

Max Sight Photo 名仕快相

Max Sight Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8483

2024

Annual Report



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*This annual 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 annual 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 annual report misleading.*

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

CONTENTS

	Page
Corporate Information	2
Chairman's Statement	4
Management Discussion and Analysis	7
Directors and Senior Management	14
Report of Directors	18
Corporate Governance Report	34
Environmental, Social and Governance Report	53
Independent Auditor's Report	70
Consolidated Statement of Profit or Loss and Other Comprehensive Income	75
Consolidated Statement of Financial Position	76
Consolidated Statement of Changes in Equity	78
Consolidated Statement of Cash Flows	79
Notes to the Consolidated Financial Statements	81
Financial Summary	137

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Wing Chai, Jamson (*Chairman*)
Mr. Chan Tien Kay, Timmy (*Chief Executive Officer*)
Dr. Chan Wing Lok, Brian

Non-executive Directors

Mr. Riccardo Costi
Ms. Wong Shin Yee, Freda

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

AUDITORS

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

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



CORPORATE INFORMATION

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 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

STOCK CODE

8483

DATE OF LISTING

28 February 2018



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the consolidated financial results and annual report of the Company for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group continued to act as a leading automatic identity documentation ("**ID**") photo booth operator in Hong Kong and Guangdong Province where we operate iconic brands "Max SightPhoto 名仕快相" and "名仕富美" respectively (the "**Photography Services Business**"). In the meanwhile, we developed our medical services business by operating medical centres in Hong Kong (the "**Medical Services Business**") to explore business opportunities and diversify the Group's business with an aim to enhance long-term benefit for the shareholder of the Company (the "**Shareholders**").

STRATEGIES

In the year of 2024, a significant decrement has been reflected in our Photography Services Business as the demand restored to the level before the epidemic period which is not as much as that in 2023 shortly after the relaxation of travel restriction while a significant growing in our Medical Services Business in Hong Kong as a result of the continuous professional services provided.

These trends are reflected in the notable movements to the segment performances. The Group's revenue decreased by 17.4% to approximately Hong Kong Dollars ("**HK\$**") 66,246,000 for the year ended 31 December 2024. The profit attributable to owners of the Company was reversed to a loss attributable to owners of the Company of approximately HK\$399,000 for the year ended 31 December 2024.

Photography Services Business

The social and economic activities of Hong Kong in connection with Mainland China and overseas have been resuming normalcy in full in 2024. The demand of photography services business in Hong Kong return to similar level before the Covid-19 epidemic. With the effect arising from the relaxation of travel restriction in 2023, the boost demand of photography services business in Hong Kong was also representing the deferred demand in the 3-year epidemic period. Besides, the price competition from the traditional photography services providers as well as the convenience provided by government facilities for passport application lead a slight decrement of the Group's market shares.

As a result, the revenue in photography services amounted to approximately HK\$43,415,000, which represents a decrement of approximately 33.2%.

In order to continue our photography services business development, we are researching different potential projects to build up our Photography Services Business. Upgrading and maintaining our automatic ID photo booth machines such as the printing system, the computer boards and inviting resources in the IT infrastructure to achieve diversifiable development of our core business could be a new direction for the Group in the future.



CHAIRMAN'S STATEMENT

STRATEGIES (continued)

Medical Services Business

In 2024, the Group continues to provide medical services business in Hong Kong. A new clinic has been established in Kowloon district and stated its operation since January 2024. It is inspiring that the medical services business turns from loss to profit during the year ended 31 December 2024 which is the fourth year of the business commencement. The Board believes the Group has leaded a branded clinic image and established stable relationship with the community, which led to increase in patient visits.

The revenue in medical services business amounted to approximately HK\$22,831,000, which represents an increase of approximately 50.4%.

We are planning to 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. 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. The Board believes that the continuous stable quality and comprehensive medical services provided with the coverage to the communities will enhance the reputation of our brand. Accordingly, the further development of our Medical Services Business is essential to our core strategy of diversifying our Group's business.

RESULTS

As a result of the demand in photography services and the development in medical services, we generated revenue of approximately HK\$66,246,000, while our loss attributable to owners of the Company was approximately HK\$399,000 for the year ended 31 December 2024. Such reverse is mainly caused by the decrease in revenue of Photography Services Business.

DIVIDEND

To preserve sufficient funds to meet the financial needs of the Group in relation to its future business development, whenever appropriate, and to cater for any business opportunities that may arise in the near future, the Board does not recommend to declare any final dividend for the year ended 31 December 2024.

EXPLORE BUSINESS OPPORTUNITIES

The Group's diversified businesses span on Photography Services Business in Hong Kong and the People's Republic of China (the **"Mainland China"**) and Medical Service Business in Hong Kong.

The Group remains cautiously optimistic about the development prospects of the Photography Services Business and Medical Service Business. In line with the current strategic plan, the Group will strengthen the development of Photography Services Business, expand its customer base, and seek growth opportunities in existing business areas. For the Medical Services Business, the Group continues to expand the medical team, the scope of medical services and the medical service networks. The Medical Services Business will bring steady recurring income and strengthen its income base as long-term strategy.

We are committed to strengthen our existing core business and shall continue to capture market opportunities. We will continue to conduct research and exploring 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.

CHAIRMAN'S STATEMENT

APPRECIATION

On behalf of the Board and the management, I wish to extend my sincere appreciation to all of our staff for their tireless efforts, diligence and outstanding teamwork during the year ended 31 December 2024, and express my utmost gratitude to all stakeholders and business partners for their continued and valuable support and trust to the Group.

By order of the Board

Max Sight Group Holdings Limited

Mr. Chan Wing Chai, Jamson

Chairman

Hong Kong, 21 March 2025



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are principally engaged in (i) provision of photography services through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, the People's Republic of China (the "**Mainland China**") (the "**Photography Services Business**"); and (ii) provision of medical services by operating medical centres in Hong Kong (the "**Medical Services Business**").

Photography Services Business

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

Medical services business

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

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

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

Cost of services

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

Gross profit and gross profit margin

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

Other income

Other income increased by approximately HK\$55,000 from approximately HK\$584,000 for the year ended 31 December 2023 to approximately HK\$639,000 for the year ended 31 December 2024. Such increase was mainly due to increase in bank interest income. Detailed information is set out in the note 8(a) to the consolidated financial statements.

Other net losses/gain

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

Administrative expenses

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (continued)

Finance costs

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

Income tax expenses

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

Loss/profit attributable to owners of the Company

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

Segment information

An analysis of the Group's performance for the years ended 31 December 2024 and 2023 by segment is set out in the note 7 to the consolidated financial statements.

Employees and Remuneration Policies

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (continued)

Liquidity and capital resources

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

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

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

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

Capital expenditure

The capital expenditure for the years ended 31 December 2024 and 2023 were primarily related to expenditures on additions of property, plant and machinery, amounting to approximately HK\$1,715,000 and HK\$572,000 respectively.

Use of proceeds from the Company's share offer

The Company has received the proceeds from the share offer of 200,000,000 Shares at a price of HK\$0.31 each on 28 February 2018 (the "**Listing Date**"). The gross proceeds from the share offer amounted to approximately HK\$62,000,000 and the net proceeds was approximately HK\$31,852,000. As at 31 December 2024, approximately HK\$20,797,000 had been utilised, detailed information has been set out in the following table, prospectus of the Company dated 15 February 2018 (the "**Prospectus**"), the section headed "Use of proceeds from the Company's share offer and change in use of proceeds" in the announcement of the Company dated 10 May 2018, the announcement of the Company dated 17 January 2022, the announcement of the Company dated 12 August 2022 and the announcement of the Company dated 31 December 2024 (the "**Announcements**").

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (continued)

Use of proceeds from the Company's share offer (continued)

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

	Actual utilised net proceeds up to 31 December 2024 (HK\$'000)	Unutilised net proceeds up to 31 December 2024 (HK\$'000)	Adjusted use of net proceeds as stated in the Announcements (HK\$'000)	Expected time of fully use of unutilised net proceeds
Expansion of network of automatic ID photo booths				
— Guangdong Province	6,652	—	6,652	—
— Hong Kong	282	—	282	—
Business development of automatic ID photo booths business in Hong Kong	833	5,267	6,100	31 December 2025
Purchase of equipment for the development of medical and related services	137	4,463	4,600	31 December 2025
Establishment or acquisition of new clinics, medical and related business	987	1,013	2,000	31 December 2025
Upgrading of validation centre and IT infrastructure	1,688	312	2,000	31 December 2025
General working capital	10,218	—	10,218	31 December 2025
Total	20,797	11,055	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 the PRC have introduced online official document application systems, which recognise digital ID photos and adapt face recognition systems in replacement of traditional physical form of ID photos for certain types of licences or permit applications. Our originally planned business expansion of network of automatic ID photo booths in Guangdong Province was delayed and became increasingly challenging.

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (continued)

Foreign exchange risk management

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in United States dollars (“USD”) held by Hong Kong entities. And the Group derives its revenue, makes purchases and incurs expenses denominated mainly in Renminbi and HK\$. Foreign currency exposure to USD is insignificant, as the HK\$ is pegged to the USD. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group’s exchange rate risks. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

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

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

Material acquisitions and disposals of subsidiaries, associates and joint ventures

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

Pledge of assets

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

Contingent liabilities

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

Subsequent events

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

Dividends

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

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

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

Other details are set out in note 14 to the consolidated financial statements.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chan Wing Chai, Jamson (陳永濟), aged 78, was appointed as an executive Director with effect from 26 January 2017. Mr. Chan also serves as chairman of the Board and the chairman of nomination committee of the Board. Mr. Chan is primarily responsible for devising strategies for the continuous development of the Group, overseeing the Group's business operations and financial performance, as well as leading the Board in performing its functions. Since March 1989, Mr. Chan served as a director of Max Sight Limited, the first member of the Group. He has also been serving as a director of most of our subsidiaries. He has 34 years of experience in the field of automatic photo booth operations. He obtained a diploma in management for executive development from the Chinese University of Hong Kong in September 1985. Mr. Chan is a director of Causeway Treasure Holding Limited ("**Causeway Treasure**"), the controlling shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "**SFO**")). Mr. Chan is the spouse of Ms. Au-Yeung Ying Ho and the father of Mr. Chan Tien Kay, Timmy and Mr. Chan Ernie Shiu Kay. Mr. Chan is also a cousin of Dr. Chan Wing Lok, Brian, an executive Director.

Mr. Chan Tien Kay, Timmy (陳天奇), aged 51, was appointed as an executive Director with effect from 26 January 2017. Mr. Chan also serves as a member of remuneration committee of the Board and the chief executive officer of the Company. Mr. Chan is primarily responsible for managing the overall business operations and executing business strategies of the Group. He has been closely involved in the business operations of the Group since he acted as the business development manager and general manager of Max Sight Limited from 1996 to 1998 and from 1998 to 2003, respectively, during which periods he was in charge of liaising with our licensors for licences of our photo booths, overseeing daily operations of our business, and implementing the transition from mechanical chemistry machines to digital photo booths. He has also been serving as a director of our subsidiaries. Through his previous positions at our subsidiaries, he has accumulated experience in the operation of automatic photo booths for around 28 years. Mr. Chan was admitted as a solicitor to the Supreme Court of Queensland, Australia in November 2009. He obtained a master's degree in law from Bond University, Australia in September 2007, and a bachelor's degree in arts from Saint Olaf College, Minnesota, the United States in May 1996. Mr. Chan is a director of Causeway Treasure the controlling shareholder of the Company within the meaning of Part XV of the SFO. Mr. Chan is the son of Mr. Chan Wing Chai, Jamson and the elder brother of Mr. Chan Ernie Shiu Kay. Mr. Chan is also a nephew of Dr. Chan Wing Lok, Brian, an executive Director.

Dr. Chan Wing Lok, Brian (陳永樂), aged 60, was appointed as an executive Director with effect from 6 September 2021. Dr. Chan graduated from The University of Hong Kong and holds the qualifications of MBBS (HK), DCH (RCP&SI) and DPD (Cardiff). Dr. Chan has also been appointed as a Clinical Assistant Professor (honorary) in Family Medicine of the Faculty of Medicine, Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong since 2010. Dr. Chan has also been serving as a director of our subsidiaries, in which he is primarily responsible for the development of the medical services business of the Group. Dr. Chan was also appointed as the chief medical executive of Max Medical Services Limited on 6 September 2021. Before joining the Group, Dr. Chan served as an executive director of Town Health International Medical Group Limited (stock code: 3886), a company listed on the Stock Exchange, from July 2011 to September 2015 and from June 2018 to December 2019 and a director of their various subsidiaries till 5 September 2021, the principal business of which is medical and health care services. Dr. Chan has 33 years of experience in the field of medical services business. Dr. Chan is a cousin of Mr. Chan Wing Chai, Jamson, an executive Director and he is also an uncle of Mr. Chan Tien Kay, Timmy, an executive Director and Mr. Chan Ernie Shiu Kay.



DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Mr. Riccardo Costi, aged 80, was appointed as a non-executive Director on 26 January 2017. Mr. Costi is primarily responsible for providing strategic advice to the business and operation of the Group. Mr. Costi served as a director of some of our subsidiaries, including Max Sight Limited from September 1998 to June 2018, Fullwise International Limited from October 1999 to June 2018 and Guangzhou Max Sight Photo Company Limited from August 2005 to July 2018. Mr. Costi has accumulated over 42 years of extensive experience in the automatic photography industry.

Ms. Wong Shin Yee, Freda (黃倩而), aged 54, has over 20 years of experience in investment banking, financial advisory and finance related industries. She has been currently serving as the managing partner of Sunny Fortune Capital Limited. Prior to her current position, Ms. Wong held senior positions at the investment banking and private equity divisions of South China Financial Holdings Limited (stock code: 619.HK) and CITIC Securities International Company Limited (a wholly-owned subsidiary of CITIC Securities Company Limited (stock code: 6030.HK/600030.SH)). Ms. Wong has worked at DBS Asia Capital Limited, a wholly-owned subsidiary of DBS Group Holdings Limited (stock code: D05.SGX), the regulation division of the Stock Exchange and PricewaterhouseCoopers. Ms. Wong holds a Bachelor's degree of Business Administration (Major in Accounting) from Hong Kong Baptist University and a Master's degree in Business Administration from the University of Manchester. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the United Kingdoms.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ngai James (倪雅各), aged 61, joined the Group in February 2018. Mr. Ngai is an independent non-executive Director, the chairman of the audit committee and the remuneration committee of the Board and a member of nomination committee of the Board. Mr. Ngai graduated from University of Toronto with a Bachelor's degree in Economics. Mr. Ngai is a Certified Public Accountant (Practising) in Hong Kong, a member of Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants. Mr. Ngai is also a fellow member of The Taxation Institute of Hong Kong. Mr. Ngai has over 30 years of experience in accounting, auditing and taxation matters and is a managing director of Russell Bedford James Ngai CPA Limited.

Mr. Ngai is also a non-executive director and a chairman of the board of directors of Le Saunda Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 0738).

Mr. Hui Chi Kwan (許次鈞), aged 75, was appointed as an independent non-executive Director on 8 February 2018. Mr. Hui also serves as a member of audit committee of the Board and remuneration committee of the Board. Mr. Hui graduated from The University of Hong Kong with a Bachelor's degree in Laws in November 1980 and has been a solicitor practising in Hong Kong since March 1983. Mr. Hui was a partner of Tony Kan & Co., a law firm in Hong Kong, from 1987 to 2007. He retired from the partnership in 2007 and remained as a consultant of the firm. Mr. Hui has been an independent non-executive director of Le Saunda Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 0738).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Kwok Tsun Wa (郭振華), aged 78, was appointed as the independent non-executive Director on 8 February 2018. Mr. Kwok also serves as a member of audit committee of the Board and nomination committee of the Board. Mr. Kwok has over 55 years of experience in insurance industry.

Mr. Kwok is a veteran insurance practitioner and has served in senior positions in the following international insurance brokerage firms and general insurance companies since 1985. Mr. Kwok served as the general manager of Lombard Insurance Co. Ltd. from January 1985 to December 1989, where his main duties included formulation and implementation of policies and corporate planning, and representing the company at meetings with government and insurance authority. Subsequently, he acted as the managing director of Lombard Insurance Co. Ltd. from December 1989 to September 1995, where he was responsible for the overall management of the company and insurance industry affairs in Hong Kong. Mr. Kwok served as the chief executive of HSBC Non-Life Holdings Ltd. from December 1995 to June 1997, where he was responsible for developing and implementing plans which will lead to the overall growth of the business in defined geographies. Mr. Kwok also served as the chairman of Falcon Insurance Co. (HK) Ltd from January 1998 to December 2008, where he was responsible for formulating and executing the business strategies for the company.

Mr. Kwok was the chairman and subsequently strategic advisor of Marsh (Hong Kong) Limited, an insurance brokerage and risk advisory firm from January 2009 to December 2015. Mr. Kwok was appointed as a non-executive director of the Independent Insurance Authority of Hong Kong for a period of three years from 28 December 2015 to 27 December 2018 and the re-appointment has taken for a period of three years from 28 December 2018 to 27 December 2021. Mr. Kwok completed his secondary school education at Raimondi College in Hong Kong in 1965.

SENIOR MANAGEMENT

Mr. Tam Ka Seng (譚家聲), aged 51, is the maintenance and operation manager of the Company. Mr. Tam joined the Group in July 1994. Mr. Tam is primarily responsible for supervising the maintenance and general operations in the photography services business. Mr. Tam has over 30 years of experience in repair and maintenance of photo booths and trouble shooting. Mr. Tam completed the Hong Kong Certificate of Education Examination in 1992.

Mr. Chan Ernie Shiu Kay (陳少奇), aged 48, is the chief technical officer of the Company and is primarily responsible for advising on the technological requirements and technical design for the Group's projects. Mr. Chan joined the Group as a director of MV Asset Management Limited in October 2003 and resigned as the director of MV Asset Management Limited in May 2014. Mr. Chan was appointed as deputy general manager in April 2008 and was redesignated as chief technical officer in January 2017. Mr. Chan also has over 10 years of experience in provision of photocopying services. Mr. Chan became a sole shareholder of Pinnacle Vision Limited in July 2013 which is a company engaging in the provision of photocopying services. He graduated from the University of Minnesota in the United States in arts in December 2006. Mr. Chan is the son of Mr. Chan Wing Chai, Jamson and the younger brother of Mr. Chan Tien Kay, Timmy. Mr. Chan is also a nephew of Dr. Chan Wing Lok, Brian, an executive Director.



DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhu Yulin (朱俞霖), aged 35, was appointed as a finance director of the Company with effect from 23 May 2024. Ms. Zhu is primarily responsible for financial reporting and financial control matters of the Group. She possesses several years of experience in auditing, accounting and taxation. Prior to joining the Group, Ms. Zhu was the audit manager of KPMG and RSM Hong Kong. Ms. Zhu holds a Master degree of Accountancy from Hong Kong Baptist University and she is also a certificated public accountant of the Hong Kong Institute of Certificated Public Accountants.

COMPLIANCE OFFICER

Mr. Chan Tien Kay, Timmy is the compliance officer of the Company. Please refer to the paragraph headed “Executive Directors” above in this section for details of Mr. Chan Tien Kay, Timmy’s biography.



REPORT OF DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in (i) the provision of photography services through automatic identity documentation (“ID”) photo booths at different locations in Hong Kong and Guangdong Province, the People’s Republic of China (the “**Mainland China**”); and (ii) provision of medical services by operating medical centres in Hong Kong. Analysis of the principal activities of the subsidiaries of the Company during the year ended 31 December 2024 is set out in the note 18 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 75 of this annual report.

DIVIDENDS

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

An interim dividend of HK\$0.00375 per share during the year ended 31 December 2023 was paid on 6 October 2023 and a special dividend of HK\$0.005625 per share for the year ended 31 December 2023 was paid on 5 July 2024.

Other details are set out in note 14 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group’s business, an analysis of the Group’s performance during the year ended 31 December 2024 using financial key performance indicators and an indication of the future development in the Group’s business, are set out in the “Chairman’s Statement” on pages 4 to 6 and “Management Discussion and Analysis” on pages 7 to 13 in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group’s businesses. The following are the key risks and uncertainties identified by the Group:

- Agreement for the right to use the lessors’ premises for operating our automatic ID photo booths and medical centres

Our well-established photo booth locations in Hong Kong and Guangdong Province and medical centres locations in Hong Kong are convenient and readily accessible and this extensive network of photo booths and medical centres is instrumental to our success in the industries. The retention and renewal of our agreements with the lessors depends on a number of factors, including but not limited to our relationship with the lessors, our historical performance under these agreements and our reputation.



REPORT OF DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Revenue and financial performance for photography services

The demand for the products is closely linked to the demand for ID application or renewal and our customers may not require our products repeatedly within a short period of time. There may not be adequate or increasing demand for our products depending on the relevant policies and cyclical patterns of ID application and renewal, and as a result, we may not be able to install and operate new photo booths in these markets on a timely basis, if at all, and if installed, may be less successful than photo booths in our existing markets. A general decline in the demand of our products could occur. Any decreasing demand of our products could bring material adverse impact to our business, results of operation and financial performance.

- The reliance on the professional team in medical services business

We are dependent on our professional team to provide medical services to its customers who look for quality medical services and stable doctor-patient relationship. Our financial results and our medical services may be adversely affected if we are not able to engage qualified professionals to join our team or retain them. In particular, our business model in medical services business relies on consultancy or employment arrangements. The consultancy or employment arrangements of the Group's professional team with the Group may be terminated by either party giving the required notice.

The suitable medical practitioners are limited and the Group has to compete with medical service providers in both the public and private sectors for these registered medical practitioners. The professional team is one of the Group's valuable assets and the Group attracts quality new members to join the professional team through the Group's reputation, competitive compensation package, supportive working environment and attractive career development.

- The reputation in medical services business

We rely on our reputation within the medical services business and our brand's image which may be adversely affected by negative publicity, complaints, allegations or legal actions regarding the inadequacy of patient care, treatment outcome and medical services provided, which may harm the business, operating results, financial condition, brand and reputation of the Group. Moreover, the limitation in promoting in medical services business may affect our ability to further enhance our brand recognition or secure new business opportunity in the future.

The Group has developed a set of standard operation procedures for the medical centres and conducted sharing sessions among medical practitioners from time to time so as to minimise the risks and chances of medical negligence.



REPORT OF DIRECTORS

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with the requirements of relevant laws and regulations which include the Companies Law of the Cayman Islands and the GEM Listing Rules. During the year ended 31 December 2024, as far as the Board and management are aware of, the Group has complied with all relevant laws and regulations. There was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and has implemented policies to minimise the impact on the environment from its business activities. The Group endeavours to refine the approach to addressing its environmental, social and ethical responsibilities along with improving its corporate governance in order to generate greater value for all stakeholders.

Other details are set out in the “Environmental, Social and Governance Report” on pages 53 to 69 in this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the year ended 31 December 2024, there were no material and significant disputes between the Group and its employees, customers and suppliers.

The Group recognises employees as one of its valuable assets and strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance. The Group provides good quality services to its customers and keeps a database for direct communications with recurring customers for developing a long-term trusted relationship. The Group also maintains effective communication and develops a long-term business relationship with the suppliers.

FINANCIAL SUMMARY

A summary of the Group’s results, assets and liabilities for the last five financial years is set out on page 137 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF PROCEEDS FROM THE COMPANY’S SHARE OFFER

For the detailed information, please refer to “Use of proceeds from the Company’s share offer” in “Management Discussion and Analysis” on pages 11 to 12.



REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

Our target customers in the photography services business and medical services business are consumers of the general public. Due to the nature of our industries, we do not rely on any single customer for the years ended 31 December 2024 and 2023.

Major suppliers

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

Save as disclosed above, during the year ended 31 December 2024, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued Shares) had any interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2024 are set out on pages 131 and 78 respectively of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the distributable reserves of the Company amounted to approximately HK\$4,965,000.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2024, the Group had nil outstanding bank loan.

REPORT OF DIRECTORS

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this annual report are:

Executive Directors

Mr. Chan Wing Chai, Jamson (*Chairman*)
Mr. Chan Tien Kay, Timmy (*Chief Executive Officer*)
Dr. Chan Wing Lok, Brian

Non-executive Directors

Mr. Riccardo Costi
Ms. Wong Shin Yee, Freda

Independent non-executive Directors

Mr. Ngai James
Mr. Hui Chi Kwan
Mr. Kwok Tsun Wa

In accordance with article 84(1) of the articles of association of the Company (the “**Articles of Association**”), at each annual general meeting (the “**AGM**”), one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Details of the Directors to be re-elected at the AGM will set out in the circular to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 14 to 17 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of its independent non-executive Directors to be independent.

DIRECTORS’ SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy has signed a service contract with the Company for a term of three years commencing from the Listing Date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by three months’ notice in writing. On 19 March 2021, the service contracts for Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy were renewed for a fixed terms of three years with the Company with effective from 1 April 2021. On 22 March 2024, the service contracts for Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy were renewed for a fixed terms of three years with the Company with effective from 1 April 2024.

On 6 September 2021, Dr. Chan Wing Lok, Brian has signed a service contract with the Company as an executive Director for a term of three years from 6 September 2021, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by three months’ notice in writing.



