

# Max Sight Photo 名仕快相

## Max Sight Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8483



# 2022

Third Quarterly Report

## 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This quarterly report, for which the directors (the "Director(s)") of Max Sight Group Holdings Limited (the "Company"), together with its subsidiaries, the "Group" or "We") 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 quarterly 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 quarterly report misleading.*

*This quarterly report, in both English and Chinese versions, is available on the Company's website at [www.maxsightgroup.com](http://www.maxsightgroup.com).*



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# HIGHLIGHTS

- The Group's revenue increased by approximately HK\$5,023,000, from approximately HK\$15,131,000 for the nine months ended 30 September 2021 to approximately HK\$20,154,000 for the nine months ended 30 September 2022. For the nine months ended 30 September 2022, revenue in photography services amounted to approximately HK\$15,360,000 (for the nine months ended 30 September 2021: HK\$15,131,000), which represent a increase of approximately 1.51%. For the nine months ended 30 September 2022, revenue in medical services business amounted to approximately HK\$4,794,000 (for the nine months ended 30 September 2021: nil), the Group commenced medical services business by operating medical centres in Hong Kong starting from October 2021.
- The Group's gross profit amounted to approximately HK\$1,101,000 and HK\$4,373,000 for the nine months ended 30 September 2022 and 2021 respectively, representing gross profit margin of approximately 5.46% and 28.90% respectively.
- The loss attributable to owners of the Company increased by approximately HK\$4,041,000, from approximately HK\$4,467,000 for the nine months ended 30 September 2021 to approximately HK\$8,508,000 for the nine months ended 30 September 2022. The loss attributable to equity shareholders of the Company increased mainly due to (i) the decrease in gross profit mainly attributable to the fifth wave of the COVID-19 pandemic in Hong Kong; and (ii) the increase in administrative expenses due to the increase in staff cost and director remuneration which is in line with the medical services business commenced in Hong Kong starting from October 2021, during the nine months ended 30 September 2022.
- The Directors do not recommend the declaration of any interim dividend for the nine months ended 30 September 2022.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chan Wing Chai, Jamson (*Chairman*)

Mr. Chan Tien Kay, Timmy

(*Chief Executive Officer*)

Dr. Chan Wing Lok, Brian

### Non-executive Directors

Mr. Cheung Kam Ting

(Resigned on 12 August 2022)

Mr. Riccardo Costi

### Independent Non-executive Directors

Mr. Ngai James

Mr. Hui Chi Kwan

Mr. Kwok Tsun Wa

## AUDIT COMMITTEE

Mr. Ngai James (*Chairman*)

Mr. Hui Chi Kwan

Mr. Kwok Tsun Wa

## REMUNERATION COMMITTEE

Mr. Ngai James (*Chairman*)

Mr. Chan Tien Kay, Timmy

Mr. Hui Chi Kwan

## NOMINATION COMMITTEE

Mr. Chan Wing Chai, Jamson (*Chairman*)

Mr. Ngai James

Mr. Kwok Tsun Wa

## AUTHORISED REPRESENTATIVES

Mr. Chan Tien Kay, Timmy

Mr. Wong Chi Hong

Mr. Chan Wing Chai, Jamson

(*Alternate Authorised Representative*)

## COMPANY SECRETARY

Mr. Wong Chi Hong

## COMPLIANCE OFFICER

Mr. Chan Tien Kay, Timmy

## AUDITOR

KPMG

Public Interest Entity Auditor

registered in accordance with

the Financial Reporting

Council Ordinance

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

# CORPORATE INFORMATION

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

14th Floor, McDonald's Building  
48 Yee Wo Street  
Causeway Bay  
Hong Kong

## PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

China Construction Bank (Asia)  
Corporation Limited  
Suite 2508-14  
25/F, Tower 6  
The Gateway, Harbour City  
Tsimshatsui  
Kowloon  
Hong Kong

DBS Bank (Hong Kong) Limited  
11th Floor, The Center  
99 Queen's Road Central  
Hong Kong

