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Max Sight 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 2024**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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ANNUAL RESULTS HIGHLIGHTS

The Group's revenue decreased by approximately HK\$13,972,000, from approximately HK\$80,218,000 for the year ended 31 December 2023 to approximately HK\$66,246,000 for the year ended 31 December 2024. For the year ended 31 December 2024, the revenue of photography services business amounted to approximately HK\$43,415,000 (for the year ended 31 December 2023: HK\$65,039,000), which represent a decrease of approximately 33.2%. The decrease was mainly due to (i) the demand of ID photo for updating travel documents have slowed down as compare to the year ended 31 December 2023 which shortly after the relaxation of travel restriction; (ii) the price competition from traditional photography services providers; and (iii) increasing application of digital ID photography services provided by the Personal Document Submission Kiosk. For the year ended 31 December 2024, the revenue of medical services business amounted to approximately HK\$22,831,000 (for the year ended 31 December 2023: HK\$15,179,000), which represent an increase of approximately 50.4%. The increase was mainly due to the increase in patient visits and the opening of a new clinic in 2024.

The Group's gross profit amounted to approximately HK\$20,277,000 and HK\$26,905,000 for the years ended 31 December 2024 and 2023 respectively, representing gross profit margin of approximately 30.6% and 33.5% respectively, the decrement was mainly due to the decrease in revenue of photography services business and its profit margin is higher than that of medical services business.

The loss attributable to owners of the Company increased by approximately HK\$8,057,000, from the profit attributable to owners of the Company approximately HK\$7,658,000 for the year ended 31 December 2023 to the loss attributable to owners of the Company approximately HK\$399,000 for the year ended 31 December 2024. The loss attributable to owners of the Company increased mainly due to the decreasing in revenue in photography services business.

The Directors did not recommend to declare an interim dividend during the year ended 31 December 2024 and a final dividend for the year ended 31 December 2024.

ANNUAL RESULTS

The board of directors (the “**Board**”) of the Company is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(EXPRESSED IN HONG KONG DOLLARS)

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2	66,246	80,218
Cost of services		(45,969)	(53,313)
Gross profit		20,277	26,905
Other income	3(a)	639	584
Other net losses	3(b)	(263)	(49)
Administrative expenses		(19,219)	(18,273)
Impairment of right-of-use assets	10	–	(77)
Profit from operations		1,434	9,090
Finance costs	5	(702)	(659)
Profit before tax		732	8,431
Income tax expense	4	(262)	(412)
Profit for the year	7	470	8,019
Attributable to:			
Owners of the Company		(399)	7,658
Non-controlling interests		869	361
Profit for the year		470	8,019
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		248	212
Total comprehensive income for the year		718	8,231
Attributable to:			
Owners of the Company		(151)	7,870
Non-controlling interests		869	361
		718	8,231
(Loss)/earnings per share			
Basic and diluted (Hong Kong cents per share)	9	(0.05)	0.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024
(EXPRESSED IN HONG KONG DOLLARS)

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		2,883	2,919
Right-of-use assets		13,928	17,017
Deposits and prepayments	<i>11</i>	2,154	3,239
Deferred tax assets		67	–
Total non-current assets		19,032	23,175
Current assets			
Inventories		1,516	1,336
Trade receivables	<i>11</i>	2,630	2,854
Other receivables, deposits and prepayments	<i>11</i>	1,312	1,406
Restricted bank deposit		–	5,000
Cash and bank balances		21,320	20,669
Total current assets		26,778	31,265
Current liabilities			
Trade payables	<i>12</i>	316	177
Other payables and accrued charges		2,963	2,841
Amounts due to non-controlling shareholders		2,195	2,195
Bank loan — secured		–	1,000
Lease liabilities		6,819	9,298
Tax payables		856	509
Total current liabilities		13,149	16,020
Net current assets		13,629	15,245
Total assets less current liabilities		32,661	38,420
Non-current liabilities			
Lease liabilities		8,073	10,032
Deferred tax liabilities		–	18
Provision for reinstatement		425	425
Total non-current liabilities		8,498	10,475
NET ASSETS		24,163	27,945
CAPITAL AND RESERVES			
Share capital		8,000	8,000
Reserves		16,035	20,686
Total equity attributable to owners of the Company		24,035	28,686
Non-controlling interests		128	(741)
TOTAL EQUITY		24,163	27,945