REPORT OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT (continued)

Each of the non-executive Directors has signed a service contract with the Company for a term of two years commencing from the Listing Date or the relevant appointment date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by one month's notice in writing.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of two years commencing from the Listing Date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by one month's notice in writing.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

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. The Company has adopted a share option scheme as incentive to the Directors and eligible employees.

During the year ended 31 December 2024, bonus of HK\$544,000 was paid to the Directors. Details of the emoluments of the Directors and the five highest paid individuals during the year ended 31 December 2024 are set out in notes 13 and 12(b) to the consolidated financial statements.

DIVIDEND POLICY

The Directors shall consider the following factors before declaring or recommending dividends:

1. the Company's actual and expected financial performance;
2. retained earnings and distributable reserves of the Company and each of the members of the Group;
3. the Group's working capital requirements, capital expenditure requirements and future expansion plans;
4. the Group's liquidity position;
5. general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
6. other factors that the Board deems relevant.

Other details are set out in note 14 to the consolidated financial statements.

REPORT OF DIRECTORS

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 12(a) to the consolidated financial statements.

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

As at 31 December 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.

REPORT OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

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 31 December 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2024 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.

REPORT OF DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 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 share holding 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.) ("Me Group")	Beneficial owner	109,972,500	Long	13.75%
Mr. Cheung Kam Ting	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.

Save as disclosed above, as at 31 December 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.



REPORT OF DIRECTORS

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. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the year ended 31 December 2024 and there was no outstanding share option as at 31 December 2024.

1. Purpose

The purpose of the Share Option Scheme is to motivate the Eligible Persons (as defined in the paragraph (2) below) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

2. Eligible Persons

The Board may, at its sole discretion, invites any director or proposed director (including an independent non-executive director) of any member of the Group, any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of the Group (an “**Employee**”), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group, a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group, or any advisory, consultancy, professional or other services to any member of the Group, or a close associate (as defined under the GEM Listing Rules) of any of the foregoing persons (together, the “**Eligible Persons**” and each an “**Eligible Person**”).

3. Acceptance of an offer of options

A share option (the “**Share Option**”) shall be exercised in whole or in part by the grantee according to the procedures for the exercise of Share Options established by the Company from time to time. Every exercise of a Share Option must be accompanied by a remittance for the full amount of the subscription price for the Shares to be issued upon exercise of such Share Option.

4. Maximum number of Shares

The maximum number of Shares to be issued upon exercise of all Share Options which may be granted under the Share Option Scheme (and under any other share option schemes) shall not in aggregate exceed 10% of the Shares in issue from time to time provided that the Company may at any time as the Board may think fit seek approval from the Shareholders to refresh the scheme mandate limit, except that the maximum number of Shares to be issued upon exercise of all Share Options which may be granted under the Share Option Scheme (and under any other share option schemes of the Company) shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders in general meeting where such limit is refreshed.

The maximum number of Shares to be issued upon exercise of all Share Options granted to any one Eligible Person (including exercised and outstanding Share Options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

REPORT OF DIRECTORS

SHARE SCHEME (continued)

5. Subscription price of Shares

The subscription price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option (and shall be stated in the letter containing the offer of the grant of the Share Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of Shares;
- (b) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average of the closing prices of Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

The subscription price shall also be subject to adjustment in accordance with the reorganisation of capital structure.

6. Duration

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date. However, the Shareholders in general meeting may by resolution at any time terminate the Share Option Scheme. Upon the expiry or termination of the Share Option Scheme as aforesaid, no further Share Option shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. All Share Options granted prior to such expiry or termination (as the case may be) and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the Share Option Scheme.

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

EQUITY-LINKED AGREEMENTS

Saved for the Share Option Scheme as set out in this annual report, no equity-linked agreement that would or might result in the Company issuing Shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing Shares, was entered into by the Company during the year or subsisted at the end of the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.



REPORT OF DIRECTORS

NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 8 February 2018 ("**Deed of Non-competition**") entered into by Mr. Chan Wing Chai, Jamson, Mr. Chan Tien Kay, Timmy and Ms. Au-Yeung Ying Ho and Causeway Treasure (collectively, the "**Controlling Shareholders**") in favour of the Company, each of the Controlling Shareholders has irrevocably undertaken to the Company (for itself and on behalf of each other member of the Group) that he/she/it would not, and would procure that his/her/its close associates (except any members of the Group) would not, during the restricted period set out below, directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any business which is or may be in competition with the business currently carried on or contemplated to be carried on by any member of the Group (the "**Restricted Business**"). For details of the above, please refer to the Prospectus dated 15 February 2018.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-competition respectively during the restricted period for disclosure in this annual report.

The independent non-executive Directors have reviewed the compliance with the Deed of Non-competition during the restricted period within the year ended 31 December 2024 based on the information and confirmation provided by or obtained from the Substantial Shareholder, and were satisfied that the Controlling Shareholders have duly complied with the Deed of Non-competition.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, during the year ended 31 December 2024, none of the Directors 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 businesses of the Group.

CONTINUING CONNECTED TRANSACTIONS

The Company and Me Group entered into the master supply agreement (the "**Master Supply Agreement**") on 4 August 2023 for a term of three financial years ending 31 December 2025, to supply to the Group photo booths, as well as their respective consumables and other related products and services.

Me Group is a substantial shareholder (the "**Substantial Shareholder**") of the Company which control 13.75% of the voting rights in our Company, hence a connected person of our Company under Rule 20.07(1) of the GEM Listing Rules.

REPORT OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (continued)

The Group is satisfied with the photo booths, their respective consumables and other related products and services supplied and provided by Me Group (the “**Products**”), in terms of product quality, technology advancement and delivery time, supported by the stable business relationships between the Me Group and the Group starting from 1993, and Me Group has provided the Group with a constant and timely supply of the Products in past years. Furthermore, taking into account of the Me Group’s experience and reputation in the global photo booths manufacturing industry, coupled with that Me Group is the Substantial Shareholder having established a long-term business relationship with the Group, we believe there is a better and more efficient communication with Me Group of our needs as compared to third parties and will provide us with business and operational convenience. In light of the above, the Directors are of the view that it will be in the interests of our Company and our Shareholders as a whole to continue such transactions with Me Group contemplated under the Master Supply Agreement which can provide the Group with continuous steady supply of the quality Products at reasonable prices and enhance operational efficiency. As such, the transactions under the Master Supply Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The aggregate transactions contemplated with Me Group for the year ended 31 December 2024 shall not exceed the following caps:

	Annual caps For the year ended 31 December 2024 (HK\$'000)
Transaction amount of purchase of the photo booths from Me Group (the “ Photo Booths Caps ”)	1,000
Transaction amount of purchase of the consumables and other related products and services from Me Group (the “ Consumables Caps ”)	3,000
	4,000

The transaction amounts of purchase of the photo booths from Me Group and purchase of the consumables and other related products and services from Me Group amounted nil and HK\$483,000, which were within the annual cap for the year ended 31 December 2024.

The applicable percentage ratios for the transactions contemplated under the Master Supply Agreement for each of the three financial years ending 31 December 2025 on an aggregate annual basis are exceeds 5% but is less than 25% and the total consideration is less than HK\$10,000,000, the transactions are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.



REPORT OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (continued)

For the year ended 31 December 2024, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company (the “**Auditor**”) has been engaged to perform procedures on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has advised that nothing has come to its attention and concludes that:

- (1) the transactions have been approved by the Board;
- (2) the transactions were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (3) the transactions were entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) the aggregate amounts of the transactions have not exceeded the relevant annual caps as disclosed in the announcement dated on 4 August 2023.

Save as disclosed above and in this annual report, there was no contract of significance (whether for the provision of services to the Group or not) between the Company or any of its subsidiaries and a controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries subsisted as at 31 December 2024 or at any time during the year ended 31 December 2024.

REPORT OF DIRECTORS

RELATED PARTY TRANSACTIONS

Save as the above disclosure and note 31 to the consolidated financial statements, no other related party transactions are required to be disclosed in this annual report in accordance with the requirements of Chapter 20 of the GEM Listing Rules.

DONATIONS

During the year ended 31 December 2024, the Group made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2024, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for the Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

Pursuant to the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duties.

SUBSEQUENT EVENTS

Subsequent events are set out in the "Management Discussion and Analysis" on page 13 in this annual report.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") had, together with the management and external auditors (the "**Auditors**"), reviewed the accounting principles and policies adopted by the Group, the annual results and the consolidated financial statements for the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 34 to 52 of this annual report.

The compliance officer of the Company is Mr. Chan Tien Kay, Timmy, whose biographical details are set out on page 14. The company secretary of the Company is Ms. Tang Ka Yan who satisfies the qualification requirement under Rule 5.14 of the GEM Listing Rules. Ms. Tang Ka Yan's biographical details are set out on page 49.



REPORT OF DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the year ended 31 December 2024 and up to the date of this annual report.

AUDITORS

RSM Hong Kong was appointed as the Auditors for the year ended 31 December 2024. The accompanying consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards have been audited by RSM Hong Kong.

RSM Hong Kong will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Hong Kong as Auditors is to be proposed at the forthcoming AGM.

On behalf of the Board

Mr. Chan Wing Chai, Jamson

Chairman and executive Director

Hong Kong, 21 March 2025



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. During the year ended 31 December 2024, the Company has complied with all applicable code provisions of the CG Code.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board has reviewed and discussed the Group’s environmental, social and governance report at least annually to assess the management and control of the risks in environmental, social and governance.

To response the expectation from the stakeholders of the Group and further enhance the corporate governance practices in relation to the environmental and social perspectives, the Group’s environmental, social and governance initiatives are set out in the “environmental, social and governance report” on pages 53 to 69 in this annual report.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees including the Audit Committee, the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) (together, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors had carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.



CORPORATE GOVERNANCE REPORT

THE BOARD (continued)

Board composition

As at the date of this annual report, the Board comprises three executive Directors, two non-executive Directors and three independent non-executive Directors as follows:

Executive Directors:

Mr. Chan Wing Chai, Jamson (*Chairman*)
Mr. Chan Tien Kay, Timmy (*Chief Executive Officer*)
Dr. Chan Wing Lok, Brian

Non-executive Directors:

Mr. Riccardo Costi
Ms. Wong Shin Yee, Freda

Independent Non-executive Directors:

Mr. Ngai James
Mr. Hui Chi Kwan
Mr. Kwok Tsun Wa

Ms. Wong Shin Yee, Freda, who has been appointed as a non-executive Director on 8 November 2024, has obtained the legal advice referred to in Rule 5.02D of the Listing Rules and on Hong Kong law as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 7 November 2024, and she has confirmed she understood her obligations as a director of a listed issuer.

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

During the year ended 31 December 2024 and up to the date of this annual report, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company’s performance. Therefore, the Company has adopted a board diversity policy (the “**Board Diversity Policy**”) to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, gender, age, culture and educational background, ethnicity, professional experience, skills, language, background, education knowledge, industry experience and professional experience. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. The Board Diversity Policy is summarised below:

CORPORATE GOVERNANCE REPORT

THE BOARD (continued)

Board Diversity Policy

The Board has adopted the Board Diversity Policy and discussed all measurable objectives set for implementing the Board Diversity Policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, culture and educational background, ethnicity, professional experience, skills, language, background, education knowledge, industry experience and professional experience.

The Board has reviewed the structure of the Board at least annually to consider the composition of the Board. The Board is of the view that diversity can be considered from a number of perspectives, including professional qualifications, regional and industry experience, educational and cultural background, skills, industry knowledge and reputation, gender, ethnicity, language skills and length of service. The Board has actively identified individuals that are suitable and qualified to become Board members to fulfill the Board Diversity Policy and enhance gender diversity on the Board. The Company will also proactively provide trainings to our senior managements and will take into account the factor of gender diversity when recruiting suitable candidates for our senior management in the future, so to develop a pipeline of potential successors for the Board and enhance gender diversity in the Board in the coming years. The Company may also engage human resources agencies to identify potential successors for the Board and enhance gender diversity in the coming years, if necessary.

During the year ended 31 December 2024, the Board has appointed a female director and achieved the diversity of the board. For the detailed gender ratio in the workforce (including senior management), please refer to the environmental, social and governance report in this annual report.

As each of the independent non-executive Directors has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules, the Company considers all of them to be independent parties. The Board reviews the implementation and effectiveness of such mechanism on an annual basis.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he has a proper understanding of the Group's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations. The Company also provides regular updates on latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge his/her duties.

Directors are encouraged to participate in continuous professional development seminars to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on GEM of the Stock Exchange.

This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2024, all Directors and the company secretary have participated in continuous professional development by attending conferences, reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities.