The Hongkong and Shanghai Banking  
Corporation Limited  
Hopewell Centre Branch  
Shop 2A, 2/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

## COMPANY'S WEBSITE

[www.maxsightgroup.com](http://www.maxsightgroup.com)

## STOCK CODE

8483

## DATE OF LISTING

28 February 2018



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	For the nine months ended 30 September		For the three months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Other comprehensive income for the period					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of financial statements of subsidiary outside Hong Kong		622	(103)	350	(20)
<b>Total comprehensive income for the period</b>		<b>(8,601)</b>	<b>(4,587)</b>	<b>(1,899)</b>	<b>(1,454)</b>
<b>Attributable to:</b>					
– Equity shareholders of the Company		(7,886)	(4,570)	(1,724)	(1,437)
– Non-controlling interests		(715)	(17)	(175)	(17)
<b>Total comprehensive income for the period</b>		<b>(8,601)</b>	<b>(4,587)</b>	<b>(1,899)</b>	<b>(1,454)</b>
Loss per share (Hong Kong cents)					
– Basic and diluted	6	(1.06)	(0.56)	(0.26)	(0.18)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Attributable to equity shareholders of the Company								
	Share capital	Share premium	Translation reserve	Other reserve	Accumulated losses	Total	Non-Controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021 (audited)	8,000	53,083	(882)	(5,664)	(12,138)	42,399	-	42,399
Loss for the period	-	-	-	-	(4,467)	(4,467)	(17)	(4,484)
Other comprehensive income	-	-	(103)	-	-	(103)	-	(103)
Total comprehensive income	-	-	(103)	-	(4,467)	(4,570)	(17)	(4,587)
Capital contribution from non-controlling shareholder	-	-	-	-	-	-	5	5
At 30 September 2021 (unaudited)	8,000	53,083	(985)	(5,664)	(16,605)	37,829	(12)	37,817
At 1 January 2022 (audited)	8,000	53,083	(1,089)	(5,664)	(19,546)	34,784	(242)	34,542
Loss for the period	-	-	-	-	(8,508)	(8,508)	(715)	(9,223)
Other comprehensive income	-	-	622	-	-	622	-	622
Total comprehensive income	-	-	622	-	(8,508)	(7,886)	(715)	(8,601)
Capital contribution from non-controlling shareholder	-	-	-	-	-	-	5	5
At 30 September 2022 (unaudited)	8,000	53,083	(467)	(5,664)	(28,054)	26,898	(952)	25,946

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

## 1. GENERAL

Max Sight Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares (the “**Shares**”) are listed on GEM of the Stock Exchange on 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 is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is 14th Floor, McDonald’s Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in (i) the provision of photography services through automatic identity documentation (“**ID**”) photo booths at different locations in Hong Kong and Guangdong Province, the People’s Republic of China (the “**Mainland China**”); and (ii) provision of medical services starting from October 2021 by operating medical centres in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRESENTATION OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 and 2021 have been prepared on the historical cost basis and in accordance with the following accounting policies which conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the independent auditor's report in annual report of the Company dated 18 March 2022, except for the adoption of the new revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period of the financial statements.

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the audit committee of the Company (the "Audit Committee").

## 3. REVENUE AND SEGMENT INFORMATION

### (a) Revenue

The principal activities of the Group are (i) provision of photography service through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, Mainland China and (ii) provision of medical services starting from October 2021 by operating medical centres in Hong Kong. Revenue represents the fair value of amounts received and receivable from provision of photography service and medical service by the Group to external customers, net of sales returns.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Disaggregation of revenue from contracts with customers by major service lines is as follow:

	For the nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRSs 15</b>		
Disaggregation by major service lines		
Photography service income	15,360	15,131
Medical service income	4,794	–
	<b>20,154</b>	<b>15,131</b>

## (b) Segment Reporting

The Group manages its business by geography. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified the following three (for the nine months ended 30 September 2021: two) reportable segments. No operating segments have been aggregated to form the reportable segments.

