

# MaxSight Photo 名仕快相

Max Sight Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8483



**2018**  
First Quarterly Report

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this quarterly report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this quarterly report.*

*This quarterly report, for which the directors (the "Director(s)") of Max Sight Group Holdings Limited (the "Company"), together with its subsidiaries, the "Group" or "We") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this quarterly report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this quarterly report misleading.*

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

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# HIGHLIGHTS

- The Group's revenue increased by approximately HK\$939,000 or 8.13%, from approximately HK\$11,544,000 for the three months ended 31 March 2017 to approximately HK\$12,483,000 for the three months ended 31 March 2018.
- The Group's gross profit amounted to approximately HK\$5,439,000 and HK\$5,168,000 for the three months ended 31 March 2018 and 2017 respectively, representing gross profit margin of approximately 43.57% and 44.77% respectively, maintained at a stable level.
- The Group's loss attributable to owners of the Group increased by approximately HK\$2,728,000 or 91.70% from approximately HK\$2,975,000 for the three months ended 31 March 2017 to approximately HK\$5,703,000 for the three months ended 31 March 2018. The increase mainly contributed by the one-off listing expenses incurred for the three months ended 31 March 2018 and 2017 respectively.
- The Group's profit after tax (excluding one-off listing expenses) was approximately HK\$2,086,000 and HK\$2,004,000 for the three months ended 31 March 2018 and 2017 respectively.
- The Directors do not recommend to declare any interim dividend for the three months ended 31 March 2018.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

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

Mr. CHAN Tien Kay, Timmy

(*Chief Executive Officer*)

Mr. WU Siu Tong (*Finance Director*)

### Non-executive Directors

Mr. CHEUNG Kam Ting

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. WU Siu Tong

Mr. CHAN Wing Chai, Jamson

(*Alternate Authorised Representative*)

## COMPANY SECRETARY

Mr. LEY Yee Chung, Danny

## COMPLIANCE OFFICER

Mr. CHAN Tien Kay, Timmy

## AUDITOR

Deloitte Touche Tohmatsu

*Certified Public Accountants*

35/F, One Pacific Place

88 Queensway

Hong Kong

## COMPLIANCE ADVISER

Octal Capital Limited

801-805, 8/F, Nan Fung Tower

88 Connaught Road

Central

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  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKERS

Wing Lung Bank Ltd.  
Causeway Bay Branch  
Ground Floor, Top Glory Tower  
No. 262 Gloucester Road  
Causeway Bay, Hong Kong

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

## COMPANY'S WEBSITE

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

## STOCK CODE

8483

## DATE OF LISTING

28 February 2018

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 three months ended 31 March 2018 (the “Reporting Period”) together with the comparative figures for the three months ended 31 March 2017 as follows:

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

FOR THE THREE MONTHS ENDED 31 MARCH 2018

		For the three months ended 31 March	
	NOTES	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	3	12,483	11,544
Cost of sales		(7,044)	(6,376)
<b>Gross profit</b>		<b>5,439</b>	<b>5,168</b>
Other income		30	2
Other gains and losses, net		80	19
Administrative expenses		(3,096)	(2,764)
Finance costs		(1)	(3)
Listing expenses		(7,789)	(4,348)
Loss before taxation		(5,337)	(1,926)
Income tax expense	4	(366)	(418)
Loss for the period		(5,703)	(2,344)
<b>Other comprehensive income for the period</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation		184	30
<b>Total comprehensive expense for the period</b>		<b>(5,519)</b>	<b>(2,314)</b>

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

		For the three months ended 31 March	
	NOTES	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>(Loss) profit for the period attributable to:</b>			
Owners of the Company		(5,703)	(2,975)
Non-controlling interests		–	631
		(5,703)	(2,344)
<b>Total comprehensive (expense) income attributable to:</b>			
Owners of the Company		(5,519)	(2,961)
Non-controlling interests		–	647
		(5,519)	(2,314)
<b>Loss per share</b>			
— Basic (HK cents)	6	(0.85)	(0.70)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2018