The training records of the Directors for the Financial Year are summarized as follows:

Name of Director	Attended Seminars or Briefing/ Read Materials
Executive Directors	
Mr. Chan Wing Chai, Jamson (<i>Chairman</i>)	✓
Mr. Chan Tien Kay, Timmy (<i>Chief Executive Officer</i>)	✓
Dr. Chan Wing Lok, Brian	✓
Non-executive Directors	
Mr. Riccardo Costi	✓
Ms. Wong Shin Yee, Freda	✓
Independent non-executive Directors	
Mr. Ngai James	✓
Mr. Hui Chi Kwan	✓
Mr. Kwok Tsun Wa	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

The chairman of the Board and the chief executive officer of the Company (the "**Chief Executive Officer**") are currently two separate positions held by Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy, respectively, with clear distinction in responsibilities. Mr. Chan Wing Chai, Jamson is responsible for devising strategies for the continuous development of the Group, overseeing the Group's business operations and financial performance, as well as leading the Board in performing its functions. Mr. Chan Tien Kay, Timmy is responsible for managing the overall business operations and executing business strategies of the Group.

CORPORATE GOVERNANCE REPORT

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy has signed a service contract with the Company for a term of three years commencing from the Listing Date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by three months' notice in writing. On 19 March 2021, the service contracts for Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy were renewed for a fixed terms of three years with the Company with effective from 1 April 2021. On 22 March 2024, the service contracts for Mr. Chan Wing Chai, Jamson and Mr. Chan Tien Kay, Timmy were renewed for a fixed terms of three years with the Company with effective from 1 April 2024.

On 6 September 2021, Dr. Chan Wing Lok, Brian has signed a service contract with the Company as an executive Director for a term of three years from 6 September 2021, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by three months' notice in writing.

Each of the non-executive Directors has signed a service contract with the Company for a term of two years commencing from the Listing Date or relevant appointment date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by one month's notice in writing.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of two years commencing from the Listing Date, and shall thereafter continue on a month to month basis unless otherwise agreed between both parties by one month's notice in writing.

None of the Directors has a service contract or letter of appointment which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the relevant Board Committees prior to the meeting. Minutes of the meetings are kept by the company secretary with copies circulated to all Directors to the relevant Board Committees members for information and records within reasonable time after the meetings.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors or the Board Committees members for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings and the Board Committees meetings are open for inspection by Directors.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS (continued)

During the year ended 31 December 2024, six Board meetings and one general meeting were held and the attendance of each Director at these Board meetings and general meetings is set out in the table below:

Directors	Board meeting(s) attended/held	General meeting attended/held
Executive Directors:		
Mr. Chan Wing Chai, Jamson	6/6	1/1
Mr. Chan Tien Kay, Timmy	6/6	1/1
Dr. Chan Wing Lok, Brian	6/6	0/1
Non-executive Directors:		
Mr. Riccardo Costi	4/6	1/1
Ms. Wong Shin Yee, Freda	1/1	N/A
Independent Non-executive Directors:		
Mr. Ngai James	4/6	1/1
Mr. Hui Chi Kwan	5/6	1/1
Mr. Kwok Tsun Wa	5/6	1/1

Note: Ms. Wong Shin Yee, Freda was appointed as a non-executive director on 8 November 2024. One board meeting was held after her appointment.

Apart from regular Board meetings, the Chairman also held a meeting with the Independent Non-executive Directors without the presence of other Directors during the year.

The Independent Non-executive Directors and the Non-executive Director have attended general meeting of the Company to gain and develop a balanced understanding of the view of the Shareholders.

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

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions in the securities of the Company.

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

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board on such matters;
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

BOARD COMMITTEES

Audit Committee

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 principal duties of the Audit Committee include the following:

1. to review the relationship with the Auditors by reference to the work performed by the Auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Auditors;
2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditors before submission to the Board; and
3. to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Audit Committee (continued)

During the year ended 31 December 2024, the Audit Committee had held five meetings with the following matters:

- reviewed the interim and annual results of the Group as well as the audit report prepared by the Auditors relating to accounting issues and major findings in course of audit;
- reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the re-appointment of the Auditors; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditors; and
- oversaw the Company's relations with the Auditors, and to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the Auditors, and to approve the remuneration and terms of engagement of the Auditors, and to consider any questions of their resignation or dismissal.

Minutes of the meetings are kept by the company secretary with copies circulated to all Audit Committee members for information and records within reasonable time after the meetings.

During the year ended 31 December 2024, the attendance of each Audit Committee member is set out in the table below:

Audit Committee member	Meetings attended/held
Mr. Ngai James	5/5
Mr. Hui Chi Kwan	5/5
Mr. Kwok Tsun Wa	5/5

The Group's unaudited interim results for the six months ended 30 June 2024 and audited annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Chan Wing Chai, Jamson (chairman), Mr. Ngai James and Mr. Kwok Tsun Wa, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors; and
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Company and the Chief Executive Officer.

The provisions set out in the terms of reference of the Nomination Committee are regarded as the key nomination criteria and principles of the Company for the nomination of Directors, and these provisions constitute the "nomination policy" of the Company.

During the year ended 31 December 2024, the Nomination Committee had held two meetings with the following matters:

1. reviewed the structure, size and composition of the Board at least annually and made recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. made recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for Directors;
3. assessed the independence of independent non-executive Directors, having regards to the requirements under the GEM Listing Rules; and
4. reviewed the Board Diversity Policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee discussed any revisions that may be required, and recommended any such revisions to the Board for consideration and approval.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Pursuant to Rule 17.104 of the GEM Listing Rules, listed issuers are required to adopt a board diversity policy. On 23 March 2018, the Board adopted the Board Diversity Policy, a summary of which is set out below:

1. in considering the composition of the Board, the Board is of the view that diversity can be considered from a number of perspectives, including professional qualifications, regional and industry experience, educational and cultural background, skills, industry knowledge and reputation, gender, ethnicity, language skills and length of service;
2. the above perspectives shall be taken into account in determining the optimal composition of the Board and where possible, should be balanced among one another as appropriate;
3. appointments to the Board should be made based on merits and the contributions that the individual is expected to bring to the Board, with due regard to the benefits of diversity in the Board; and
4. the Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board Diversity Policy (if any) as appropriate.

Pursuant to code provision E. (d)(iii) of the CG Code, listed issuers are required to adopt nomination policy. On 22 March 2019, the Board revised the nomination policy.

The nomination policy sets out the selection criteria and procedure of appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, his/her academic background and professional qualifications, relevant experience in the industry, character and integrity and whether he/she can contribute to the diversity of the Board as detailed in the Board Diversity Policy.

The procedure of appointing and re-appointing a Director is summarised as follows:

1. nomination and invitation of suitable candidates by any member of the Nomination Committee or the Board;
2. evaluation of the candidate by the Board based on all selection criteria as set out in the nomination policy;
3. performing due diligence in respect of each candidate and making recommendation for the Board's consideration and approval;
4. in case of nomination of an independent non-executive Director, assessing the candidate's independence under the relevant code provisions of the CG Code and the GEM Listing Rules;
5. where nominating an independent non-executive Director for election at general meetings, having due consideration of matters under code provision B.3.4 of the CG Code;
6. in the context of re-appointment of retiring Directors, reviewing the candidate's overall contribution and performance and making recommendations to the Board and/or the Shareholders for consideration in connection with his/her re-election at general meetings;
7. convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director;

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Nomination Committee (continued)

8. considering factors below when it makes recommendation for appointment and re-appointment, inter alia:
- (i) mix of Board members that promotes diversity of background and experience on the Board;
 - (ii) competency;
 - (iii) age of potential/existing Director;
 - (iv) independence of potential/existing Board member;
 - (v) business, technical, or specialised skills and experience of member/potential member;
 - (vi) ability, time, commitment and willingness of a new member to serve and an existing member to continue service;
 - (vii) specific value a member/potential member can add to the Board; and
9. ensuring that no Director or any of his/her associates is involved in approving his/her or any of his/her associates' nomination.

During the year ended 31 December 2024, the attendance of each Nomination Committee member is set out in the table below:

Nomination Committee member	Meetings attended/held
Mr. Chan Wing Chai, Jamson	2/2
Mr. Ngai James	2/2
Mr. Kwok Tsun Wa	2/2

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Ngai James (chairman), Mr. Hui Chi Kwan and Mr. Chan Tien Kay, Timmy, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service contracts;



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
8. to ensure that no Director or any of his associates (as defined in the GEM Listing Rules) is involved in deciding his own remuneration; and
9. to review and/or approve matters relating to share schemes under Chapter 23 of GEM Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The main procedure of the remuneration policy for Director and senior management is summarised as follows:

1. to evaluate the performance of all Directors and senior management and make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which should include benefits in kind, pension rights and compensation payments, and any compensation payable for loss or termination of their office(s) or appointment(s), and to make recommendations to the Board on the remuneration of non-executive Directors;
3. in determining such packages and arrangements, give due regard to any relevant legal requirements, and the provisions, guidelines and recommendations of related regulatory bodies to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and any of its subsidiaries;
4. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office(s) or appointment(s) to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

5. to review annually the appropriateness and relevance of the remuneration policy;
6. to consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The remuneration committee members should have access to independent legal and professional advice if necessary;
7. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
8. make recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed.

During the year ended 31 December 2024, the Remuneration Committee had held two meetings to discuss and review the remuneration packages for Directors and senior management of the Company, and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

During the year ended 31 December 2024, the attendance of each Remuneration Committee member is set out in the table below:

Remuneration Committee member	Meeting attended/held
Mr. Ngai James	2/2
Mr. Hui Chi Kwan	2/2
Mr. Chan Tien Kay, Timmy	2/2

Remuneration of Directors and senior management

Particulars of the remuneration of the Directors and the five highest paid individuals for the year ended 31 December 2024 are set out in notes 13 and 12(b) to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the senior management, whose particulars are contained in the section headed "Directors and Senior Management" in this annual report, by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to HK\$1,000,000	3



CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements for the year ended 31 December 2024 which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with quarterly updates on the Group's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement prepared by the Auditors regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 70 to 74 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminating the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud.

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. During the year ended 31 December 2024, the Audit Committee has engaged an external service provider as internal auditor to perform annual review in risk management and internal control. The review covered all material controls, including financial, operational and compliance controls. During the year ended 31 December 2024, the Board has conducted a review of the effectiveness of the risk management and internal control systems and considered they are effective and adequate.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The main features of risk management and internal control structure of the Company are as follows:

- heads of major operation units or departments manage risks through identification and mitigating risks identified in accordance with the internal guidelines approved by the Board and the Audit Committee;
- the management ensures appropriate actions are taken on major risks affecting the Group's businesses and operations; and
- internal auditor provides independent assurance to the Board, the Audit Committee and the management concerning the effectiveness of risk management and internal control systems.

During the year ended 31 December 2024, major works performed by the management in relation to risk management and internal control include the following:

- each major operation unit or department was responsible for daily risk management activities, including identifying major risks that may impact on the Group's performance; assessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence; formulating and implementing measures, controls and response plans to manage and mitigate such risks;
- the management, together with the controller's department, monitored and reviewed the risk management and internal control systems on an ongoing basis and reported to the Audit Committee regarding the status of the systems;
- the management periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitor and responses were given to all major risks identified;
- the management reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and
- the management ensured appropriate procedures and measures such as safeguarding assets against unauthorised use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. are in place.

INSIDE INFORMATION

The Company has developed its disclosure policy which provides a general guide to the Directors, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditors to the Group during the year ended 31 December 2024 was approximately as follows:

Type of Services	Amount (HK\$'000)
Audit services	1,150
Non-audit services	–
Total	1,150

COMPANY SECRETARY

The Company has appointed Ms. Tang Ka Yan ("Ms. Tang") as the company secretary with effect from 24 May 2024.

Ms. Tang serves as the senior manager of Tricor Services Limited, which is a global professional services suppliers specializing in integrated business, corporate and investor services. The main contact person of Ms. Tang in the Company is the finance director of the Company.

For the year ended 31 December 2024, Ms. Tang Ka Yan has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The general meetings of the Company provide opportunities for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees will attend the AGMs to answer Shareholders' questions. The Auditors will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders. The Company has established several channels to communicate with the shareholders as follows:

- corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange and on the website of the Company at www.maxsightgroup.com;
- periodic announcements are published on the websites of the Stock Exchange and the Company;

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS (continued)

- corporate information is made available on the Company's website; and
- annual and extraordinary general meetings, if any, provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company reviewed the implementation and effectiveness of the shareholders' communication policy and considered it to be effective for the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING OF EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the head office of the Company at 14th Floor, McDonald's Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

CHANGE IN CONSTITUTIONAL DOCUMENTS

For the year ended 31 December 2024, there were no changes in the constitutional documents of the Company.



