "**Capitalisation Issue**") immediately prior to the Listing. The Capitalisation Issue was completed on 28 February 2018.

The Listing was completed on 28 February 2018 and the Company allotted and issued 200,000,000 new shares at HK$0.31 per share for total gross proceeds of approximately HK$62,000,000.

Dividends

The Directors do not recommend to declare a final dividend for the year ended 31 December 2017.

Use of proceeds from the Company's share offer

The Company has received the proceeds from the share offer of 200,000,000 shares of the Company (the "**Shares**") at a price of HK$0.31 each on the Listing date. The gross proceeds from the share offer amounted to approximately HK$62,000,000.

As the Listing date is after the year ended 31 December 2017, the Group has not yet utilised the net proceeds from the share offer. The Company intends to apply such proceed in accordance with the purposes set out in the section headed "Use of Proceeds" in prospectus of the Company dated 15 February 2018.

As from the Listing date to the date of this announcement, all of the unused proceeds were deposited in a licensed bank in Hong Kong.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the period from the Listing date up to the date of this announcement, the Company has applied the principles as set out in the CG Code contained in Appendix 15 to the GEM Listing Rules which are applicable to the Company.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions in the securities of the Company. As the Company was not listed on the Stock Exchange as at 31 December 2017, the provisions under the GEM Listing Rules in relation to the required standard of dealings were not applicable to the Company for the year ended 31 December 2017.

The Company has made specific enquiries to all Directors about their compliance with the required standard of dealings from the Listing date to the date of this announcement, without noticing any violation of the required standard.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As the Shares had not been listed on the Stock Exchange as at 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND ASSOCIATES

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Octal Capital Limited as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors' duties. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 8 July 2017, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The audit committee of the Company had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2017.

This annual results announcement is based on the audited financial statements of the Group for the year ended 31 December 2017 which have been agreed with the auditor of the Company.

PUBLICATION OF THE ANNUAL RESULTS AND 2017 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maxsightgroup.com), and the 2017 Annual Report containing all the information required by the GEM Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

LANGUAGE

If there is any inconsistency between the English version of this announcement and the Chinese translation of this announcement, the English version of this announcement shall prevail.

By order of the Board
Max Sight Group Holdings Limited
Chan Wing Chai, Jamson
Chairman and Executive Director

Hong Kong, 23 March 2018

As at the date of this announcement, the executive Directors are Mr. Chan Wing Chai, Jamson, Mr. Chan Tien Kay, Timmy and Mr. Wu Siu Tong; the non-executive Directors are Mr. Cheung Kam Ting and Mr. Costi Riccardo; and the independent non-executive Directors are Mr. Ngai James, Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.maxsightgroup.com.