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Max Sight Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 February 2018. In the opinion of the directors of the Company, 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) provision of photography services through automatic identity documentation (“**ID**”) photo booths at different locations in Hong Kong and Guangdong Province, Mainland China; and (ii) provision of medical services by operating medical centres in Hong Kong.

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Companies Ordinance (Cap. 622).

2. REVENUE AND SEGMENT REPORTING

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 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.

Disaggregation of revenue from contracts with customers by major service lines for the year is as follows:

	2024 HK\$’000	2023 HK\$’000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregation by major service lines		
— Photography service income	43,415	65,039
— Medical service income	22,831	15,179
	<u>66,246</u>	<u>80,218</u>

All of the services transferred at a point in time.

Segment reporting

The Group manages its business by services and 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 reportable segments. No operating segments have been aggregated to form the following 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:

Reportable segment profit/(loss) represents profit/(loss) before taxation by excluding head office and corporate expenses.

Segment assets include all current and non-current assets with the exception of cash and bank balances, deferred tax assets (if any) and other corporate assets.

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 year is set out below:

Segment results

	2024				2023			
	Photography services		Medical services		Photography services		Medical services	
	Mainland		Hong Kong	Consolidated	Mainland		Hong Kong	Consolidated
	Hong Kong HK\$'000	China HK\$'000			Hong Kong HK\$'000	China HK\$'000		
Revenue	42,498	917	22,831	66,246	63,830	1,209	15,179	80,218
Reportable segment profit/(loss)	12,397	145	1,167	13,709	21,230	384	(818)	20,796
Head office and corporate expenses				(12,977)				(12,365)
Profit before tax				732				8,431
Interest income				305				269
Finance costs	(439)	(27)	(236)	(702)	(273)	(72)	(314)	(659)
Depreciation				(9,938)				(9,864)
Other material items of income and expenses:								
Cost of inventories sold	(668)	(21)	(3,530)	(4,219)	(1,058)	(52)	(2,405)	(3,515)
Staff costs				17,180				16,159
Impairment of right-of-use assets	-	-	-	-	-	(77)	-	(77)

Segment assets

	2024				2023			
	Photography services		Medical services		Photography services		Medical services	
	Mainland		Hong Kong	Consolidated	Mainland		Hong Kong	Consolidated
	Hong Kong	China			Hong Kong	China		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment assets	10,983	144	13,140	24,267	14,089	262	14,025	28,376
Restricted bank deposit				–				5,000
Cash and bank balances				21,320				20,669
Head office and corporate assets				223				395
				<u>45,810</u>				<u>54,440</u>
Consolidated total assets				<u>45,810</u>				<u>54,440</u>

Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Specified non-current assets	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	65,329	79,009	16,811	19,936
Mainland China	917	1,209	–	–
	<u>66,246</u>	<u>80,218</u>	<u>16,811</u>	<u>19,936</u>

For the years ended 31 December 2024 and 2023, no single customer accounted for 10% or more of the Group's total revenue.

For the year ended 31 December 2024, the Group's five (2023: five) largest suppliers accounted for 68% (2023: 78%) of the Group's total purchases. For the year ended 31 December 2024, the single largest supplier accounted for approximately 21% (2023: 29%) of the Group's total purchases.