- Photography services in Hong Kong
- Photography services in Mainland China
- Medical services in Hong Kong

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive directors monitor the results and assets attributable to each reportable segment on the following bases:

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Reportable segment profit represents profit before taxation by excluding head office and corporate expenses.

Information regarding the Group's reportable segments as provided to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance for the period is set out below:

## Segment results

	For the nine months ended 30 September						
	2022				2021		
	Photography services		Medical services		Photography services		
	Mainland				Mainland		
Hong Kong	China	Hong Kong	Consolidated	Hong Kong	China	Consolidated	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue	14,558	802	4,794	20,154	14,098	1,033	15,131
Reportable segment profit/(loss)	3,697	763	(5,225)	(765)	4,396	40	4,436
Head office and corporate expenses				(8,509)			(8,927)
Loss before tax				(9,274)			(4,491)
Interest income				16			1
Finance costs	(144)	(78)	(143)	(365)	(150)	(108)	(258)
Depreciation	(3,823)	(565)	(3,166)	(7,554)	(4,430)	(59)	(4,489)
Amortisation of intangible assets	-	-	(11)	(11)	-	-	-

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022



For the three months ended 30 September

	2022				2021		
	Photography services		Medical services		Photography services		
	Mainland		Hong Kong	Consolidated	Mainland		
	Hong Kong	China			Hong Kong	China	Consolidated
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	6,623	298	1,778	8,699	5,563	336	5,899
Reportable segment profit/(loss)	2,187	6	(1,391)	802	1,918	(226)	1,692
Head office and corporate expenses				(3,116)			(3,102)
Loss before tax				(2,314)			(1,410)
Interest income				15			-
Finance costs	(48)	(21)	(40)	(109)	(71)	(31)	(102)
Depreciation	(1,226)	(243)	(1,111)	(2,580)	(1,221)	(34)	(1,255)
Amortisation of intangible assets	-	-	(9)	(9)	-	-	-

## Geographical Information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Revenue from external customers For the nine months ended 30 September		Revenue from external customers For the three months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong	19,352	14,098	8,401	5,563
Mainland China	802	1,033	298	336
	20,154	15,131	8,699	5,899

For the nine months ended 30 September 2022 and 2021, no single customer accounted for 10% or more of the Group's total revenue.

## 4. INCOME TAX

	For the nine months ended 30 September		For the three months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Current tax — Hong Kong Profit Tax</b>				
Provision for the period	–	–	–	–
<b>Deferred Tax</b>				
Origination and reversal of temporary differences	51	7	65	(24)
	51	7	65	(24)

No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated financial statements as the group companies sustained a loss for tax purposes during the nine months ended 30 September 2022 and 2021.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Under the Law of the Mainland China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiary is 25% for the relevant periods. No provision for Mainland China income tax has been made in the unaudited condensed consolidated financial statements as the Group sustained a loss for tax purposes during the nine months ended 30 September 2022 and 2021.

Mainland China tax law also imposed a withholding tax at 5%, unless reduced by a treaty or agreement, for dividend distributed by a Mainland China-resident enterprise to its immediate holding company outside Mainland China for earnings generated beginning on 1 January 2008.

Undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. Provision for withholding tax is recognised for the dividends that have been declared and deferred tax liability is recognised for those to be declared in the foreseeable future. The Group did not recognise any withholding tax for the relevant periods.

## 5. DIVIDEND

The Directors did not recommend any interim dividend for the nine months ended 30 September 2022 and 2021.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

## 6. LOSS PER SHARE

### (a) Basic loss per Share

The calculation of basic loss per Share attributable to equity shareholders of the Company is based on the following data:

	For the nine months ended 30 September		For the three months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss:				
Loss for the purpose of calculating basic loss per Share				
– Loss for the period attributable to equity shareholders of the Company	8,508	4,467	2,074	1,417
	'000	'000	'000	'000
Weighted average number of Shares:				
Number of ordinary shares for the purpose of calculating basic loss per Share	800,000	800,000	800,000	800,000

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

## (b) Diluted loss per Share

There were no diluted potential Shares in existence during the nine months ended 30 September 2022 and 2021 respectively.