CORPORATE GOVERNANCE REPORT

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

During the year ended 31 December 2024, an associate of Mr. Riccardo Costi, a non-executive Director had interests in Dedem S.P.A. and its subsidiaries which are principally engaged in automatic ID photo booths operation and provision of auxiliary services to photo booths operation in Europe. As such, Mr. Riccardo Costi is regarded as having interests in the business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and the Shareholders and will avoid any potential conflicts of interests. For the year ended 31 December 2024, the Board was comprised of eight Directors including three independent non-executive Directors and all of them are Audit Committee members, so that the interests of the Shareholders can be properly maintained.

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

Apart from the above-mentioned, during the year ended 31 December 2024, the Directors including the independent non-executive Directors, are not aware of any business or interest of the Directors, the management of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

PURPOSE, VALUES AND STRATEGY

Our ID photography services business aims to provide a high-quality photography services as "Precise Validation, Simple Photograph" to our customer. We offer our customers in Hong Kong and Guangdong Province, an "unconditional guarantee" that if, for whatever reasons, our customer is not satisfied with a photo taken by the ID photo booths operated by us, we will provide a free photo retake to the customer's satisfaction or full money refund upon their return of the photos taken. We believe that our "unconditional guarantee" is able to enhance customers' confidence in our products.

In order to achieve diversifiable development of our core business, we commenced medical services business in 2021. As we believe that health is very crucial for everyone, we are committed to provide the public with comprehensive and reliable medical services, including multiple-choice physical exam plans, vaccination services, outreach doctors services and wellness merchandise, aiming and hoping to cover the day-to-day wellness needs of our customers. In addition to our core business, we also fulfill our corporate social responsibilities by organising and providing the medical benefits program to give back to the community. In the future, we will continue to develop a variety of medical services programs to support the community's medical needs.



CORPORATE GOVERNANCE REPORT

WHISTLEBLOWING POLICY

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The Board shall review such arrangement regularly, conduct independent investigation on these matters if necessary, and considers and provides appropriate follow-up action.

The policies of Anti-corruption are contained in the section headed "Anti-corruption" on page 69 in this annual report.

LANGUAGE

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is principally engaged in (i) provision of photography services through automatic ID photo booths at different locations in Hong Kong and Guangdong Province, Mainland China; and (ii) provision of medical services business by operating medical centres in Hong Kong. This environmental, social and governance (the “**ESG**”) report focusing on the Group’s ESG initiatives. When preparing this ESG report, references have been made to Appendix 20 to the GEM Listing Rules.

The initiatives of the Group in implementing environment and social related policies are as follows:

- (1) to optimise efficient use of resources in efforts to minimise impact on the environment and natural resources;
- (2) to encourage employees to be environmentally conscientious; and
- (3) to contribute to the community’s well-being.

The ESG report discloses the Group’s ESG policies, measures, and performance for the year ended 31 December 2024.

REPORTING PRINCIPLES

The Group has prepared this ESG Report in accordance to the following reporting principles stated in the ESG Reporting Guide.

- **Materiality:** The Group communicates with our major stakeholders groups on a regular basis to identify and assess ESG-related issues that matter most from stakeholders’ perspectives. Key ESG issues identified through stakeholder engagement and materiality assessment.
- **Quantitative:** Quantitative information and key performance indicators (“**KPIs**”) presented in this ESG Report is accompanied by narrative, explanation and comparison wherever applicable.
- **Balance:** This ESG report aims to disclose data in an objective way, which aims to provide stakeholders with a balance overview of the Group’s overall ESG performance.
- **Consistency:** Unless otherwise stated, the Group adopts consistent methodologies and retrieves social and environmental KPIs from the Group’s internal record system. The scope of reporting and KPIs are consistent with those of the previous report to allow meaningful comparison over time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE BOARD'S COMMITMENT AND ESG APPROACH

The Board is responsible for monitoring and managing ESG-related risks and the effectiveness of the ESG management system. The Board reviews and discusses the goals and targets under the ESG initiatives to optimise efficient use of resources and to minimise impact on the environment and natural resources from the Group's operation on an annual basis. During the year ended 31 December 2024, the Company has complied with the "comply or explain" provisions set out in the Appendix 20 to the GEM Listing Rules.

The Board believes that a sound environmental, social and governance structure is vital for continued sustainability and development of the Group's activities. The Group is willing to take more responsibilities for the society but with a view to balancing the Shareholders' interests and the society's benefits.

We will continue to strengthen our efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development. We welcome any comments and suggestions on the ESG report as well as the Group's performance in sustainability development.

REPORTING BOUNDARY

In order to preserve a meaningful comparison, there was no material change to the methods or KPIs used by the Group in the years ended 31 December 2024 and 2023. The Group did not have any reporting boundaries of this ESG report.

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY

For the Group, the stakeholders refer to groups and individuals who have significant impact on the Group's business, or those who are affected by the Group's business. The participation of stakeholders is an important part of the business management of the Group for it to examine potential risks and business opportunities. Communicating with stakeholders enables the Group to understand their views, and it brings business practices of the Group closer to their needs and expectations, so as to properly manage the views of different stakeholders.

The Group constantly communicates with key stakeholders within and outside the Group through various channels. This ensures that they are given an opportunity to understand the development and operating directions of the Group, as well as the opportunities for the Group to listen to their opinions in order to evaluate, prioritize and manage different issues, and to develop corresponding policies.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

In order to identify the most significant ESG aspects for the Group to report on for this ESG report, key stakeholders such as investors, Shareholders, employees, lessors, suppliers, customers, environment and community have been taken into consideration.

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on our ESG approach and performance. Suggestions can be sent to the Company's head office at 14th Floor, McDonald's Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

Environmental

Emissions

It is the Group's policy to ensure compliance with applicable environmental laws and regulations including the Environmental Protection Law of the People's Republic of China and the Atmospheric Pollution Prevention and Control Law of the People's Republic of China as well as the Waste Disposal Ordinance and the Air Pollution Control Ordinance of Hong Kong. And the Group also aims to minimise environmental footprint through efficient use of resources and adoption of pro-environmental technologies. The Group believes that increased environmental awareness is the key to environmental protection and wellness to the general community.

The Group's main office headquarter is located in Hong Kong and the main emissions and wastes produced by the Group are primarily attributable to its use of electricity, water, paper and medical waste.

During the year ended 31 December 2024, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the environment and natural resources relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Due to the nature of our business, the Group's operational activities do not directly generate industrial pollutants, and as such the Group did not incur directly costs of compliance with applicable environmental protection rules and regulations. The Group expects that its business operations have minimal direct impact on the environment and natural resources. In case there are any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such wastes, and comply with the relevant environmental laws and regulations.

Our major air emission was generated by few vehicles owned by the Group. The vehicles are used by the senior management to visit the operating venues and attend the conferences with business partners. The vehicles were used for a short-distance travel during the year ended 31 December 2024, the emission from our vehicles imposed immaterial impact on the overall air pollution in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Environmental (continued)

Emissions (continued)

During the year ended 31 December 2024, the air emissions is set out below:

Type of air emissions	Emission Source	Emission
Nitrogen Oxides (g)	Vehicles fuel consumption	600
Sulphur Oxides (g)	Vehicles fuel consumption	8
Particulate Matter (g)	Vehicles fuel consumption	44

During the year ended 31 December 2024, the greenhouse gas ("GHG") emission from the operation is set out below:

Scope of GHG emissions	Equivalent carbon dioxide ("CO ₂ ") emission (kg)
Scope 1 — direct emissions (vehicles fuel consumption)	1,388
Scope 2 — indirect emissions (purchased electricity in the offices and the medical centres)	45,444
Scope 3 — other indirect emissions (paper in the offices)	3,137
Total emissions	49,969

Note:

Scope 1: Direct emission from vehicles that are owned by the Group.

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

Scope 3: Not disclosed as it is an optional disclosure and the corresponding emission is not controlled by the Group.

The total GHG generated by the Group during the year ended 31 December 2024 was approximately 49,969 kg of CO₂ equivalent, with an intensity of approximately 427 kg per employee of CO₂, comprising of fuel consumption by the Group's vehicles, electricity and paper waste. The Group understands that its business operation contributes to consumption of natural resources and the waste it releases poses threat to public health and the environment if handled improperly. The Group strives to protect the environment, reduce carbon emission and establish a green office by implementing various energy saving, water saving and waste reduction initiatives. The Group will review the existing operation procedures of the businesses regularly to improve the consumption of natural resources. The Group aims to reduce or maintain GHG emissions at the stable level in the future. During the year ended 31 December 2024, the Group set a target of maintaining or reducing the total GHG emissions in the next 3 years compared to the year ended 31 December 2024.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Environmental (continued)

Emissions (continued)

Hazardous Wastes

Due to its business nature of ID photo, the Group does not produce any hazardous wastes in its operations.

For the medical services business, the operations are subject to environmental regulations, especially those relating to medical waste disposal such as Hong Kong's Code of Practice for the Management of Clinical Waste. We recognise the potential risk posed to the environment and human health, if medical waste is not properly disposed. It is our duty to handle waste in a legal, safe and professional manner. Medical waste, such as used syringes, contaminated pads, cotton balls, human tissue specimens after examination and expired medicines, are identified and categorised under our medical waste guidelines together with the handling procedures to guide our staff to handle and manage the medical wastes effectively and safely.

Medical wastes are sealed, labelled and stored at a designated area inside our medical centres until the licensed waste contractor collect them for further treatment. Records of the medical wastes are kept with traceable information such as date and address of delivery, quantity and the name of licensed collector. Training is provided to all our medical staff to make sure they are aware of the procedures.

It is our policy to educate the staff to avoid unnecessary consumption and disposal of materials. However, to maintain a hygienic environment at our medical centres and to protect our patients from infection, the use of disposable items becomes necessary, and thus, the room for reducing non-hazardous waste is limited.

During the year ended 31 December 2024, we collected approximately 110 kg of clinical wastes, with an intensity of approximately 22 kg per medical centres. The Group aims to remain at low level of hazardous wastes consumption in the next 3 years. The Group will review the existing policies regularly and assign the senior staff to supervise the operating procedures to ensure the staff has followed our instruction on the policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Environmental (continued)

Emissions (continued)

Non-hazardous Wastes

The Group considered the amount of non-hazardous wastes is not significant. The non-hazardous wastes generated by the Group's operations mainly consist of paper, which mainly involves commercial printing. In efforts to prevent paper wastage, the Group encourages employees to print and copy double sided two pages to one paper and re-use paper to the extent practicable. Employees are also encouraged to go paperless by limiting printouts and communicate via e-mail as opposed to fax. Furthermore, our medical centres are currently using a medical management software system which allows our staff to handle the data digitally and to achieve the paperless operation environment for our medical services business. This enhances operational efficiency and reduces adverse environmental impacts by cutting down paper usage. The Group anticipates that the non-hazardous wastes will be remained at the stable level under the existing policies. During the year ended 31 December 2024, the Group set a target of maintaining or reducing the total non-hazardous wastes in the next 3 years compared to the year ended 31 December 2024. The Group has not otherwise adopted any dedicated recycling programme regarding paper uses. During the year ended 31 December 2024, the detailed summary of the non-hazardous wastes generated by the Group is shown as below:

Types of non-hazardous wastes	Unit	Total	Paper intensity — Unit per employee
Office paper	kg	654	6

Use of Resources

Energy saving is important at all times and is the most critical means for the Group to continuously reduce GHG and carbon emissions. The Group has established relevant policies and procedures governing the use of energy and water to achieve higher efficiency and reduce unnecessary use of resources. While the Group will continue to improve energy saving for office, our focus is on existing air-conditioning and computer equipment and its infrastructure.

Electricity

Energy conservation will not be effective without the support of employees. The Group's daily operations mainly consume electricity. The Group aims to minimize the environmental impacts that resulted from our operations by identifying and adopting appropriate measures. Energy measures and practices have been developed to show our commitment to improve energy efficiency. The Group has been encouraging employees to establish energy-saving habits in the office and medical centres, such as switching off lights and electronic appliances before leaving the office and medical centres. The photo booths mainly switched off automatically after the business hours and most of the electricity were supported by landlord for the photo booths. The medical centres also installed automatic lighting devices to ensure that unnecessary lighting devices are switched off within one hour after the general operation hours. The electricity consumed by the Group's subsidiaries in Hong Kong and the Mainland China were strictly monitored. During the year ended 31 December 2024, the Group set a target of maintaining or reducing the total energy consumption in the next 3 years compared to the year ended 31 December 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Environmental (continued)

Use of Resources (continued)

Electricity (continued)

Energy consumption mainly incurred in the offices and the medical centres by the Group during the year ended 31 December 2024 is set out below:

Resource consumption/discharge description	Unit	Total	Energy intensity — Unit per employee
Purchased electricity (in the offices and the medical centres)	kWh	84,126	719

Water

Water Consumption 130 m³ of water was consumed by the Group during the year ended 31 December 2024, with water consumption intensity of 1 m³ of water per employee. Water consumption included only consumption from the medical centres that directly manage their water consumption data. The water supply to our offices are provided and managed by the management office of the building and therefore no usage statistics are available. Water consumption by the Group during the year ended 31 December 2024 mainly relates to the use of water to ensure personal hygiene and to clean the tools and equipments at the medical centres. The Group encourages employees to reduce water consumption in the offices and the medical centres. For example, employees are encouraged to fully empty any containers before washing, to turn off water taps promptly, to check faucets and pipes for leaks, and to adopt water saving appliances. Due to operating locations, the Group does not encounter any significant issue in sourcing water that is fit for purpose. During the year ended 31 December 2024, the Group set a target of maintaining or reducing the total water consumption in the next 3 years compared to the year ended 31 December 2024.