3. OTHER INCOME AND OTHER LOSSES

(a) Other income

	2024 HK\$'000	2023 HK\$'000
Interest income	305	269
Sales of photo strips	54	106
Gain on lease modification	276	–
Sundry income	4	209
	<u>639</u>	<u>584</u>

(b) Other net losses

	2024 HK\$'000	2023 HK\$'000
Gain on disposals of property, plant and equipment	–	114
Loss on written off of property, plant and equipment	(3)	–
Net exchange loss	(260)	(163)
	<u>(263)</u>	<u>(49)</u>

4. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
Current tax		
Provision for the year	268	509
Under-provision in prior years	79	–
	<u>347</u>	<u>509</u>
Deferred tax		
Origination and reversal of temporary differences	(85)	(97)
	<u>262</u>	<u>412</u>

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

Under the Law of the PRC Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiary is 25% for both years. No provision for Mainland China income tax has been made in the consolidated financial statements as the Company’s subsidiary sustained a loss for tax purposes during the years ended 31 December 2024 and 2023.

Mainland China tax law also imposed a withholding tax at 5%, unless reduced by a treaty or agreement, for dividend distributed by a PRC-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 years ended 31 December 2024 and 2023.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the respective applicable tax rate is as follows:

	2024 HK\$’000	2023 HK\$’000
Profit before taxation	<u>732</u>	<u>8,431</u>
Notional tax on profit before taxation calculated at applicable tax rates	273	1,385
Tax effect of non-deductible expenses	78	206
Tax effect of non-taxable income	(188)	(70)
Utilisation of tax losses	(472)	(1,495)
Tax effect of tax losses not recognised	605	813
Tax effect of temporary difference not recognised	1	(262)
Tax effect of tax concession	(114)	(165)
Under-provision in prior years	<u>79</u>	<u>–</u>
Income tax expense	<u><u>262</u></u>	<u><u>412</u></u>

5. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on lease liabilities	701	530
Interest on bank loan	1	129
	<u>702</u>	<u>659</u>

6. EMPLOYEE BENEFITS EXPENSE

	2024 HK\$'000	2023 HK\$'000
Employee benefits expense:		
Salaries, bonuses and allowances	16,589	15,529
Retirement benefit scheme contributions (<i>note</i>)	591	630
	<u>17,180</u>	<u>16,159</u>

Note: The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Pursuant to the relevant laws and regulations in the People's Republic of China, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the “**PRC Retirement Schemes**”). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group operates a Mandatory Provident Fund scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2024 and 2023 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

7. PROFIT BEFORE TAXATION

The Group's profit for the year is stated after charging/(crediting) the following:

	2024 HK\$'000	2023 HK\$'000
Auditors' remuneration	1,150	1,180
Depreciation	9,938	9,864
— property, plant and equipment [#]	1,747	1,763
— right-of-use assets [#]	8,191	8,101
Impairment of right-of-use assets	—	77
Lease payments for short-term leases not included in the measurement of lease liabilities [#]	276	381
Variable lease payments not included in the measurement of lease liabilities [#]	17,152	28,347
Cost of inventories sold	4,219	3,515

[#] Cost of services includes approximately HK\$30,410,000 (2023: approximately HK\$39,374,000) relating to staff costs, depreciation expenses and lease expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6 for each of these types of expenses.

8. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
2023 Interim dividend of HK0.375 cents per ordinary share paid	—	3,000
2023 Special dividend of HK0.5625 cents per ordinary share paid	4,500	—

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/earnings attributable to equity shareholders of the Company of loss of approximately HK\$399,000 (2023: earnings of approximately HK\$7,658,000) and the weighted average number of ordinary shares in issue during the year of 800,000,000 (2023: 800,000,000).

(b) Diluted (loss)/earnings per share

There were no diluted potential shares in existence during the years ended 31 December 2024 and 2023.

10. IMPAIRMENT LOSS

Photography services in Mainland China

The photography services segment in Mainland China segment is considered to be a separate cash generating unit of the Group.

During the year ended 31 December 2023, in view of the loss sustained by the Mainland China photography service segment, management considered indicators of impairment of right-of-use assets associated with this segment existed at 31 December 2023 and performed an impairment assessment thereon. Based on the impairment assessment conducted by management, impairment losses of approximately HK\$77,000 were recognised on right-of-use assets in profit or loss during the year ended 31 December 2023 in order to write down the carrying amount of right-of-use assets of this segment to its recoverable amount of \$Nil.