## 7. EVENTS AFTER REPORTING PERIOD

The outbreak of the COVID-19 pandemic was continuing since early 2020 which was challenging to the photography services business and medical services business. The Group has been closely monitoring the impact of the developments on the Group's businesses and has implemented contingency measures. As far as the Group's businesses are concerned, the outbreak of the COVID-19 pandemic has materially and adversely impacted on the Group's financial performance and business development.

As the development and spread of the COVID-19 pandemic subsequent to the date of this quarterly report is uncertain, further changes in economic conditions for the Group arising thereof may have further impact on the financial results of the Group, the extent of which could not be estimated as at the date of this quarterly report. There is no clear sign that the COVID-19 pandemic will be over in the Hong Kong and Mainland China in the near future, in particular in light of the spread of Omicron variant and there is no clear sign that the growth of demand of automatic ID photos booths will be restored to the prior level in the near future. The Group will keep continuous attention on the situation of the COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

We are principally engaged in (i) provision of photography services through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, Mainland China; and (ii) provision of medical services, starting from October 2021 by operating medical centres in Hong Kong.

### Photography services business

The sluggish revenue in photography services was mainly due to the fifth wave of the COVID-19 pandemic and the immigration control during the nine months ended 30 September 2022 that have brought the significant decrease in the travel demand, and led to a low demand of ID photos for the nine months ended 30 September 2022. Also, our licensed sites have been temporarily closed or reduced the business hours frequently due to the fifth wave of the COVID-19 pandemic in Hong Kong and Guangdong Province during the nine months ended 30 September 2022. With the introduction of vaccines and the increasing vaccination rate in Hong Kong, we consider that the situation of COVID-19 pandemic in Hong Kong will slowly improve at the end of 2022. With the lifting of compulsory quarantine requirements for immigration control in September 2022, we consider that the less demand of ID photos in Hong Kong during the nine months ended 30 September 2022 is temporary and the demand of ID photos in Hong Kong will rise in the foreseeable future.

The Board is aware of the significance of our existing photography services segment in Hong Kong from which most of our Group's revenue derived. We believe that the introduction of JoyYou card (樂悠卡) which facilitates the Government Public Transport Fare Concession Scheme and the relaxation of the eligibility age requirement for JoyYou card (樂悠卡) from 65 to 60 in early 2022 present us an excellent opportunity for the Group to secure and improve its market position in the automatic ID photo booths sector in Hong Kong and further enhance our financial performance.

# MANAGEMENT DISCUSSION AND ANALYSIS

In this regard, we reallocated certain resources to the business development of automatic ID photo booths business in Hong Kong to (i) upgrading and maintaining our automatic ID photo booth machines such as the printing system, the computer boards and the overall booth decoration; and (ii) advertisement and promotion through media and promotional events.

However, in light of the outbreak of the COVID-19 pandemic in the Mainland China and change of market conditions which are beyond our control, we expect that the future business opportunities and demand for new automatic ID photo booths in Guangdong Province will continue to decrease. These factors have rendered the expansion plan of the Group to further penetrate into the automatic ID photo booth market in Guangdong Province increasingly challenging. In light of the above, we consider that a more cautious approach in relation to the execution of the Group's expansion plan in the Mainland China should be adopted.

We have taken time to reassess the existing projects in relation to the automatic ID photo booths business and their implementation timetable. Mainly due to the outbreak of the COVID-19 pandemic, the meetings and the on-going schedules with our business partners and vendors are also postponed during the nine months ended 30 September 2022 and up to the date of this quarterly report.