	Attributable to owners of the Company								
	Share capital	Share premium	Translation reserve	Accumulated		Other reserve	Total	Non-controlling interests	Total
				profits (losses)					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2017 (audited)	2,453	-	(31)	14,071	-	16,493	10,947	27,440	
(Loss) profit for the period	-	-	-	(2,975)	-	(2,975)	631	(2,344)	
Other comprehensive income for the period	-	-	14	-	-	14	16	30	
Profit (loss) and other comprehensive income (expense) for the period	-	-	14	(2,975)	-	(2,961)	647	(2,314)	
Dividend	-	-	-	(2,875)	-	(2,875)	-	(2,875)	
At 31 March 2017 (unaudited)	2,453	-	(17)	8,221	-	10,657	11,594	22,251	
At 1 January 2018 (audited)	10	14,163	162	(494)	(5,664)	8,177	-	8,177	
Loss for the period	-	-	-	(5,703)	-	(5,703)	-	(5,703)	
Other comprehensive income for the period	-	-	184	-	-	184	-	184	
Profit (loss) and other comprehensive income (expense) for the period	-	-	184	(5,703)	-	(5,519)	-	(5,519)	
Capitalisation issue (note i)	5,990	(5,990)	-	-	-	-	-	-	
Issuance of new shares by way of share offer (note ii)	2,000	60,000	-	-	-	62,000	-	62,000	
Transaction costs attributable to issuance of new shares	-	(11,090)	-	-	-	(11,090)	-	(11,090)	
At 31 March 2018 (unaudited)	8,000	57,083	346	(6,197)	(5,664)	53,568	-	53,568	

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2018

Notes:

- (i) The Directors are authorised to capitalise HK\$5,990,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 599,000,000 shares for allotment and issue to holders of shares whose names appear on the register of members of the Company at the close of business on 8 February 2018 (or as they may direct) in proportion (as near as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in the Company and so that the shares to be allotted and issued pursuant to the resolution passed at the extraordinary general meeting held on 8 February 2018 shall rank pari passu in all respects with the then existing issued shares of the Company (the “**Capitalisation Issue**”) immediately prior to the listing. The Capitalisation Issue was completed on 28 February 2018.
  
- (ii) The listing on GEM of Stock Exchange was completed on 28 February 2018 (the “**Listing**”) and the Company allotted and issued HK\$2,000,000 divided into 200,000,000 new shares at HK\$0.31 per share for total gross proceeds of approximately HK\$62,000,000.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2018

## 1. GENERAL

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

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

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

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

Pursuant to the reorganisation (the “**Reorganisation**”) as full explained in the paragraph headed “Group Reorganisation and Basis of Preparation and Presentation of the Consolidated Financial Statements” of the annual report of the Company dated 23 March 2018, the Company has become the holding company of the companies now comprising the Group on 6 July 2017.

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2018

The unaudited condensed consolidated statement of profit or loss and other comprehensive income and the unaudited condensed consolidated statement of changes in equity for the three months ended 31 March 2018 have been prepared to present the results of the companies comprising the Group as if the group structure upon the completion of the reorganisation had been in existence throughout for the three months ended 31 March 2018 or since their respective dates of incorporation, where there is a shorter period.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the independent auditor's report in annual report of the Company dated 23 March 2018, except for the adoption of the new revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis and in accordance with the following accounting policies which conform with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

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

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

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2018

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

## 3. REVENUE AND SEGMENTAL INFORMATION

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

### Segment Information

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

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

### Geographical Information

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

	Revenue		Non-current assets	
	For the three months ended 31 March		As at 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Hong Kong	11,140	10,277	1,129	1,787
PRC	1,343	1,267	9,512	1,416
	12,483	11,544	10,641	3,203

Note: Non-current assets excluded financial instruments.