Medical services in Hong Kong

The medical services segment in Hong Kong segment is considered to consist of five (2023: four) separate cash generating units within the Group.

During the year ended 31 December 2024, in view of the loss sustained by one of five cash generating units within the Hong Kong medical service segment, management considered indicators of impairment of property, plant and equipment and right-of-use assets associated with this cash generating unit existed at 31 December 2024 and performed an impairment assessment thereon. Based on the impairment assessment conducted by management, no impairment losses were required during the year ended 31 December 2024.

The recoverable amount is determined based on the higher of value-in-use and fair value less costs of disposal. The estimate of recoverable amount was based on a value-in-use calculation which adopted a discounted rate of 11% for this cash generating unit.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Trade receivables	<u>2,630</u>	<u>2,854</u>
Other receivables, deposits, and prepayments		
Rental and utilities deposits	2,922	3,067
Prepayments for property, plant and equipment	–	984
Prepayments	428	466
Other receivables	<u>116</u>	<u>128</u>
Total other receivables, deposits and prepayments	<u>3,466</u>	<u>4,645</u>
Analysed as:		
Current assets	1,312	1,406
Non-currents assets	<u>2,154</u>	<u>3,239</u>
	<u>3,466</u>	<u>4,645</u>

The carrying amounts of the Group's trade receivables are denominated in HKD.

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for payment arising from use of medical cards and healthcare vouchers by patients which the medical network agent and the Government of the Hong Kong Special Administrative Region of People's Republic of China generally settled within 60 days.

The Group also grants credit terms of 0–20 days to its lessor of the sites to install automatic ID photo booths which holds money from customer on behalf of the Group.

An aging analysis of the trade receivables presented based on the monthly statement issued to the lessor and invoice issued to the customers and medical network agent in respect of provision of medical services, is as follow:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0–30 days	1,829	2,123
31–60 days	510	417
Over 60 days	291	314
	2,630	2,854

As at 31 December 2024 and 2023, the Group measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The Group only has few debtors that have good repayment history with the Group. The Group does not hold any collateral over these balances. Due to the financial strength of these debtors and the short duration of the trade receivables, the loss allowance for expected credit losses is considered insignificant.

12. TRADE PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follow:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0–30 days	316	177

The carrying amount of the Group's trade payables are denominated in HKD.

13. COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Property, plant and equipment	<u>213</u>	<u>608</u>

14. RELATED PARTY TRANSACTIONS

- (a) The remuneration of directors and other members of key management during the year was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Short-term employee benefits	7,278	6,744
Post-employment benefits	<u>119</u>	<u>144</u>
	<u>7,397</u>	<u>6,888</u>

- (b) In addition to those related party transactions and balances disclosed elsewhere in the announcement, the Group had the following transaction with its related party during the year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(i) Various subsidiaries of ME Group International Plc. (Previous named Photo-Me International Plc.) Purchase of consumables	<u>483</u>	<u>1,307</u>
(ii) Lease payment paid to a company owned by Mr. Chan Tien Kay, Timmy and Ms. Au-Yeung Ying Ho and a company owned by Mr. Cheung Kam Ting	<u>872</u>	<u>941</u>
(iii) Salaries and other benefits paid to Ms. Au-Yeung Ying Ho	<u>157</u>	<u>132</u>
(iv) Consultancy fee paid to non-controlling shareholders	3,514	3,051
a company owned by Dr. Chan Wing Lok, Brian	<u>385</u>	<u>–</u>

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, the People's Republic of China (the “**Mainland China**”) (the “**Photography Services Business**”); and (ii) provision of medical services by operating medical centres in Hong Kong (the “**Medical Services Business**”).