As the development and spread of COVID-19 pandemic is uncertain since early 2020, further changes in economic conditions for the Group arising thereof may have further impact on the financial results of the Group. The Group will keep continuous attention on the situation of the COVID-19 pandemic and react proactively to mitigate its impact on the financial position and operating results of the Group. The Group will continually reassess the profitability on each photo booth locations and relocate the photo booths accordingly. During the nine months ended 30 September 2022, the Group has early terminated a lease agreement in relation to the photo booth licensed sites which incurred sluggish performance, the Group consider the terminating the lease agreement is a prudent move for the Group to control its costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Medical services business

The Group has been spending great effort to explore business opportunities and diversify the Group's business with an aim to mitigate the impact of the COVID-19 pandemic to the Group. In October 2021, the Group commenced medical services business by operating medical centres in Hong Kong (the "Medical Services Business"). The Group is actively seeking opportunities to recruit and identify suitable medical practitioners, equipment, premises and related businesses to further expand its Medical Services Business.

In light of the COVID-19 pandemic, the Group has launched outreach vaccination services to provide the general public with flexible and convenient vaccination channels. During the nine months ended 30 September 2022, the Group provided a number of the outreach on-site vaccination events to the general public in Hong Kong. We trust that the general increase in health awareness since COVID-19 will boost the demand for medical and related healthcare services in Hong Kong. We believe that the further development of our Medical Services Business is essential to our core strategy of diversifying our Group's business.

In this regard, we reallocated certain resources to develop the Medical Services Business to (i) purchase equipment for the development of medical and related services and upgrade our computer equipment and software in order to enhance the quality and reliability of our medical services; and (ii) establish or acquire new clinics, medical and related business. It is envisaged that there will be new business opportunities in medical and related healthcare sector in complement to our existing Medical Service Business and the Group are committed to continuously strengthen and enrich the portfolio of its Medical Service Business.

We are committed to strengthen our existing core business and shall continue to capture market opportunities. We will continue to conduct research and explore new business opportunities for future development and further expansion in order to develop a diversified business and broaden its revenue base, so as to achieve sustainable business growth and to create values and enhance long-term benefits for the Shareholders.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately HK\$5,023,000, from approximately HK\$15,131,000 for the nine months ended 30 September 2021 to approximately HK\$20,154,000 for the nine months ended 30 September 2022. For the nine months ended 30 September 2022, revenue in photography services amounted to approximately HK\$15,360,000 (for the nine months ended 30 September 2021: HK\$15,131,000), which represent a increase of approximately 1.51%. The sluggish revenue was mainly due to the fifth wave of the COVID-19 pandemic and the immigration control in Hong Kong during the nine months ended 30 September 2022 that have brought significant reduction in the travel demand, and to a low demand of ID photos for the nine months ended 30 September 2022. Also, our licensed sites have been temporarily closed or reduced the business hours due to the fifth wave of the COVID-19 pandemic in Hong Kong during the nine months ended 30 September 2022. For the nine months ended 30 September 2022, revenue in medical services business amounted to approximately HK\$4,794,000 (for the nine months ended 30 September 2021: nil), the Group commenced Medical Services Business by operating medical centres in Hong Kong starting from October 2021.

### Cost of services

The Group's cost of services increased by approximately HK\$8,295,000, from approximately HK\$10,758,000 for the nine months ended 30 September 2021 to approximately HK\$19,053,000 for the nine months ended 30 September 2022. The increase was mainly due to the increasing in (i) staff costs in relation the frontline staff; (ii) medical practitioners' fee; (iii) pharmaceutical supplies; and (iv) depreciations. Such increasing are in line with the Medical Service Business commenced in Hong Kong starting from October 2021.

### Gross profit and gross profit margin

The Group's gross profit amounted to approximately HK\$1,101,000 and HK\$4,373,000 for the nine months ended 30 September 2022 and 2021 respectively, representing gross profit margin of approximately 5.46% and 28.90% respectively, the decrease in gross profit was mainly due to the increase in the cost of services for the nine months ended 30 September 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other income

Other income increased by approximately HK\$1,971,000 from approximately HK\$1,179,000 for the nine months ended 30 September 2021 to approximately HK\$3,150,000 for the nine months ended 30 September 2022. Such increase was mainly due to increase in net gains on early termination of lease and the government grants.