For the three months ended 31 March 2018 and 2017, no single customer accounted for 10% or more of the Group's total revenue.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2018

## 4. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Hong Kong Profits Tax:		
— Current tax	386	364
PRC Enterprise Income Tax:		
— Current tax	–	23
Deferred tax (credit) expense	(20)	31
	366	418

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

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

## 5. DIVIDEND

The Directors do not recommend to declare any interim dividend for the three months ended 31 March 2018.

Dividends declared by the Group during the three months ended 31 March 2018 and 2017 were as follows:

	For the three months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Treasure Star (China) Limited	–	2,750
MV Asset Management Limited	–	125

For the three months ended 31 March 2017, the dividends were declared to the shareholders of Treasure Star (China) Limited and MV Asset Management Limited before the Reorganisation. Treasure Star (China) Limited and MV Asset Management Limited become the indirect wholly-owned subsidiaries of the Company after the Reorganisation.

Other than disclosed above, no dividend was declared by any group entity during the relevant periods.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2018

## 6. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	For the three months ended 31 March	
	2018 HK\$'000	2017 HK\$'000
Loss:		
Loss for the purpose of calculating basic loss per share		
— Loss for the period attributable to the owners of the Company	(5,703)	(2,975)
	'000	'000
Weighted average number of shares:		
Number of ordinary shares for the purpose of calculating basic loss per share	671,111	427,601

For the three months ended 31 March 2018, the weighted average number of ordinary shares for the purpose of calculating basic loss per share has been adjusted for the effect of share offer dated on 28 February 2018, detailed information are disclosed in the annual report of the Company dated on 23 March 2018.

For the three months ended 31 March 2017, the weighted average number of ordinary shares for the purpose of calculating basic loss per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue had been effective on 1 January 2017, detailed information are disclosed in the annual report of the Company dated on 23 March 2018.

No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue during the relevant periods.

## 7. EVENTS AFTER REPORTING PERIOD

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Company was successfully listed on the Stock Exchange on 28 February 2018, marking a milestone for the Group in improving capital strength and corporate governance as well as enhancing our competitive edge. The net proceeds from the share offer on the Listing date was approximately HK\$31,852,000 after deducting the listing expenses. As at the date of this quarterly report, all of the unused proceeds were deposited in licensed banks in Hong Kong.

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

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

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

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately HK\$939,000 or 8.13%, from approximately HK\$11,544,000 for the three months ended 31 March 2017 to approximately HK\$12,483,000 for the three months ended 31 March 2018. For the three months ended 31 March 2018, the higher revenue was attributed to the slight increase in number of transactions generated by photo booths.

### Cost of Sales

The Group's cost of sales primarily consisted of (i) license fees paid to lessors for the operational sites of our photo booths; (ii) staff costs in relation to automatic ID photo booth attendants; (iii) photo booth consumables; (iv) depreciations and others. Our cost of sales was mainly comprised of license fees paid/payable for premises of our photo booths, which accounted for approximately 83.38% of our total cost of sales, for the three months ended 31 March 2018.

### Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK\$5,439,000 and HK\$5,168,000 for the three months ended 31 March 2018 and 2017 respectively, representing gross profit margin of approximately 43.57% and 44.77% respectively, maintained at a stable level. For the three months ended 31 March 2018 and 2017, the gross profit of the Group is mainly generated by the photo booths in Hong Kong. The Group's gross profit margin attributable to photo booths in Hong Kong and Guangdong Province were similar for the three months ended 31 March 2018 and 2017 respectively.

### Other Income

Other income represented trading of consumables and interest income from bank deposits. It was increased from approximately HK\$2,000 for the three months ended 31 March 2017 to approximately HK\$30,000 for the three months ended 31 March 2018.