Packaging Materials

Plastic packaging materials are mainly used by the Group for medical prescriptions in our medical centres. Packaging materials mainly include plastic bags, pill pouches, medical bottles, ointment bottles. All medications prescribed must be packaged individually in separate plastic bags. These bags must be labelled properly with relevant patient and drug information for identification purposes. Recycle plastic material is a part of our consideration when we purchase the packaging material. To quantify the amount of packaging materials consumed during the year ended 31 December 2024, this is assumed that the materials purchased are consumed within the year ended 31 December 2024 and that there were no packaging materials in storage prior to the year ended 31 December 2024. Based on the aforementioned methodology, approximately 830 kg of plastic was consumed during the year ended 31 December 2024, with plastic packaging materials intensity of 166 kg of per medical centres.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Environmental (continued)

The Environment and Natural Resources

As a socially responsible enterprise, protecting nature and the environment has become an integral part of the Group's corporate culture. The Group focuses on its business impact on the environment and natural resources and pursues the best practice with the environmental protection. Aside from abiding by the relevant environmental laws and regulations and international standards to properly protect the natural environment, the Group endeavors to find ways to integrate environmental considerations into its business decisions and services it provides, so as to achieve environmental sustainability.

Since its business involves no manufacturing or production activities, the Group does not have a significant impact on the environment and natural resources.

Climate Change

The Group mainly operates in Hong Kong and Guangdong Province and the Group considered rainstorm and typhoon as the major threats from the increasing climate change. The Group has developed mitigation measures to reduce the effect raised by extreme weather conditions such as typhoons on our employees, properties and our operation. For instance, before the Black Rainstorm Warning Signals and No. 8 or above Tropical Cyclone Warning Signals incurred, the Group will release employees from work and ensure there is sufficient time for their journeys between living place and office. The Group also conducts inspection on windows during the typhoon and rainstorm season and ensure all inventories will be stocked on the shelves for the protection from the risk of water invasion. During the year ended 31 December 2024, the Group has not been seriously affected by the extreme weather conditions.

Social

Employment

The employees of the Group are located in Hong Kong and the Mainland China. The Group safeguards the rights of our employees by strictly complying with the requirements of the Labour Law of Hong Kong and the Labour Law of the Mainland China. In the Mainland China, we have participated in welfare schemes concerning pension insurance, unemployment insurance, occupational injury insurance and medical insurance in accordance with the local regulations of the Mainland China. In Hong Kong, we have participated in the Mandatory Provident Fund (MPF) Scheme, prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and Occupational Retirement Schemes, prescribed by Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong). The Group also complies with the relevant law and regulations including but not limited to the Employment Ordinance (Cap. 57), the Employee's Compensation Ordinance (Cap. 282) and the Minimum Wage Ordinance (Cap. 608). All of our employees have employment contracts that cover matters such as wages, benefits and grounds for termination. The Group's remuneration policies and packages are reviewed by the management on a regular basis. The Group grants discretionary bonuses to qualified employees based on operation results and individual performance. The employees are also entitled to medical insurance and various types of paid leave. The Group also has an employee record with breakdown of total employees in different departments, gender and age groups which will be regularly updated.

The Group is not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the year ended 31 December 2024.

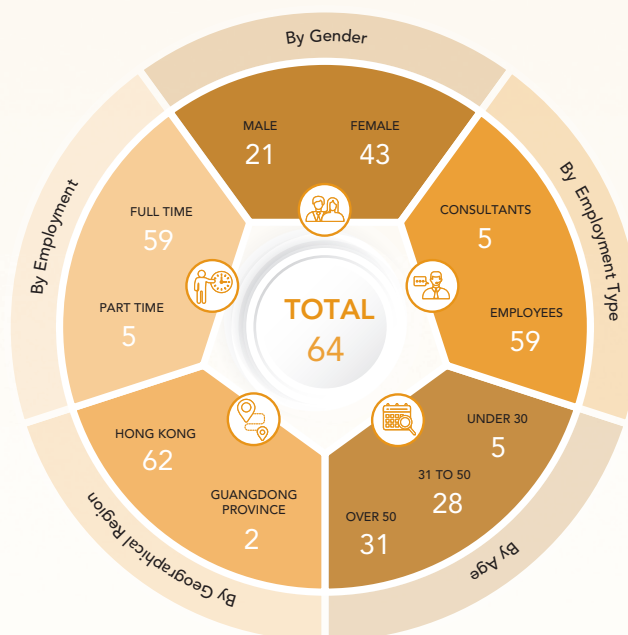
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

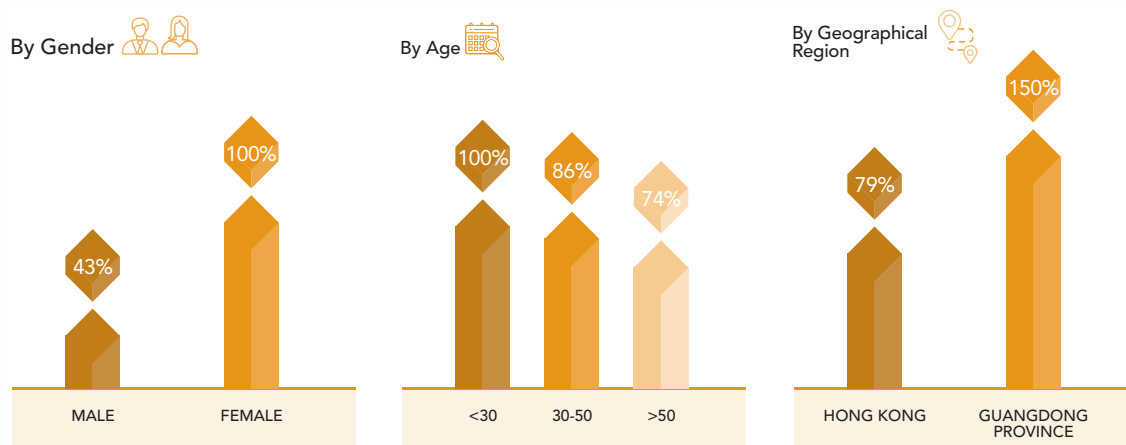
Social (continued)

Employment (continued)

As at 31 December 2024, the Group had a total of 64 employees. All workers are situated in Hong Kong and Guangdong Province. The composition is shown as below:



During the year ended 31 December 2024, there were 52 employees who left the Group and the total turnover rate of employees was approximately 81%. The turnover rate increased by approximately 9% for the year ended 31 December 2024, as the demand of ID photo in the Photography Services Business has decreased significantly compared to that short after the relaxation of certain social distancing measures and immigration control policy in 2023, so that less human resources requirement to the attendants in Photography Services Business. The turnover rates by gender, age group and geographical region are shown as below:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Social (continued)

Employees' health and safety

The Group values health and safety as of paramount importance and endeavours to provide safe working environment to all employees. The Group has purchased additional cleaning and epidemic prevention equipments and consumables such as surgical face masks, sanitizer and antigen rapid tests etc. For the medical services business, the Group implemented strict preventive and control measures to protect employees and patients from contamination, infections and accidents. Medical team members should put on personal protective equipment, including protective gown, surgical masks, protective goggles and gloves during the working hours. The Group also established guidelines for handling the clinical wastes in order to reduce cross infection.

In order to provide employees with health coverage, staff are entitled to benefits including medical insurance as well as other competitive fringe benefits. The Group has adhered to the related laws and regulations with regard to labour hygiene and assured personal safety of employees to create a safe and hygienic work environment to everyone working at the Group's venue.

There has been no high-risk or safety-sensitive type of work identified in the workplace. However, the Group understands that employees need to work with computers and/or stand up for long periods daily due to the nature of its operation. Hence, the Group provides employees with occupational safety education by circulating office safety guidance which covers the safe use of display screen equipment, correct working postures and encourages workplace stretching exercises to minimise the risk of work related injury and strain. During the years ended 31 December 2024, 2023 and 2022, there was no case of work-related fatality and work-related injury, and there was no lost days due to work injury. The Group has had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to the "Occupational Safety and Health Ordinance" and the "Employees' Compensation Ordinance".

Development and training

The Group recognises the importance of training for the development of our employees as well as the Group. All new employees are required to attend orientation training to ensure the employees are aware and familiarise themselves with the Group's values and goals and understand their roles in the Group. Employees are encouraged to attend seminars relevant to their positions to enhance their roles within the Group. We aim to attract talents by offering career development opportunities through the training and close guidance by senior colleagues, with a view to enhancing their technical and skills, as well as promotion opportunities. Thus, we provide introductory and continuous and on-job trainings to our staff to enhance their technical and knowledge and ensure high quality customer services. In addition, trainings are given to our staff on data security issues. We constantly carry out staff evaluation to assess their performance. We believe that it is a win-win approach for achieving both employee and corporate goals as a whole.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Social (continued)

Development and training (continued)

In addition, all new employees are required to attend the induction training, so as to improve their understanding on the internal structure of the Group and the requirements and responsibilities of their positions, as well as the Group's values and goals, and adapt to the Group's working environment and culture as soon as possible.

During the year ended 31 December 2024, the Group has provided trainings for a total of 49 employees (representing approximately 42% of our total number of employees).

The percentage of employees trained by gender

Male	8%
Female	92%
	100%

The percentage of employees trained by functions

Production	98%
Executive	2%
	100%

The percentage of employees trained by relevant categories

Technician	4%
Service attendant	61%
Healthcare assistant	18%
Other staff	14%
Senior management	2%
	100%

Average training hours per employee

16

Average training hours for employees in relevant categories

Technician	8
Service attendant	7
Healthcare assistant	57
Other staff	8
Senior management	20

Average training hours for employees by gender

Male	8
Female	17

Labour standard

All employees are recruited through the human resources department to ensure they fulfil the job requirements underlying their respective positions. The Group prohibits the use of child labour by reviewing the actual age of the interviewee during the recruitment procedures, including the examination of their identity documents and certifications. The Group only carries out the requirements of standard labour contract and does not use any means to unfairly restrict the employment relationship between employee and the Group by, for example, withholding a deposit or identity documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Social (continued)

Labour standard (continued)

Furthermore, employees of the Group work overtime on a voluntary basis to prevent any breaches of labour standards. Any punishments, management methods and behaviors involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment against its employees are prohibited for any reason.

The Group also regularly reviews its employment practice and Group's guidelines on staff recruitment to ensure that it is in full compliance with the Employment Ordinance and other regulations related to, among other things, prevention of child labour and forced labour. In case any irregularities in ages, identities and/or validities of employment status were found, employment will be terminated immediately and the Group will report the incident to relevant authorities.

During the year ended 31 December 2024, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to prevention of child and forced labour. The relevant laws and regulations include, but are not limited to the "Employment of Children Regulations" and the "Employment Ordinance".

Operating practices

Supply Chain Management

The Group recognises the importance of sound supply chain management practices in mitigating environmental and social risks. Although one of our main businesses is automatic photography industry, high quality automatic photography service is one of our major concerns as we aim at providing the best quality service to the clients. The Group places great emphasis and formulates policies and guidelines on quality control during the training and employee orientation.

For the photography services business, the Group has 4 photo booth suppliers including one in United Kingdom, one in Europe and two in Mainland China. The Group selects the suppliers carefully based on a set of selection criteria, which include (i) pricing, quality technical level or other specification requirements of photo booths, spare parts and consumables; (ii) timeliness of delivery; (iii) reputation of the photo booth vendors and suppliers; (iv) previous experience and length of our relationship with the photo booth vendors and suppliers; and (v) past quality, environment and social risk management and safely performance of the photo booth vendors and suppliers.

