

Max Sight Photo 名仕快相

Max Sight Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8483



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*This interim 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 interim 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 interim report misleading.*

This interim report, in both English and Chinese versions, is available on the Company’s website at www.maxsightgroup.com.

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HIGHLIGHTS

- The Group's revenue decreased by approximately HK\$4,903,000, from approximately HK\$39,477,000 for the six months ended 30 June 2023 to approximately HK\$34,574,000 for the six months ended 30 June 2024. For the six months ended 30 June 2024, revenue in photography services business amounted to approximately HK\$23,441,000 (for the six months ended 30 June 2023: HK\$33,249,000), which represents a decrease of approximately 29.50%. For the six months ended 30 June 2024, revenue in medical services business amounted to approximately HK\$11,133,000 (for the six months ended 30 June 2023: HK\$6,228,000), which represents an increase of approximately 78.76%.
- The Group's gross profit amounted to approximately HK\$10,839,000 and HK\$13,056,000 for the six months ended 30 June 2024 and 2023 respectively, representing gross profit margin of approximately 31.35% and 33.07% respectively.
- The loss attributable to equity shareholders of the Company was approximately HK\$199,000 for the six months ended 30 June 2024 while the profit attributable to equity shareholders of the Company was approximately HK\$3,708,000 for the six months ended 30 June 2023. The loss attributable to equity shareholders of the Company was mainly due to the decrease in revenue in photograph services business in Hong Kong, as the demand of ID photo for updating travel documents have slowed down as compared to the period during the six months ended 30 June 2023 shortly after the relaxation of immigration control policies.
- The Directors do not recommend the declaration of any interim dividend for the six months ended 30 June 2024.

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 Director

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 (passed away on 2 May 2024)

Ms. Tang Ka Yan (appointed on 24 May 2024)

Mr. Chan Wing Chai, Jamson

(*Alternate Authorised Representative*)

COMPANY SECRETARY

Mr. Wong Chi Hong (passed away on 2 May 2024)

Ms. Tang Ka Yan (appointed on 24 May 2024)

COMPLIANCE OFFICER

Mr. Chan Tien Kay, Timmy

AUDITOR

RSM Hong Kong

Public Interest Entity Auditor

registered in accordance with
the Financial Reporting
Council Ordinance

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay, Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

CORPORATE INFORMATION

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
11/F, CCB Centre
18 Wang Chiu Road
Kowloon Bay 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

STOCK CODE

8483

DATE OF LISTING

28 February 2018

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 (the “Reporting Period”) together with the relevant comparative figures as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	NOTES	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	34,574	39,477
Cost of services		(23,735)	(26,421)
Gross profit		10,839	13,056
Other income		237	372
Other net losses		(149)	(141)
Administrative expenses		(10,188)	(9,331)
Profit from operations		739	3,956
Finance costs	5	(347)	(279)
Profit before taxation	6	392	3,677
Income tax	7	(140)	56
Profit for the period		252	3,733
Attributable to:			
Equity shareholders of the company		(199)	3,708
Non-controlling interest		451	25
Profit for the period		252	3,733

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		For the six months ended 30 June	
	NOTES	2024 HK\$'000 (Unaudited)	2023 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		182	351
Total comprehensive income for the period		434	4,084
Attributable to:			
Equity shareholders of the company		(17)	4,059
Non-controlling interest		451	25
Total comprehensive income for the period		434	4,084
(Loss)/earnings per share (Hong Kong cents)			
— Basic and diluted	9	(0.02)	0.46

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		As at 30 June 2024	As at 31 December 2023
	NOTES	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	3,406	2,919
Right-of-use assets	11	14,412	17,017
Deposits and prepayments	13	1,935	3,239
		19,753	23,175
Current assets			
Inventories		1,270	1,336
Trade receivables	12	2,160	2,854
Other receivables, deposits and prepayments	13	1,851	1,406
Restricted bank deposit		–	5,000
Cash and bank balance		24,919	20,669
		30,200	31,265
Current liabilities			
Trade payable	14	242	177
Other payables and accrued charges	15	1,900	2,841
Amounts due to non-controlling shareholders		2,195	2,195
Bank loan — secured		–	1,000
Lease liabilities		7,719	9,298
Dividend payable		4,500	–
Tax payables		666	509
		17,222	16,020
Net current assets		12,978	15,245
Total assets less current liabilities		32,731	38,420