### Other Gains and Losses, Net

Other gains and losses, net represented a net exchange gain which was increased from approximately HK\$19,000 for the three months ended 31 March 2017 to approximately HK\$80,000 for the three months ended 31 March 2018.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Administrative Expenses

The Group's administrative expenses increased by approximately HK\$332,000, or 12.01%, from approximately HK\$2,764,000 for the three months ended 31 March 2017 to approximately HK\$3,096,000 for the three months ended 31 March 2018. The increase was mainly attributable to (i) an increase in staff cost; (ii) an increase in Directors' emoluments; and (iii) an increase in auditor's remuneration.

## Finance Costs

Finance costs comprised interest charges on finance lease obligation. Finance costs amounted to approximately HK\$1,000 and HK\$3,000, respectively, for the three months ended 31 March 2018 and 2017.

## Listing Expenses

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

The Group's listing expenses amounted to approximately HK\$7,789,000 and HK\$4,348,000, respectively, for the three months ended 31 March 2018 and 2017.

## Income Tax Expenses

Income tax expenses amounted to approximately HK\$366,000 and HK\$418,000 for the three months ended 31 March 2018 and 2017, respectively.

## Loss Attributable to Owners of the Company

The Group's loss attributable to owners of the Company increased by approximately HK\$2,728,000 or 91.70% from approximately HK\$2,975,000 for the three months ended 31 March 2017 to approximately HK\$5,703,000 for the three months ended 31 March 2018. The increase mainly contributed by the one-off listing expenses incurred for the three months ended 31 March 2018 and 2017 respectively. Excluding the non-recurring listing expenses incurred for the three months ended 31 March 2018 and 2017 respectively, our profit attributable to owners of the Company was approximately HK\$2,086,000 and HK\$1,373,000 for the three months ended 31 March 2018 and 2017, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Segment Information

An analysis of the Group's performance for the three months ended 31 March 2018 and 2017 by geographical information is set out in note 3 to the unaudited condensed consolidated financial statements of this quarterly report.

## Share Capital

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

- (i) the Company has conditionally adopted a share option scheme, the principal items of which are set out in the prospectus of the Company dated 15 February 2018 (the "Prospectus");
- (ii) the authorised share capital of the Company was increased to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by creation of an additional 4,962,000,000 Shares; and
- (iii) the Directors are authorised to capitalise HK\$5,990,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 599,000,000 shares for allotment and issue to holders of shares whose names appear on the register of members of the Company at the close of business on 8 February 2018 (or as they may direct) in proportion (as near as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in the Company and so that the shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued shares of the Company immediately prior to the Listing. The Capitalisation Issue was completed on 28 February 2018.

The Listing was completed on 28 February 2018 and the Company allotted and issued HK\$2,000,000 divided into 200,000,000 new Shares at HK\$0.31 per Share for total gross proceeds of approximately HK\$62,000,000.

## Foreign Exchange Risk Management

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

## Significant Investments

As at 31 March 2018 and 2017, the Group did not hold any significant investments.

## Pledge of Assets

As at 31 March 2018 and 2017, the Group had no pledge of assets.

## Contingent Liabilities

As at 31 March 2018 and 2017, 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 quarterly report.

## Dividends

The Directors do not recommend to declare any interim dividend for the three months ended 31 March 2018.

# 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 of the Company (the “Shareholders”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the three months ended 31 March 2018, 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 three months ended 31 March 2018.

## DIVIDENDS

The Directors do not recommend to declare any dividend for the three months ended 31 March 2018.