## Other net (losses)/gains

Other net (losses)/gains mainly represented net exchange losses of approximately HK\$569,000 and net exchange gains of approximately HK\$187,000 for the nine months ended 30 September 2022 and 2021 respectively.

## Administrative expenses

The Group's administrative expenses increased by approximately HK\$2,619,000, from approximately HK\$9,972,000 for the nine months ended 30 September 2021 to approximately HK\$12,591,000 for the nine months ended 30 September 2022. The increase was mainly attributable to the increase in staff cost and director remunerations which is in line with Medical Services Business commenced in Hong Kong starting from October 2021.

## Finance costs

Finance costs represented interest on lease liabilities of approximately HK\$365,000 and HK\$258,000 for the nine months ended 30 September 2022 and 2021 respectively.

## Income tax

Income tax credit amounted to approximately HK\$51,000 and HK\$7,000 for the nine months ended 30 September 2022 and 2021 respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Loss attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company increased by approximately HK\$4,041,000, from approximately HK\$4,467,000 for the nine months ended 30 September 2021 to approximately HK\$8,508,000 for the nine months ended 30 September 2022. The loss attributable to equity shareholders of the Company increased mainly due to (i) the decrease in gross profit mainly attributable to the fifth wave of the COVID-19 pandemic in Hong Kong and the increase in cost of service as explained above; and (ii) the increase in administrative expenses due to the increase in staff cost and director remunerations which is in line with the medical services business commenced in Hong Kong starting from October 2021.

## Segment Reporting

An analysis of the Group's segment performance for the nine months ended 30 September 2022 and 2021 is set out in note 3 to the unaudited condensed consolidated financial statements of this quarterly report.

## Share Capital

As at the date of the listing on GEM of the Stock Exchange on 28 February 2018 (the "Listing Date"), the authorised share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 Shares of par value HK\$0.01 each and the issued share capital of the Company was HK\$8,000,000 divided into 800,000,000 Shares of par value HK\$0.01 each. The share capital of the Company only comprises of ordinary Shares. There has been no change in the share capital of the Company since then.

## Employees and Emolument Policy

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices. As at 30 September 2022, the Group has 56 employees (as at 30 September 2021: 37 employees).



# MANAGEMENT DISCUSSION AND ANALYSIS

## Liquidity and capital resources

Our use of cash primarily related to operating activities and capital expenditure. We finance our operations through cash flows generated from our operations. As at 30 September 2022, the Group did not have any interest-bearing borrowings and therefore the gearing ratio is not applicable to the Group.

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.

## Foreign exchange risk management

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in United States dollars ("USD") and Renminbi held by Hong Kong entities. And the Group derives its revenue, makes purchases and incurs expenses denominated mainly in Renminbi and HK\$. Foreign currency exposure to USD is insignificant, as the HK\$ is pegged to the USD. 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 Mainland China Government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Significant investments held, future plans for material investment and capital assets

As at 30 September 2022 and 2021, the Group did not make any significant investments, future plans for material investment and capital assets.

## Material acquisitions and disposals of subsidiaries, associates and joint ventures

As at 30 September 2022 and 2021, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## Pledge of Assets

As at 30 September 2022 and 2021, the Group had no pledge of assets.

## Contingent Liabilities

As at 30 September 2022 and 2021, the Group did not have any significant contingent liabilities.

## Subsequent Events

The information is set out in note 7 to the unaudited condensed consolidated financial statements of this quarterly report.

## Dividends

The information is set out in note 5 to the unaudited condensed consolidated financial statements of this quarterly report.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## CORPORATE GOVERNANCE

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 nine months ended 30 September 2022, the Company has complied with all applicable code provisions of the CG Code.