Photography Services Business

In 2024, we believe that the social and economic activities of Hong Kong in connection with Mainland China and overseas resuming normalcy in full has led a substantial demand on the photography services business in Hong Kong. With the introduction of Top Talent Pass Scheme (“**TTPS**”) in an expanded scope and the card-type document facilitating the non-Chinese Hong Kong Permanent residents to visit Mainland China (the “**Non-Chinese Citizen Permits**”), an increment to the demand of photography services business in Hong Kong is expected. Nevertheless, our photography services are facing the price competition arising from the ID photography services provided by traditional photography centres and digital ID photography services provided by the Personal Document Submission Kiosk (“**PDSK**”) which were introduced by the Immigration Department of The Government of the Hong Kong Special Administrative Region in 2023.

We consider that the substantial demand of ID photography services in Hong Kong will remain in the foreseeable future and we believe the quality of services provided plays a pivotal role against the price competition.

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. We will continually reassess the profitability on each photo booth locations and relocate the photo booths accordingly.

We are also researching different potential projects with regards to our photography services business. The meetings with our business partners and vendors have held during the year ended 31 December 2024 to upgrade our business model by allocating further funds and resources in the information technology (the “**IT**”) infrastructure to achieve diversifiable development of our core business could be a new direction for the Group in the future.

Medical services business

The Group commenced medical services business by operating medical centres in Hong Kong. In the year, 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.

With the Primary Healthcare Blueprint issued by the Hong Kong Government to formulate the direction of development and strategies for strengthening Hong Kong's primary healthcare system, together with the development of citizen's health awareness in the post-epidemic period, we trust that the substantial demand for medical and related healthcare services in Hong Kong will remain. We believe that the further development of our Medical Services Business is essential to our core strategy of diversifying our Group's business.

We believe there is enormous expansion potential for medical and related healthcare services and, as one of the private medical service providers in Hong Kong, the Group will strive to grasp the market opportunities by fully collaborating with the Hong Kong Government and different kind of stakeholders with an aim to maintain a sustainable and healthy healthcare system that supports every citizen in Hong Kong over the long run.

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.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$13,972,000, from approximately HK\$80,218,000 for the year ended 31 December 2023 to approximately HK\$66,246,000 for the year ended 31 December 2024. For the year ended 31 December 2024, the revenue of Photography Services Business amounted to approximately HK\$43,415,000 (for the year ended 31 December 2023: HK\$65,039,000), which represent a decrease of approximately 33.2%. The decrease was mainly due to (i) the demand of ID photo for updating travel documents have slowed down as compare to the year ended 31 December 2023 which shortly after the relaxation of travel restriction; (ii) the price competition from traditional photography services providers; and (iii) increasing application of PDSK. For the year ended 31 December 2024, the revenue of Medical Services Business amounted to approximately HK\$22,831,000 (for the year ended 31 December 2023: HK\$15,179,000), which represent an increase of approximately 50.4%. The increase was mainly due to the increase in patient visits and the opening of a new clinic in 2024.

Cost of services

The Group's cost of services decreased by approximately HK\$7,344,000, from approximately HK\$53,313,000 for the year ended 31 December 2023 to approximately HK\$45,969,000 for the year ended 31 December 2024. The decrease was mainly due to the decreasing in licence fees and rental paid, co-effect with increase in medical practitioners' fee and pharmaceutical supplies. Such decrease or increase were in line with the decrease in revenue of our Photography Services Business and the increase in revenue of Medical Services Business, respectively.

Gross profit and gross profit margin

The Group's gross profit amounted to approximately HK\$20,277,000 and HK\$26,905,000 for the years ended 31 December 2024 and 2023 respectively, representing gross profit margin of approximately 30.6% and 33.5% respectively, the decrement was mainly due to the decrease in revenue of Photography Services Business and its profit margin is higher than that of Medical Services Business.

Other income

Other income increased by approximately HK\$55,000 from approximately HK\$584,000 for the year ended 31 December 2023 to approximately HK\$639,000 for the year ended 31 December 2024. Such increase was mainly due to increase in bank interest income. Detailed information is set out in the note 3(a) of this announcement.

Other net losses/gain

Other net losses mainly represented net exchange losses of approximately HK\$260,000 (for the year ended 31 December 2023: HK\$163,000) and the loss on written off of property, plant and equipment of approximately HK\$3,000 (for the year ended 31 December 2023: gain on disposal of property, plant and equipment of approximately HK\$114,000) for the year ended 31 December 2024.