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

During the three months ended 31 March 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## INTERESTS OF THE COMPLIANCE ADVISER

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

# CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 31 March 2018, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 taken 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 Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

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

Name of Directors/ chief executive	Capacity/ Nature of interest	Number of Shares	Long/ short position	Approximate percentage of total number of issued Shares
Mr. CHAN Wing Chai, Jamson	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%
Mr. CHAN Tien Kay, Timmy	Interest in a controlled corporation <sup>(1)</sup>	427,600,560	Long	53.45%
Mr. CHEUNG Kam Ting	Beneficial owner	62,426,940	Long	7.80%

Note:

- (1) The disclosed interest represents the interest in the Company held by Causeway Treasure Holding Limited ("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	Approximate shareholding percentage in the relevant Shares in the associated corporation
Mr. CHAN Wing Chai, Jamson	Causeway Treasure	Beneficial owner <sup>(1)</sup>	47.25%
Mr. CHAN Tien Kay, Timmy	Causeway Treasure	Beneficial owner <sup>(1)</sup>	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 5.5% by Ms. AU-YEUNG Ying Ho.

Save as disclosed above, as at 31 March 2018, 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 31 March 2018, 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 of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of Shares	Long/ short position	Approximate percentage of shareholding in the Company
Causeway Treasure	Beneficial owner <sup>(1)</sup>	427,600,560	Long	53.45%
Ms. AU-YEUNG Ying Ho	Interest in a controlled corporation <sup>(2)</sup>	427,600,560	Long	53.45%
Photo-Me International Plc.	Beneficial owner	109,972,500	Long	13.75%

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.

Save as disclosed above, as at 31 March 2018, 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 of the Company 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.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this quarterly report, at no time during the three months ended 31 March 2018 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

## SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a written resolution by the Shareholders on 8 February 2018. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the three months ended 31 March 2018 and there was no outstanding share option as at the date of this quarterly report.

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

For the three months ended 31 March 2018, none of the Directors, controlling Shareholders or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group; the relationship with and terms of appointment of the external auditor of the Company; and the Company's financial reporting system, risk management and internal control systems. The Audit Committee comprises three members, namely Mr. NGAI James (chairman), Mr. HUI Chi Kwan and Mr. KWOK Tsun Wa, all of them are independent non-executive Directors. The unaudited condensed consolidated results and the first quarterly report of the Group for the three months ended 31 March 2018 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited consolidated results of the Group for the three months ended 31 March 2018 comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure have been made.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER AND CHANGE IN USE OF PROCEEDS

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

Based on the final offer price of HK\$0.31 per offer share, the net proceeds from the share offer, after deducting the underwriting commission and fees and other estimated expenses payable by the Company in relation to the share offer, are estimated to be approximately HK\$35,309,000. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed "Statement of Business Objectives and Use of Proceeds" in the Prospectus and allocates the net proceeds as disclosed in the announcement of the Company dated 27 February 2018 (the "Announcement").

Due to higher underwriting commission and fees and other listing expenses, the net proceeds from the share offer have been reduced from HK\$35,309,000 to HK\$31,852,000. Accordingly, the Group has adjusted the use of proceeds.

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

	Proposed use of net proceeds as disclosed in the Announcement (HK\$'000)	Adjusted use of net proceeds (HK\$'000)	Actual used of net proceeds up to 31 March 2018 (HK\$'000)	Unutilised net proceeds up to 31 March 2018 (HK\$'000)
Expansion of network of automatic ID photo booths				
— Guangdong Province	30,367	29,381	4,212	25,169
— Hong Kong	514	471	120	351
Upgrading of validation centre and IT infrastructure	1,800	2,000	—	2,000
General working capital	2,628	—	—	—
<b>Total</b>	<b>35,309</b>	<b>31,852</b>	<b>4,332</b>	<b>27,520</b>

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save for the aforesaid changes, there is no other change of use of proceeds from the share offer as disclosed in the Prospectus and the Announcement.

The Board has considered the impact of the above changes in the use of net proceeds raised from the share offer and is of the view that it will enable the Group to meet the financial needs in the future plan and the expansion of network of automatic ID photo booths. The Board considers that such changes in the use of net proceeds will not adversely affect the operation, estimated time frame on the future plans. The Board further considers that the new reallocation on the use of proceeds is in the best interests of the Company and the Shareholders as a whole.

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

## LANGUAGE

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

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

Hong Kong, 10 May 2018

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