## 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. Having made specific enquiries of all the Directors, each of the Director has confirmed that he has complied with the required standard of dealings during the nine months ended 30 September 2022.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the nine months ended 30 September 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### 1. Interests/Short Positions in the Shares of the Company

Name of Directors/ chief executive	Capacity/ nature of interest	Number of Shares	Long/short position	Approximate percentage of total number of issued Shares
Mr. Chan Wing Chai, Jamson	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%
Mr. Chan Tien Kay, Timmy	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%

*Note:*

- (1) The disclosed interest represents the interest in the Company held by Causeway Treasure which is in turn approximately 47.25% owned by Mr. Chan Wing Chai, Jamson, approximately 47.25% owned by Mr. Chan Tien Kay, Timmy and approximately 5.5% owned by Ms. Au-Yeung Ying Ho. By virtue of the SFO, Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy are deemed to be interested in the Shares held by Causeway Treasure.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 2. Interests/Short Positions in the Shares or Debentures of the Associated Corporations of the Company

Name of Directors	Name of associated corporation	Capacity/ nature of interest	Number of Shares	Long/short Position	Approximate shareholding percentage in the relevant Shares in the associated corporation
Mr. Chan Wing Chai, Jamson	Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	47.25%
Mr. Chan Tien Kay, Timmy	Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	47.25%

*Note:*

- (1) The disclosed interest represents the interest in Causeway Treasure, the associated corporation which is approximately 47.25% owned by Mr. Chan Wing Chai, Jamson and approximately 47.25% owned by Mr. Chan Tien Kay, Timmy, with the remaining interest held as to approximately 5.5% by Ms. Au-Yeung Ying Ho.

Save as disclosed above, as at 30 September 2022, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required 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 which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2022, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/ nature of interest	Number of Shares	Long/short position	Approximate percentage of shareholding in the Company
Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	53.45%
Ms. Au-Yeung Ying Ho	Interest in a controlled corporation <sup>(2)</sup>	427,600,560	Long	53.45%
Photo-Me	Beneficial owner	109,972,500	Long	13.75%
Mr. Cheung Kam Ting <sup>(3)</sup>	Beneficial owner	62,426,940	Long	7.80%

*Notes:*

- (1) The disclosed interest represents the interest in the Company held by Causeway Treasure which is in turn approximately 47.25% owned by Mr. Chan Wing Choi, Jamson, approximately 47.25% owned by Mr. Chan Tien Kay, Timmy and approximately 5.5% owned by Ms. Au-Yeung Ying Ho.
- (2) On 7 July 2017, Mr. Chan Wing Choi, Jamson, Ms. Au-Yeung Ying Ho and Mr. Chan Tien Kay, Timmy executed the deed of confirmation, whereby they have confirmed their acting in concert arrangements in the past, as well as their intention to continue to act in the above manner (as long as he/she remains as a Shareholder) upon listing to consolidate their control over the Group until and unless the deed of confirmation is terminated in writing. By virtue of the SFO, Ms. Au-Yeung Ying Ho is deemed to be interested in the Shares held by Causeway Treasure.
- (3) Mr. Cheung Kam Ting has resigned as a non-executive Director, with effective from 12 August 2022. For the detailed information, please refer to the announcement of the Company dated on 12 August 2022.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) was adopted pursuant to a written resolution by the Shareholders on 8 February 2018. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the nine months ended 30 September 2022 and there was no outstanding share option as at the date of this quarterly report.

## DIRECTORS’, CONTROLLING SHAREHOLDERS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS

During the nine months ended 30 September 2022, an associate of Mr. Riccardo Costi, a non-executive Director had interests in Dedem S.P.A. and its subsidiaries which are principally engaged in automatic ID photo booths operation and provision of auxiliary services to photo booths operation in Europe. As such, Mr. Riccardo Costi is regarded as having interests in the business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and the Shareholders and will avoid any potential conflicts of interests. During the nine months ended 30 September 2022, the Board was comprised of eight Directors (one non-executive Director resigned on 12 August 2022), including three independent non-executive Directors and all of them are Audit Committee members, so that the interests of the Shareholders can be properly maintained.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which Mr. Riccardo Costi has declared interests.