Administrative expenses

The Group's administrative expenses increased by approximately HK\$946,000, from approximately HK\$18,273,000 for the year ended 31 December 2023 to approximately HK\$19,219,000 for the year ended 31 December 2024. The increase was mainly attributable to the increase in directors' emoluments.

Finance costs

Finance costs represented interest on finance lease, lease liabilities and bank loans of approximately HK\$702,000 and HK\$659,000 for the years ended 31 December 2024 and 2023 respectively.

Income tax expenses

Income tax expenses amounted to approximately HK\$262,000 and HK\$412,000 for the years ended 31 December 2024 and 2023 respectively.

Loss/profit attributable to owners of the Company

The loss attributable to owners of the Company increased by approximately HK\$8,057,000, from the profit attributable to owners of the Company approximately HK\$7,658,000 for the year ended 31 December 2023 to the loss attributable to owners of the Company approximately HK\$399,000 for the year ended 31 December 2024. The loss attributable to owners of the Company increased mainly due to the decreasing in revenue of Photography Services Business.

Segment information

An analysis of the Group's performance for the years ended 31 December 2024 and 2023 by segment is set out in the note 2 of this announcement.

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 64 employees (2023: 78 employees) situated in Hong Kong and Guangdong Province. The Group recruits, employs, remunerates and promotes its employees based on their qualifications, experience, skills, performance and contributions. Remuneration is offered with reference to market rates. Salary and/or promotion review is conducted upon performance appraisal by management on a regular basis. Discretionary year-end bonus and share options, if applicable, are granted to eligible employees, in accordance with the Group's performance and individual's contribution.

On-job trainings are arranged for the employees. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions in Hong Kong and Mainland China.

During the year ended 31 December 2024, the Group's contributions under the Mandatory Provident Fund Scheme, which is a defined contribution scheme had no forfeited contributions may be used to reduce the existing level of contributions.

Liquidity and capital resources

The Group's financial position remained healthy during and as at 31 December 2024. Our use of cash primarily related to operating activities and capital expenditure. We mainly finance our operations through cash flows generated from our operations. As at 31 December 2024, the Group has nil bank loan (as at 31 December 2023: HK\$1,000,000 granted by the bank in Hong Kong and denominated in HK\$).

As at 31 December 2024, the Group's total equity amounted to approximately HK\$24,163,000 (as at 31 December 2023: HK\$27,945,000). As at 31 December 2024, the Group's cash and cash equivalents totaled approximately HK\$21,320,000 (as at 31 December 2023: HK\$25,669,000). The current ratio and the quick ratio of the Group as at 31 December 2024 was 2.04 (as at 31 December 2023: 1.95) and 1.92 (as at 31 December 2023: 1.87) respectively. For the gearing ratio of the Group, the Group was 47.3% as at 31 December 2024 (as at 31 December 2023: 48.7%).

Note: Gearing ratio is calculated as total liabilities divided by total assets.

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 2024 and 2023 were primarily related to expenditures on additions of property, plant and machinery, amounting to approximately HK\$1,715,000 and HK\$572,000 respectively.

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 28 February 2018 (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 31 December 2024, approximately HK\$20,797,000 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, the announcement of the Company dated 12 August 2022 and the announcement of the Company dated 31 December 2024 (the “**Announcements**”).

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

	Actual utilised net proceeds up to 31 December 2024 (HK\$'000)	Unutilised net proceeds up to 31 December 2024 (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	833	5,267	6,100	31 December 2025
Purchase of equipment for the development of medical and related services	137	4,463	4,600	31 December 2025
Establishment or acquisition of new clinics, medical and related business	987	1,013	2,000	31 December 2025
Upgrading of validation centre and IT infrastructure	1,688	312	2,000	31 December 2025
General working capital	10,218	–	10,218	31 December 2025
	<u>20,797</u>	<u>11,055</u>	<u>31,852</u>	
Total	<u>20,797</u>	<u>11,055</u>	<u>31,852</u>	

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. Our originally planned business expansion of network of automatic ID photo booths in Guangdong Province was delayed and became increasingly challenging.