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		As at 30 June 2024	As at 31 December 2023
	NOTES	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		8,426	10,032
Deferred tax liabilities		1	18
Provision for reinstatement		425	425
		8,852	10,475
Net assets			
		28,379	27,945
Capital and reserves			
Share capital	16	8,000	8,000
Reserves		16,169	20,686
Total equity attributable to equity shareholders of the Company			
		24,169	28,686
Non-controlling interests			
		(290)	(741)
Total equity			
		23,879	27,945

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity shareholders of the Company							Non-Controlling interest	Total equity
	Share capital	Share premium	Distributable reserve	Translation reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2023 (audited)	8,000	53,083	-	(539)	(5,664)	(31,064)	23,816	(1,102)	22,714
Profit for the period	-	-	-	-	-	3,708	3,708	25	3,733
Other comprehensive income	-	-	-	351	-	-	351	-	351
Total comprehensive income	-	-	-	351	-	3,708	4,059	25	4,084
At 30 June 2023 (unaudited)	8,000	53,083	-	(188)	(5,664)	(27,356)	27,875	(1,077)	26,798
At 1 January 2024 (audited)	8,000	50,083	-	(327)	(5,664)	(23,406)	28,686	(741)	27,945
Profit for the period	-	-	-	-	-	(199)	(199)	451	252
Other comprehensive income	-	-	-	182	-	-	182	-	182
Total comprehensive income	-	-	-	182	-	(199)	(17)	451	434
Dividend (note 8)	-	(4,500)	-	-	-	-	(4,500)	-	(4,500)
Transfer (note)	-	(45,583)	22,177	-	-	23,406	-	-	-
At 30 June 2024 (unaudited)	8,000	-	22,177	(145)	(5,664)	(199)	24,169	(290)	23,879

Note: The reduction of share premium represented the transfer of the entire balance of the share premium after the deduction of special dividend for the year ended 31 December 2023 of HK\$4,500,000, to offset the entire amount of the accumulated losses of the Company as at 31 December 2023 of approximately HK\$23,406,000 and the remaining balance transferred to the distributable reserve account of the Company, which has been approved by the shareholders of the Company ("Shareholders") at the annual general meeting of the Company held on 14 June 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Operating activities		
Profit before taxation	392	3,677
Adjustments for:		
Depreciation of property, plant and equipment	891	872
Depreciation of right-of-use assets	4,130	4,131
Gain on disposal of property, plant and equipment	–	(116)
Finance costs	347	279
Interest income	(211)	(97)
Gain on lease modification	–	(195)
Operating cash flows before changes in working capital	5,549	8,551
Decrease/(increase) in inventories	66	(382)
Decrease/(increase) in trade receivables	694	(1,411)
Decrease in other receivables, deposits and prepayments	859	292
Increase/(decrease) in trade payables	65	(37)
Decrease in other payables and accrued charges	(941)	(517)
Cash generated from operations	6,292	6,496
Hong Kong income tax paid	–	–
Net cash generated from operating activities	6,292	6,496
Investing activities		
Proceeds from disposal of property, plant and equipment	–	116
Payment for the purchases of property, plant and equipment	(1,378)	(433)
Release in restricted bank deposits	5,000	–
Interest received	211	97
Net cash generated from/(used in) investing activities	3,833	(220)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Financing activities		
Capital element of lease rental paid	(4,717)	(3,710)
Interest element of lease rental paid	(345)	(217)
Proceeds from new bank loan	–	1,000
Repayment of bank loan	(1,000)	–
Interest paid on bank loan	(2)	–
Net cash used in financing activities	(6,064)	(2,927)
Net increase in cash and cash equivalents	4,061	3,349
Cash and cash equivalents at beginning of the period	20,669	16,699
Effect of foreign exchange rate changes	189	285
Cash and cash equivalents at end of the period	24,919	20,333
Analysis of balance of cash and cash equivalents at end of the period		
Cash and bank balances	24,919	20,333



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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) 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 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

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

These unaudited condensed financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023 published on 22 March 2024. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these unaudited condensed financial statements are consistent with those used in the consolidated financial statements of the Group for the year ended 31 December 2023, except for the adoption of the new revised standards, amendments and interpretations issued by the HKICPA for the first time in the current period of the financial statements. The details of any changes in accounting policies are set out in note 3.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

3. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024.

Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current

Amendments to HKAS 1 — Non-current Liabilities with Covenants

Amendments to HKFRS 16 — Lease Liability in a Sales and Leaseback

Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK Int 5 (Revised)")

Amendments to HKAS 7 and HKFRS 7 — Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. 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 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 is as follow:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRSs 15		
Disaggregation by major service lines		
Photography service income	23,441	33,249
Medical service income	11,133	6,228
	34,574	39,477

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(b) 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 to each reportable segment on the following bases:

Reportable segment profit/(loss) represents profit/(loss) 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 year is set out below:



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Segment results

	For the six months ended 30 June							
	2024				2023			
	Photography services Mainland		Medical services		Photography services Mainland		Medical services	
Hong Kong	China	Hong Kong	Consolidated	Hong Kong	China	Hong Kong	Consolidated	
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	22,887	554	11,133	34,574	32,667	582	6,228	39,477
Reportable segment profit/ (loss)	6,908	(2)	456	7,362	10,789	337	(1,092)	10,034
Head office and corporate expenses				(6,970)				(6,357)
Profit before tax				392				3,677
Interest income				211				97
Finance costs	(233)	(21)	(93)	(347)	(82)	(43)	(154)	(279)
Depreciation	(2,979)	-	(2,042)	(5,021)	(3,429)	-	(1,574)	(5,003)

Geographical Information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than financial instruments and deferred tax assets (if any). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Revenue from external customers		Specified non-current assets	
	For the six months ended 30 June		As at 30 June 2024	As at 31 December 2023
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Hong Kong (place of domicile)	34,020	38,895	17,818	19,936
Mainland China	554	582	–	–
	34,574	39,477	17,818	19,936

For the six months ended 30 June 2024 and 2023, no single customer accounted for 10% or more of the Group's total revenue.

5. FINANCIAL COST

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on lease liabilities	345	217
Interest on bank loans	2	62
	347	279

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Depreciation		
— property, plant and equipment	891	872
— right-of-use assets	4,130	4,131
Directors' remuneration	3,025	2,346
Other staff costs		
— Salaries, wages and other benefits	5,795	5,265
— Contributions to defined contribution retirement plan	315	207
Total staff costs	9,135	7,818
Lease payment for short-term leases not included in the measurement of lease liabilities	353	25
Variable lease payment not included in the measurement of lease liabilities	9,290	14,649
Cost of inventories	2,020	1,426

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

7. INCOME TAX

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax		
Provision for the period	157	–
	157	–
Deferred Tax		
Origination and reversal of temporary differences	(17)	(56)
	140	(56)

No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated financial statements as the Group sustained a loss for tax purposes during the six months ended 30 June 2023.

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 six months ended 30 June 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 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

8. DIVIDEND

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 at the annual general meeting held on 14 June 2024 and the dividend have been paid on 5 July 2024. The dividend has been recognised as a liability in this interim financial statements.

The Directors do not recommend any interim dividend for the six months ended 30 June 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 extraordinary general meeting held on 13 September 2023. The dividend has not been recognised as a liability in interim financial statement for the six months ended 30 June 2023 but reflected as an appropriation of share premium for the nine months ended 30 September 2023 and paid on 6 October 2023.

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per Share

The calculation of basic earnings per Share is based on the loss attributable to equity shareholders of the Company of approximately HK\$199,000 and profit attributable to the equity shareholders of the Company of approximately HK\$3,708,000 and the weighted average number of ordinary shares in issue of 800,000,000 and 800,000,000 for the six months ended 30 June 2024 and 2023 respectively.

(b) Diluted earnings per Share

There were no diluted potential Shares in existence during the six months ended 30 June 2024 and 2023 respectively.

10. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2024, the Group acquired property, plant and equipment at a cost of approximately HK\$1,378,000 (for the six months ended 30 June 2023: approximately HK\$433,000). For the six months ended 30 June 2024, no property, plant and equipment has been disposed (for the six months ended 30 June 2023: disposed property, plant and equipment with carrying amount of HK\$nil resulting in a gain on disposal of approximately HK\$116,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024 and 2023, the Group entered into a number of lease agreement for sites to install automatic ID photo booths, which contain variable lease payment terms that are based solely on revenue generated from the automatic ID photo booths or on the higher of a fixed rental and variable rent based on the revenue of these automated ID photo booths. For the six months ended 30 June 2024, the Group recognised approximately HK\$1,525,000 of right-of-use assets and lease liabilities on lease commencement (for the six months ended 30 June 2023: approximately HK\$2,210,000).

12. TRADE RECEIVABLES

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 ageing 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:

	As at 30 June 2024	As at 31 December 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
0-30 days	1,602	2,123
31-60 days	343	417
Over 60 days	215	314
	2,160	2,854

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2024	As at 31 December 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets		
Rental and utilities deposits	1,935	2,255
Prepayments for property, plant and equipment	–	984
	1,935	3,239
Current assets		
Rental and utilities deposits	1,231	812
Prepayments and other receivables	620	594
	1,851	1,406
Total	3,786	4,645

14. TRADE PAYABLES

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

	As at 30 June 2024	As at 31 December 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
0–30 days	242	177

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15. OTHER PAYABLES AND ACCRUED CHARGES

	As at 30 June 2024	As at 31 December 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Accrued expenses	1,010	1,560
Salaries payables and provision for bonus	400	711
Other lease and licence fee payables	476	471
Other payables	14	99
	1,900	2,841

16. SHARE CAPITAL

	Number of Shares	HK\$'000
Authorised — ordinary share of HK\$0.01 each:		
At 1 January 2023 (Audited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	5,000,000,000	50,000
Ordinary shares, issued and fully paid:		
At 1 January 2023 (Audited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	800,000,000	8,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2024 and 31 December 2023 not provided for in the consolidated financial statements were as follows:

	As at 30 June 2024	As at 31 December 2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Property, plant and equipment	537	608

18. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following transactions with its related parties during both periods:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
(a) Various subsidiaries of ME Group International Plc. (Previous named Photo-Me International Plc.) Purchase of consumables	3	727
(b) 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	436	470
(c) Salaries and other benefits paid to Ms. Au-Yeung Ying Ho	88	66
(d) Consultancy fee paid to non-controlling shareholder	1,699	703
(e) Consultancy fee paid to a company owned by Dr. Chan Wing Lok, Brian	376	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

The remuneration of Directors and other members of key management for the six months ended 30 June 2024 and 2023 were as follows:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	3,976	3,413
Post-employment benefits	61	72
	4,037	3,485

19. EVENTS AFTER REPORTING PERIOD

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



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We 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, the People’s Republic of China (“Mainland China”); and (ii) provision of medical services by operating medical centres in Hong Kong.

Photography services business

We believe that the social and economic activities of Hong Kong in connection with Mainland China and overseas resuming normalcy in full has lead a substantial demand on the photography services business in Hong Kong during the six months ended 30 June 2024. Furthermore, with the introduction of Top Talent Pass Scheme (“TTPS”) in 2022, over 100,000 talents admitted to Hong Kong via the TTPS, along with the approved applications of other talent admission scheme, have arrived in Hong Kong with their dependants, which has increased the demand of photography services business in Hong Kong in the six months ended 30 June 2024.

On 1 July 2024, the National Immigration Administration of the People’s Republic of China has announced that non-Chinese Hong Kong permanent residents are eligible for a card-type document (Mainland Travel Permits for Hong Kong and Macao Residents (non-Chinese Citizens)) (the “**Non-Chinese Citizens Permits**”) to facilitate their visit to the Mainland China for business, travelling, and visiting relatives. The introduction of Non-Chinese Citizens Permits is expected to boost the demand of ID photo and contribute certain revenue to the Group’s photography services business.

We consider that such significant demand of ID photos will remain in the foreseeable future.

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 been held during the six months ended 30 June 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Medical services business

During the six months ended 30 June 2024, the Group continues to provide medical services business in Hong Kong. A new clinic has been established in Kowloon district and started its operation since January 2024. We believe that we have built a branded clinic image and established stable relationship with our patient. 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.