Apart from the above-mentioned, during the nine months ended 30 September 2022, the Directors including the independent non-executive Directors, are not aware of any business or interest of the Directors, the management of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

## AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditor of the Company; and the Company's financial reporting system, risk management and internal control systems. The Audit Committee comprises three members, namely Mr. Ngai James (chairman), Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa, all of them are independent non-executive Directors. The unaudited condensed consolidated results and the quarterly report of the Group for the nine months ended 30 September 2022 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited consolidated results of the Group for the nine months ended 30 September 2022 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and adequate disclosure have been made.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER

The Company has received the proceeds from the share offer of 200,000,000 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 and the net proceeds was approximately HK\$31,852,000. As at 30 September 2022, approximately HK\$14,525,000 had been utilised, detailed information has been set out in the following table, prospectus of the Company dated 15 February 2018 (the "Prospectus"), the section headed "Use of proceeds from the Company's share offer and change in use of proceeds" in the announcement of the Company dated 10 May 2018, the announcement of the Company dated 17 January 2022 and the announcement of the Company dated 12 August 2022 (the "Announcements").

The use of net proceeds from the share offer is set out as follows:

	Actual utilised net proceeds up to 30 September 2022 (HK\$'000)	Unutilised net proceeds up to 30 September 2022 (HK\$'000)	Adjusted use of net proceeds as stated in the Announcements (HK\$'000)	Expected time of fully use of unutilised net proceeds
Expansion of network of automatic ID photo booths				
– Guangdong Province	6,652	–	6,652	–
– Hong Kong	282	–	282	–
Business development of automatic ID photo booths business in Hong Kong	9	6,091	6,100	31 December 2023
Purchase of equipment for the development of medical and related services	9	4,591	4,600	31 December 2023
Establishment or acquisition of new clinics, medical and related business	–	2,000	2,000	31 December 2023
Upgrading of validation centre and IT infrastructure	903	1,097	2,000	31 December 2023
General working capital	6,670	3,548	10,218	31 December 2023
	14,525	17,327	31,852	

## CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company has been exploring business opportunities in Guangdong Province and other provinces in the Mainland China. However, in lieu of in person application, certain ID Documentation Issuing Authorities in the PRC have introduced online official document application systems, which recognise digital ID photos and adapt face recognition systems in replacement of traditional physical form of ID photos for certain types of licences or permit applications. Coupled with the outbreak of the COVID-19 pandemic since 2020 and the Omicron variant in early 2022, and the global macroeconomic headwinds and uncertainty, our originally planned business expansion of network of automatic ID photo booths in Guangdong Province was delayed and became increasingly challenging.

In October 2021, the Group commenced Medical Services Business by operating medical centres in Hong Kong. The Company is also actively seeking opportunities to recruit and identify suitable medical practitioners, equipment, premises and related business to further expand its Medical Services Business.

In light of the above, the Board considers that a more cautious approach in relation to the execution of the Group's expansion plan in the Mainland China should be adopted. As disclosed in the Announcements, the Board has considered that it would be more suitable and sustainable to reallocate the unutilised net proceeds at the time in the amount of approximately HK\$17.9 million from the expansion of network of automatic ID photo booths to (i) business development of automatic ID photo booths business in Hong Kong; (ii) purchase of equipment for the development of medical and related services; (iii) establishment or acquisition of new clinics, medical and related business; and (iv) general working capital. For further details of the change in use of proceeds, please refer to the section headed "Reasons for and benefits of the change in use of proceeds" in the announcement of the Company dated 12 August 2022.

As at the date of this quarterly report, all of the unused proceeds were deposited in licenced banks in Hong Kong.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## LANGUAGE

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

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

Hong Kong, 4 November 2022

*As at the date of this quarterly report, the executive Directors are Mr. Chan Wing Chai, Jamson, Mr. Chan Tien Kay, Timmy and Dr. Chan Wing Lok, Brian; the non-executive Director is Mr. Riccardo Costi; and the independent non- executive Directors are Mr. Ngai James, Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa.*