The Group commenced Medical Services Business by operating medical centres in Hong Kong. The Company has been actively seeking opportunities to recruit and identify suitable medical practitioners, equipment, premises and related business to further expand its Medical Services Business. For the year ended 31 December 2024, the Group has been exploring the opportunities in opening new medical centres or acquiring existing medical centres but no suitable project was acquired.

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 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.

The Group have been actively exploring and studying expansion opportunities in relation to our photography services business and Medical Services Business. To allow more flexibility to identify suitable expansion opportunities, the Board have decided to extend the expected timeline for the unutilised net proceeds to 31 December 2025.

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

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") 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 Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

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

As at 31 December 2024 and 2023, the Group did not hold any significant investments, future plans for material investment and capital assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

As at 31 December 2024 and 2023, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Pledge of assets

As at 31 December 2024, nil banking facility of the Group were secured by restricted bank deposit (2023: the banking facility secured by restricted bank deposit of HK\$5,000,000).

Contingent liabilities

As at 31 December 2024 and 2023, the Group did not have any significant contingent liabilities.

Subsequent events

The Group had no significant events after the end of the Reporting Period of this announcement.

Dividends

The Directors did not recommend to declare an interim dividend during the year ended 31 December 2024 and a final dividend for the year ended 31 December 2024.

On 22 March 2024, the Directors have recommended to declare a special dividend of HK\$0.005625 per ordinary share for the year ended 31 December 2023, totaling HK\$4,500,000 out of the share premium account of the Company. The recommendation has been approved by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting held on 14 June 2024 and the dividend has been paid on 5 July 2024.

On 4 August 2023, the Directors have recommended to declare an interim dividend of HK\$0.00375 per Share for the six months ended 30 June 2023, totaling HK\$3,000,000 out of the share premium account of the Company, and the recommendation has been approved by the Shareholders at the second adjournment extraordinary general meeting held on 13 September 2023. The dividend has been reflected as an appropriation of share premium for the nine months ended 30 September 2023 and paid on 6 October 2023.

Other details are set out in note 8 of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) will be held on Friday, 20 June 2025. For details of the AGM, please refer to the notice of AGM which is expected to be published on 3 April 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 16 June 2025.

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 C1 to the GEM Listing Rules as its own code of corporate governance. During the year ended 31 December 2024, the Company has complied with all applicable code provisions of the CG Code.

COMPLIANCE WITH THE REQUIRED STANDARDS 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.

In response to specific enquiry made by the Company, each of the Directors gave confirmation that he complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

DIRECTORS', CONTROLLING SHAREHOLDERS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, 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. For the year ended 31 December 2024, the Board was comprised of eight Directors 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.

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 year ended 31 December 2024, 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.

SCOPE OF WORK OF RSM HONG KONG

The financial 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 2024 as set out in the preliminary announcement have been compared by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by RSM Hong Kong in this respect did not constitute an audit, review or other 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 RSM Hong Kong on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor, reviewed the accounting principles and policies adopted by the Group, the annual results and the draft consolidated financial statements for the year ended 31 December 2024.

PUBLICATION OF THE ANNUAL RESULTS AND 2024 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 2024 Annual Report containing all the information required by the GEM Listing Rules will be dispatched to the Shareholders upon request of the Shareholders.

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, 21 March 2025

As of the date of this announcement, the executive directors are Mr. Chan Wing Chai, Jamson, Mr. Chan Tien Kay, Timmy and Dr. Chan Wing Lok, Brian; the non-executive directors are Mr. Riccardo Costi and Ms. Wong Shin Yee, Freda; 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 Listed Company Information” page of The Stock Exchange of Hong Kong Limited website at www.hkexnews.hk for a minimum period of 7 days from the date of publication and on the website of the Company at www.maxsightgroup.com.