We trust that the general increase in health awareness will lead a substantial 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 decreased by approximately HK\$4,903,000, from approximately HK\$39,477,000 for the six months ended 30 June 2023 to approximately HK\$34,574,000 for the six months ended 30 June 2024. For the six months ended 30 June 2024, revenue in photography services business amounted to approximately HK\$23,441,000 (for the six months ended 30 June 2023: HK\$33,249,000), which represent a decrease of approximately 29.50%. The decrease was mainly due to the demand of ID photo for updating travel documents have slowed down as compared to the period during the six months ended 30 June 2023 shortly after the relaxation of immigration control policies. For the six months ended 30 June 2024, revenue in medical services business amounted to approximately HK\$11,133,000 (for the six months ended 30 June 2023: HK\$6,228,000), which represent an increase of approximately 78.76%. The increase was mainly due to the increase in number of patient and the opening of a new clinic in January 2024.

Cost of services

The Group's cost of services decreased by approximately HK\$2,686,000, from approximately HK\$26,421,000 for the six months ended 30 June 2023 to approximately HK\$23,735,000 for the six months ended 30 June 2024. The decrease was in line with the decrease in revenue generated from photography services.

Gross profit and gross profit margin

The Group's gross profit amounted to approximately HK\$10,839,000 and approximately HK\$13,056,000 for the six months ended 30 June 2024 and 2023 respectively, representing gross profit margin of approximately 31.35% and approximately 33.07%. The decrement in gross profit was mainly due to the relatively lower profit margin contributed from the medical services business as compared to that of photography services business.

Other income

Other income decreased by approximately HK\$135,000 from approximately HK\$372,000 for the six months ended 30 June 2023 to approximately HK\$237,000 for the six months ended 30 June 2024. Such decrease was mainly due to decrease in sundry income.

MANAGEMENT DISCUSSION AND ANALYSIS

Other net losses

Other net losses mainly represented net exchange losses of approximately HK\$149,000 for the six months ended 30 June 2024 (for the six months ended 30 June 2023: exchange loss offset against gain on disposal property, plant and equipment totaled approximately HK\$141,000).

Administrative expenses

The Group's administrative expenses increased by approximately HK\$857,000, from approximately HK\$9,331,000 for the six months ended 30 June 2023 to approximately HK\$10,188,000 for the six months ended 30 June 2024. The increase was mainly attributable to the increase in staff cost and directors' remuneration.

Finance costs

Finance costs represented interest on lease liabilities and interest on bank loans of approximately HK\$347,000 and HK\$279,000 for the six months ended 30 June 2024 and 2023 respectively.

Income tax

Income tax expenses amounted to approximately HK\$140,000 and income tax credit amounted to approximately HK\$56,000 for the six months ended 30 June 2024 and 2023 respectively.

(Loss)/profit attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company was approximately HK\$199,000 for the six months ended 30 June 2024 while the profit attributable to equity shareholders of the Company was approximately HK\$3,708,000 for the six months ended 30 June 2023. The loss attributable to equity shareholders of the Company was mainly due to the decrease in revenue in photograph services business in Hong Kong. The demand of ID photo for updating travel documents have been slowed down as compared to the period during the six months ended 30 June 2023 shortly after the relaxation of immigration control policies.

Segment reporting

An analysis of the Group's segment performance for the six months ended 30 June 2024 and 2023 is set out in note 4 to the unaudited condensed consolidated financial statements of this interim report.



MANAGEMENT DISCUSSION AND ANALYSIS

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 June 2024, the Group has 69 employees (as at 30 June 2023: 87 employees).

Liquidity and capital resources

The Group’s financial position remained healthy as at 30 June 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 30 June 2024, the Group has nil outstanding bank loan (as at 30 June 2023: approximately HK\$2,000,000).

As at 30 June 2024, the Group’s total equity amounted to approximately HK\$23,879,000 (as at 30 June 2023: HK\$26,798,000). As at 30 June 2024, the Group’s cash and cash equivalents totaled approximately HK\$24,919,000 (as at 30 June 2023: HK\$20,333,000). The current ratio and the quick ratio of the Group as at 30 June 2024 was 1.75 (as at 30 June 2023: 2.07) and 1.68 (as at 30 June 2023: 2.00) respectively. The gearing ratio of the Group was 52.20% as at 30 June 2024 (as at 30 June 2023: 49.52%).

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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. 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 currently does not have a foreign currency hedge policy and 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 30 June 2024 and 2023, 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 June 2024 and 2023, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Pledge of assets

As at 30 June 2024, the Group has nil asset pledged to the banking facility. (as at 30 June 2023: restricted bank deposit of HK\$5,000,000).

Contingent liabilities

As at 30 June 2024 and 2023, the Group did not have any significant contingent liabilities.

Subsequent events

The information is set out in note 19 to the unaudited condensed consolidated financial statements of this interim report.

Dividends

The information is set out in note 8 to the unaudited condensed consolidated financial statements of this interim 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 C1 to the GEM Listing Rules as its own code of corporate governance. During the six months ended 30 June 2024, 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 six months ended 30 June 2024.

CHANGES TO DIRECTORS' INFORMATION

Changes in the information of the Directors since the publication of the annual report of the Company for the year ended 31 December 2023 which are required to be disclosed under Rule 17.50A(1) of the GEM Listing Rules are set out below:

- The director fee of Mr. Chan Wing Chai, Jamson, an executive director, has been changed to a total of HK\$1,350,000 consisting of emolument of HK\$390,000 and salaries of HK\$960,000 per annum effective 1 April 2024 for a period of three years.
- The director fee of Mr. Chan Tien Kay, Timmy, an executive director, has been changed to a total of HK\$1,350,000 consisting of emolument of HK\$1,000,000 and salaries of HK\$350,000 per annum effective 1 April 2024 for a period of three years.

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend the distribution of an interim dividend for the six months ended 30 June 2024 (for six months ended 30 June 2023: HK\$0.00375 per Share).

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

As at 30 June 2024, 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 ⁽¹⁾	427,600,560	Long	53.45%
Mr. Chan Tien Kay, Timmy	Interest in a controlled corporation ⁽¹⁾	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 ⁽¹⁾	427,600,560	Long	47.25%
Mr. Chan Tien Kay, Timmy	Causeway Treasure	Beneficial owner ⁽¹⁾	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 June 2024, 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 June 2024, 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 ⁽¹⁾	427,600,560	Long	53.45%
Ms. Au-Yeung Ying Ho	Interest in a controlled corporation ⁽²⁾	427,600,560	Long	53.45%
ME Group International Plc. (formerly known as Photo-Me International Plc.)	Beneficial owner	109,972,500	Long	13.75%
Mr. Cheung Kam Ting ⁽³⁾	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 Chai, 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 Chai, 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 June 2024, 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 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. The maximum number of shares in respect of the Share Option Scheme might be granted at 1 January and 30 June 2024 would not exceed 80,000,000 shares, which is 10% of the shares in issue as at 28 February 2018 (i.e., Listing Date). No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the six months ended 30 June 2024 and there was no outstanding share option as at 30 June 2024 and the date of this interim report.

Save for the Share Option Scheme, the Company has not adopted any other share scheme.

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

During the six months ended 30 June 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 six months ended 30 June 2024, the Board was comprised of seven 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Apart from the above-mentioned, during the six months ended 30 June 2024, the Directors including the independent non-executive Directors, are not aware of any business or interest of the Directors, controlling shareholders, substantial shareholders, 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, 5.29 and 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 interim report of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited consolidated results of the Group for the six months ended 30 June 2024 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and adequate disclosure have been made.

USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER

The Company has received the proceeds from the share offer of 200,000,000 shares of the Company (the "Shares") at a price of HK\$0.31 each on 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 30 June 2024, approximately HK\$20,478,000 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").



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

	Actual utilised net proceeds up to 30 June 2024 (HK\$'000)	Unutilised net proceeds up to 30 June 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 2024
Purchase of equipment for the development of medical and related services	137	4,463	4,600	31 December 2024
Establishment or acquisition of new clinics, medical and related business	987	1,013	2,000	31 December 2024
Upgrading of validation centre and IT infrastructure	1,369	631	2,000	31 December 2024
General working capital	10,218	—	10,218	—
	20,478	11,374	31,852	

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 Mainland China 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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.

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 2024.

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

LANGUAGE

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

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

Hong Kong, 9 August 2024

As at the date of this interim 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.