For the medical services business, the Group has 57 active medical suppliers in Hong Kong. Supply chain management is a crucial component of the medical service quality control. The Group is highly attentive to the reputation and reliability of its pharmaceutical product and medical services suppliers. Although the Group does not have specific policy for the management of the environmental and social risks of its supply chain, it evaluates how its suppliers deal with social and environmental issues and ensures that suppliers and its business partners comply with local and international standards on pharmaceutical products. Quality and safety of the products are ensured through certifications and qualifications from its suppliers.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Operating practices (continued)

Supply Chain Management (continued)

The Group pays attention to the environmental awareness of its suppliers and promotes sound environmental performance and governance practices amongst its business partners and suppliers. All photo booth and medical suppliers are evaluated carefully and are subjected to regular monitoring and assessment. Through standardised procedures, the Group strives to maintain good business relationships with the photo booth and medical suppliers. The department of maintenance and operation will continually review the environmental impact along its supply chain and explore environmental-friendly options in its operations. The Group aims to cooperate more with companies which share the common sustainability goals together. The Group examines the performance of suppliers regularly by onsite inspection. The Group also conducts suppliers' comprehensive review on a regular basis. The practices are being implemented on all the Group's significant suppliers. Periodic review of suppliers' performance is conducted to ensure that their goods or services are in excellent quality and has maintained consistency.

The Group also focuses on maintaining close contact with suppliers. In daily operations, the Group holds meetings with suppliers on a regular basis to understand their operating condition and exchanges information on industry trends and market information. The Group also maintains close contact with suppliers through telephone and e-mail, to consolidate the cooperative relationship between the two sides on the one hand, and ensure the mutual information exchange between the two sides and inform all possible delays and conflicts in time on the other hand. The effort aims to reduce the potential effect on the quality of the Group's products and services arising from instability of the supply chain.

Product responsibility

The Group is committed to delivering professional services and achieving customer satisfaction by providing a client-oriented service. The Group's policy provides guidelines to the operation and maintenance team to assist the customers to use the automatic photo booths and provide medical services. The management holds regular communications with front-line employees to review and discuss various aspects of operations to ensure services meet the customers' expectations. The Group constantly collects the clients' feedback by instant message app, mail, email and telephone. To enhance customers' confidence in the Group, the Group strives not only to provide satisfactory services to the clients, but also to promptly investigate the root cause of complaints, provide corrective actions and carry out remedial and preventive actions in response to the complaints from the clients.

During the year ended 31 December 2024, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to health and safety advertising, labelling and privacy matters relating to products and services provided, intellectual property right infringement and methods of redress. There was no products sold or shipped subject to recalls for safety and health reasons during the year ended 31 December 2024.

For the medical services business, the Group also complies with specific standards and all applicable laws and regulations regarding pharmaceutical handling and medical advertisement. There was no non-compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and method of redress during the year ended 31 December 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Operating practices (continued)

Product responsibility (continued)

Pharmaceuticals are handled with special precautions. The Group has specific standards for pharmaceuticals storage, labelling of packaging and storage compartments. Topical medications and Dangerous Drugs ("DD") are stored separately from general medications. DD are handled in accordance with the Dangerous Drugs Ordinance, Chapter 134 of the Laws of Hong Kong with clear traceable records during the Reporting Period.

The Group values customers' feedback on the products provided and has implemented measures to handle complaints effectively. The Group accept customers' complaints by facsimile, telephone, instant message app, email, letters and face-to-face discussion with our attendants to ensure timely response to customer concerns and the Group's customer service officer handles customers' complaints promptly upon receipt.

We have customer service officers who accept customers' complaints. Our customer service officers handle customers' complaints promptly upon receipt. During the year ended 31 December 2024, we did not experience any customer complaints or cessation of operation of photo booths which had a material adverse effect on our business or results of operations.

A telephone service hot-line is set up in the office for customer enquiries. During the working hours, we attend the service hot-line and handle telephone calls. After the office hours and during the holidays, the hot-line telephone system will be changeover to automatic reply mode and we will follow up the message calls in the next working day.

For our photography services, the Group offers customers in Hong Kong and the Mainland China, an "unconditional guarantee" that if, for whatever reasons, the customer is not satisfied with a photo taken by the photo booths, the Group will provide a free photo retake to the customer's satisfaction or full money refund upon their return of the photos taken. The Group believes that an "unconditional guarantee" is able to enhance customers' confidence in the products.

All information from complaint and investigation result will be recorded and kept in the cabinet with lock. After the investigation, the free re-take photo or refund will be arranged for our photography services if necessary. The Group's policy on privacy of personal data provides guidelines for managing different kinds of personal data and the establishment of a privacy framework that secures the personal data of our employees.

During the year ended 31 December 2024, the Group received a total of 1,420 and 2 complaints about our products and services in photography services and medical services, respectively, all of which have been followed up and handled. 1,414 and 3 refunds were made to the customers of our photography services and our medical services.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Operating practices (continued)

Confidentiality

The Group has routinely handled important, confidential and price-sensitive information related to its customers and intellectual property rights. Securing customers' information is the most essential element for maintaining good corporate governance and building long-term trust with its customers. As a responsible service provider, the Group adheres to the "Personal Data (Privacy) Ordinance" in Hong Kong, the Advertisement Law of the People's Republic of China and the Trademark Law of the People's Republic of China in Mainland China. The Group also expressly reiterates confidentiality obligations in its "Staff Manual". Employees are required to sign a confidentiality agreement and are trained to maintain the confidentiality of customers' information. The Group has engaged a confidential material destruction service provider to collect and handle used papers that could possibly contain customers' confidential information. The Group strives to protect personal privacy and intellectual property rights.

For the medical service business, the employees record the personal data of the patients by the medical management software. Security measures are in place to ensure adequate protection and the confidentiality of all corporate data and information. All employees shall not access any confidential information or personal data of the patients without authorisation.

The employment agreement necessarily involves the employee's access to and understanding of certain trade secrets and confidential information pertaining to the business of the Company and its affiliates. During the term of the employment with the Company and thereafter, the employee will not, directly or indirectly, without the prior written consent of the Company, disclose or use for the benefit of any person, corporation or other entity, or for employee's any and all files, trade secrets or other confidential information concerning the internal affairs of the Employer and its affiliates, including but not limited to information pertaining to its clients, services, products, earnings, finances, operations, methods or other activities' provided, however, that the foregoing shall not apply to information which is of public record or is generally known, disclosed or available to the general public or the industry generally (other than as a result of your breach of this covenant). Further, the employee shall not, directly or indirectly, remove or retain, and upon termination of employment for any reason the employee shall return to the Company, any records, computer disks, computer printouts, business plans or any copies or reproductions thereof, or any information or instruments derived there from, arising out of or relating to the business of the Company and its affiliates or obtained as a result of the employee's employment by the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Operating practices (continued)

Intellectual Property Rights

The Group operates photo booths and medical centres with technology function in Hong Kong and the Mainland China. The Group has implemented measures to protect the Group's intellectual property rights and intellectual property rights in relation to the technology owned by other third parties.

To protect our intellectual property rights and the intellectual property rights in relation to the validation technology owned by other third parties, the Group has implemented the following measures:

- (a) all intellectual property rights of the Group are to be registered in the applicable jurisdictions;
- (b) the Group will seek written consent from its business or technology partners for the use of their intellectual property rights if and as necessary;
- (c) the Group will regularly monitor its registered intellectual property rights to check if there is any unauthorized use by other parties. Investigation and legal or other actions will be carried out if there is any infringement or suspected infringement;
- (d) to protect the intellectual property rights in relation to the validation technology owned or developed by other third parties installed in the photo booths, the Group is required to enter into confidentiality agreement with these parties to undertake not to disclose or release any confidential information in relation to the validation technology installed in the photo booths; and
- (e) the accounting staff is assigned to conduct regular web-search to check if the validation technology or other similar technology is being adopted in the market.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY (continued)

Operating practices (continued)

Anti-corruption

The Group adopts a zero-tolerance policy on bribery, extortion, fraud and money laundering. It is also the responsibility of all employees to maintain ethical behaviour. All financial data are checked by different levels of personnel to ensure compliance with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering. All employees are encouraged to raise any related concerns to the senior management in a strictly confidential manner. Any matters of genuine concern are to be thoroughly investigated and actions will be taken accordingly.

The Group has established a code of conduct for the employees. All our employees including Directors must adhere to the ethical standards, values and legal and regulatory requirements. We provide all employees with anti-corruption training as part of the on boarding process.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the year ended 31 December 2024. There was no legal case regarding corrupt practices brought against the Group or its employees concluded during the year ended 31 December 2024.

Community

Community investment

The focuses of the Company's community investment are social welfare and environmental protection. The Group believes that it can act effectively to help alleviate social problems and responds positively with volunteering services.

In order to improve the work-life balance of the Group's employees and encourage them to participate in community activities and charitable events so as to contribute to the society, the Group's employees from the back office are offered flexible working hours arrangements on the weekday and Saturday. The Group's employees may spare more time with their families and participate in volunteering services to give back to the society.

In the meanwhile, the Group also endeavoured to build a happy culture and team work environment, the Group has organised wide range of community initiatives included team building lunch during the year ended 31 December 2024.

In response to the increasing awareness of Hong Kong citizens towards health management, our medical team has produced not less than ten videos, posters and leaflets in relation to the health and disease information. We have posted them on our website and in our medical centres. We hope to utilise the professional knowledge of our specialist to support the public and our patients in this challenging period.

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Max Sight Group Holdings Limited

(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Max Sight Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 75 to 136, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT



KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified are:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. <i>Revenue recognition of photography services</i></p> <p>Refer to material accounting policy information 4(o) and note 7 to the consolidated financial statements.</p> <p>One of the principal activities of the Group is provision of photography services through automatic identity documentation ("ID") photo booths at different locations in Hong Kong and Mainland China, which contributed approximately HK\$43 million or 66% of total revenue of the Group for the year ended 31 December 2024 (2023: HK\$65 million or 81%).</p> <p>Photography service income comprises a high volume of individually low value transactions. The transaction volume data are captured by the meter in each automatic ID photo booth. Revenue is recognised when photography services are provided to customers, which is the point in time when the photos are printed and collected by the customers.</p> <p>We identified revenue recognition from provision of photography services as a key audit matter because revenue is one of the key performance indicators of the Group and, therefore, there is a potential risk that it is subject to manipulation to meet financial targets or expectations.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none">— assessing the design, implementation and operating effectiveness of key internal controls over revenue process;— conducting physical inspection, on a sample basis, of ID photo booths to observe the meter reading and compare it with the transaction volume data recorded by the Group;— performing re-calculation of annual revenue of ID photo booths, on a sample basis, based on annual transaction volume data and comparing it with the revenue recorded by the Group; and— comparing, on a sample basis, revenue transactions recorded during the year with the bank-in slips.

INDEPENDENT AUDITOR'S REPORT



OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yu Kwok Keung.

RSM Hong Kong
Certified Public Accountants
21 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	7	66,246	80,218
Cost of services		(45,969)	(53,313)
Gross profit		20,277	26,905
Other income	8(a)	639	584
Other net losses	8(b)	(263)	(49)
Administrative expenses		(19,219)	(18,273)
Impairment of right-of-use assets	17	–	(77)
Profit from operations		1,434	9,090
Finance costs	9	(702)	(659)
Profit before tax		732	8,431
Income tax expense	10	(262)	(412)
Profit for the year	11	470	8,019
Attributable to:			
Owners of the Company		(399)	7,658
Non-controlling interests		869	361
Profit for the year		470	8,019
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		248	212
Total comprehensive income for the year		718	8,231
Attributable to:			
Owners of the Company		(151)	7,870
Non-controlling interests		869	361
		718	8,231
(Loss)/earnings per share			
Basic and diluted (Hong Kong cents per share)	15	(0.05)	0.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment	16	2,883	2,919
Right-of-use assets	17	13,928	17,017
Deposits and prepayments	19	2,154	3,239
Deferred tax assets	25	67	–
Total non-current assets		19,032	23,175
Current assets			
Inventories		1,516	1,336
Trade receivables	19	2,630	2,854
Other receivables, deposits and prepayments	19	1,312	1,406
Restricted bank deposit	20	–	5,000
Cash and bank balances	20	21,320	20,669
Total current assets		26,778	31,265
Current liabilities			
Trade payables	21	316	177
Other payables and accrued charges	21	2,963	2,841
Amounts due to non-controlling shareholders	22	2,195	2,195
Bank loan — secured	23	–	1,000
Lease liabilities	24	6,819	9,298
Tax payables		856	509
Total current liabilities		13,149	16,020
Net current assets		13,629	15,245
Total assets less current liabilities		32,661	38,420
Non-current liabilities			
Lease liabilities	24	8,073	10,032
Deferred tax liabilities	25	–	18
Provision for reinstatement		425	425
Total non-current liabilities		8,498	10,475
NET ASSETS		24,163	27,945

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
CAPITAL AND RESERVES			
Share capital	26	8,000	8,000
Reserves		16,035	20,686
Total equity attributable to owners of the Company		24,035	28,686
Non-controlling interests		128	(741)
TOTAL EQUITY		24,163	27,945

Approved by the Board of Directors on 21 March 2025 and are signed on its behalf by:

Chan Wing Chai, Jamson
Director

Chan Tien Kay, Timmy
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company							Non-controlling interests	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	HK\$'000	HK\$'000
At 1 January 2023	8,000	53,083	–	(539)	(5,664)	(31,064)	23,816	(1,102)	22,714
Profit for the year	–	–	–	–	–	7,658	7,658	361	8,019
Other comprehensive income	–	–	–	212	–	–	212	–	212
Total comprehensive income for the year	–	–	–	212	–	7,658	7,870	361	8,231
Dividends paid	–	(3,000)	–	–	–	–	(3,000)	–	(3,000)
At 31 December 2023 and 1 January 2024	8,000	50,083	–	(327)	(5,664)	(23,406)	28,686	(741)	27,945
(Loss)/profit for the year	–	–	–	–	–	(399)	(399)	869	470
Other comprehensive income	–	–	–	248	–	–	248	–	248
Total comprehensive income for the year	–	–	–	248	–	(399)	(151)	869	718
Dividends paid	–	(4,500)	–	–	–	–	(4,500)	–	(4,500)
Transfer (note 28(b))	–	(45,583)	4,965	–	–	40,618	–	–	–
At 31 December 2024	8,000	–	4,965	(79)	(5,664)	16,813	24,035	128	24,163

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		732	8,431
Adjustments for:			
Depreciation of property, plant and equipment	11	1,747	1,763
Depreciation of right-of-use assets	11	8,191	8,101
Impairment of right-of-use assets	11	–	77
Gain on disposal of property, plant and equipment	8(b)	–	(114)
Loss on written-off of property, plant and equipment	8(b)	3	–
Finance costs	9	702	659
Interest income	8(a)	(305)	(269)
Gain on lease modification	8(a)	(276)	–
Net foreign exchange loss/(gain)		260	(53)
Operating profit before working capital changes		11,054	18,595
Decrease/(increase) in trade receivables		224	(1,204)
Decrease/(increase) in other receivables, deposits and prepayments		1,179	(981)
Increase in inventories		(180)	(646)
Increase/(decrease) in trade payables		139	(122)
Increase in other payables and accrued charges		122	141
Cash generated from operations		12,538	15,783
Income tax refunded		–	95
Net cash generated from operating activities		12,538	15,878
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for the purchases of property, plant and equipment		(1,715)	(572)
Proceeds from disposal of property, plant and equipment		–	114
Decrease in restricted bank deposit		5,000	–
Interest received		305	269
Net cash generated from/(used in) investing activities		3,590	(189)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of lease rentals paid	29(a)	(9,246)	(8,118)
Interest element of lease rentals paid	29(a)	(701)	(530)
Proceeds from new bank loan	29(a)	–	1,000
Repayment of bank loan	29(a)	(1,000)	(1,000)
Interest paid		(1)	(77)
Dividends paid to owners of the Company		(4,500)	(3,000)
Net cash used in financing activities		(15,448)	(11,725)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes		(29)	6
CASH AND CASH EQUIVALENTS AT 1 JANUARY		20,669	16,699
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		21,320	20,669
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	20	21,320	20,669



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Max Sight Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 February 2018. In the opinion of the directors of the Company, its ultimate and immediate holding company is Causeway Treasure Holding Limited (“**Causeway Treasure**”), an entity incorporated in the British Virgin Islands (the “**BVI**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is 14th Floor, McDonald’s Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in (i) provision of photography services through automatic identity documentation (“**ID**”) photo booths at different locations in Hong Kong and Guangdong Province, Mainland China; and (ii) provision of medical services by operating medical centres in Hong Kong. The principal activities of its subsidiaries are set out in note 18 to the consolidated financial statements.

2. BASIS OF PREPARATION

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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 Sale and Leaseback
Hong Kong Interpretation 5 ("HK Int 5")(Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards and interpretation listed above did not have any material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (continued)

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Consolidation (continued)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the **"functional currency"**). The consolidated financial statements are presented in Hong Kong dollars (**"HK\$"**), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Foreign currency translation (continued)

(iii) Translation on consolidation (continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Computer software	25%
Computer equipment	25%
Office equipment	25%
Medical equipment	10%
Furniture and fixtures	25%
Plant and machinery	20%
Motor vehicles	33.33%
Properties leased for own use	Over the unexpired term of lease

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by subsidiaries, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Leases (continued)

(i) The Group as a lessee (continued)

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Leases (continued)

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- Fair value through other comprehensive income ("FVTOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit loss ("ECL").

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(m) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(o) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from provision of photography service is recognised when photography services are provided to customers, which is the point of time when the photos are printed and collected by the customers.

Revenue from provision of medical service is recognised when the services are rendered to the customers.

Interest income is recognised as it accrues under the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The Group operates various post-employment schemes, including defined contribution pension plans.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

For long service payment ("LSP") obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(r) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(s) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(t) Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, trade receivables, pledged bank deposits and bank and cash balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Impairment of financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Impairment of financial assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(t) Impairment of financial assets (continued)

Measurement and recognition of ECL (continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(v) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. CRITICAL JUDGEMENT AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 ongoing basis. Revisions to accounting estimates are 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.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgement that has the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See note 17 for further information.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the current financial year, no lease term has been reassessed.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(a) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year ended 31 December 2024, approximately HK\$262,000 (2023: HK\$412,000) of income tax was charged to profit or loss based on the estimated profit.

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amount.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2024 were approximately HK\$2,883,000 (2023: HK\$2,919,000) and approximately HK\$13,928,000 (2023: HK\$17,017,000) respectively.

(c) Impairment of trade receivables

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates.

As at 31 December 2024, the carrying amount of trade receivables is approximately HK\$2,630,000 (net of allowance for impairment loss of HK\$ Nil) (2023: approximately HK\$2,854,000 (net of allowance for impairment loss of HK\$ Nil)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$ and United States dollars ("US\$"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the Directors of the Company when the borrowing exceed certain predetermined level of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	2024					
	Contractual undiscounted cash outflow					Carrying amount at 31 December HK\$'000
	Within	More than	More than	More than	Total	
	1 year or	1 year but	2 years but			
on demand	less than	less than				
	HK\$'000	2 years	5 years	5 years	HK\$'000	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade payables	316	–	–	–	316	316
Other payables and accrued charges	2,963	–	–	–	2,963	2,963
Amounts due to non-controlling shareholders	2,195	–	–	–	2,195	2,195
Lease liabilities	7,527	5,348	3,165	–	16,040	14,892
	13,001	5,348	3,165	–	21,514	20,366

	2023					
	Contractual undiscounted cash outflow					Carrying amount at 31 December HK\$'000
	Within	More than	More than	More than	Total	
	1 year or	1 year but	2 years but			
on demand	less than	less than				
	HK\$'000	2 years	5 years	5 years	HK\$'000	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade payables	177	–	–	–	177	177
Other payables and accrued charges	2,841	–	–	–	2,841	2,841
Amounts due to non-controlling shareholders	2,195	–	–	–	2,195	2,195
Bank loan — secured	1,000	–	–	–	1,000	1,000
Lease liabilities	9,551	5,973	4,753	–	20,277	19,330
	15,764	5,973	4,753	–	26,490	25,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. FINANCIAL RISK MANAGEMENT (continued)

(d) Interest rate risk

The Group's exposure to interest-rate risk arises from its bank deposits and bank loan. These deposits and loan bear interests at variable rates that vary with the then prevailing market condition.

At 31 December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, consolidated profit after tax for the year would have been HK\$178,000 (2023: HK\$98,000) higher/lower, arising mainly as a result of higher/lower interest income on its bank and cash balances.

(e) Categories of financial instruments at 31 December

	2024 HK\$'000	2023 HK\$'000
Financial assets:		
Financial assets at amortised cost	26,988	31,718
Financial liabilities:		
Financial liabilities at amortised cost	20,366	25,543

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. REVENUE AND SEGMENT REPORTING

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

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

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

All of the services transferred at a point in time.

Segment reporting

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. REVENUE AND SEGMENT REPORTING (continued)

Segment reporting (continued)

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

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

Segment results

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. REVENUE AND SEGMENT REPORTING (continued)

Segment reporting (continued)

Segment assets

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

Geographical information

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8. OTHER INCOME AND OTHER LOSSES

(a) Other income

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

(b) Other net losses

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

9. FINANCE COSTS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

10. INCOME TAX EXPENSE

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

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

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

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

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

Undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. Provision for withholding tax is recognised for the dividends that have been declared and deferred tax liability is recognised for those to be declared in the foreseeable future. The Group did not recognise any withholding tax for the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

10. INCOME TAX EXPENSE (continued)

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

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

11. PROFIT BEFORE TAXATION

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

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

[#] Cost of services includes approximately HK\$30,410,000 (2023: approximately HK\$39,374,000) relating to staff costs, depreciation expenses and lease expenses, which amount is also included in the respective total amounts disclosed separately above or in note 12 for each of these types of expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

12. EMPLOYEE BENEFITS EXPENSE

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

(a) Pensions — defined contribution plans

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

12. EMPLOYEE BENEFITS EXPENSE (continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2023: three) directors whose emoluments are reflected in the analysis presented in note 13. The emoluments of the remaining two (2023: two) individual is set out below:

	2024 HK\$'000	2023 HK\$'000
Salaries and allowances	870	1,203
Discretionary bonuses	37	63
Retirement benefit scheme contributions	29	36
	936	1,302

The emoluments of the above individuals with the highest emoluments are within the following bands:

	2024 Number of individuals	2023 Number of individuals
Nil – \$1,000,000	2	2

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2024 Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors					
Mr. Chan Tien Kay, Timmy (i)	1,002	314	272	18	1,606
Mr. Chan Wing Chai, Jamson (i)	343	961	272	22	1,598
Dr. Chan Wing Lok, Brian (i)	1,920	–	–	18	1,938
Non-executive Directors					
Mr. Riccardo Costi	20	–	–	–	20
Ms. Wong Shin Yee, Freda (ii)	27	–	–	–	27
Independent Non-executive Directors					
Mr. Ngai James	180	–	–	–	180
Mr. Hui Chi Kwan	120	–	–	–	120
Mr. Kwok Tsun Wa	120	–	–	–	120
Total for 2024	3,732	1,275	544	58	5,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. BENEFITS AND INTERESTS OF DIRECTORS (continued)

(a) Directors' emoluments (continued)

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2023 Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors					
Mr. Chan Tien Kay, Timmy (i)	1,000	216	–	18	1,234
Mr. Chan Wing Chai, Jamson (i)	200	965	–	36	1,201
Dr. Chan Wing Lok, Brian (i)	1,830	3	–	18	1,851
Non-executive Directors					
Mr. Riccardo Costi	20	–	–	–	20
Independent Non-executive Directors					
Mr. Ngai James	180	–	–	–	180
Mr. Hui Chi Kwan	120	–	–	–	120
Mr. Kwok Tsun Wa	120	–	–	–	120
Total for 2023	3,470	1,184	–	72	4,726

Notes:

- (i) The emoluments of executive directors were in respect of their services in connection with management of the affairs of the Company and the Group.
- (ii) The non-executive director, Ms. Wong Shin Yee, Freda, was appointed as the director of the Company on 8 November 2024.
- (iii) There was no compensation for loss of office and/or inducement for joining the Group paid/payable to the directors of the Company in respect of the years ended 31 December 2024 and 2023. No director or the five highest individuals waived or agreed to waive any emoluments during both years.
- (iv) The Company has adopted a share option scheme on 8 February 2018. There were no options granted during the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. BENEFITS AND INTERESTS OF DIRECTORS (continued)

(b) Director's termination benefits

None of the directors of the Company received any termination benefits during the year ended 31 December 2024 (2023: Nil).

(c) Consideration provided to receivable third parties for making available directors' services

During the year ended 31 December 2024, the Company did not pay considerations to any third parties for making available directors' services (2023: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities

As at 31 December 2024, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and the directors' connected entities (2023: None).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the directors of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

14. DIVIDENDS

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

15. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

(b) Diluted (loss)/earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Computer software HK\$'000	Computer equipment HK\$'000	Office equipment HK\$'000	Medical equipment HK\$'000	Furniture and fixtures HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Leasehold improvement HK\$'000	Total HK\$'000
Cost									
At 1 January 2023	1,502	557	181	197	1,893	18,585	1,411	2,616	26,942
Exchange adjustments	(7)	–	(1)	–	–	(318)	–	–	(326)
Additions	333	7	–	108	19	105	–	–	572
Disposal	–	(1)	–	–	–	(61)	–	–	(62)
Written off	–	–	–	–	–	–	(562)	–	(562)
At 31 December 2023	1,828	563	180	305	1,912	18,311	849	2,616	26,564
Exchange adjustments	(8)	–	(1)	–	–	(393)	–	–	(402)
Additions	555	15	22	66	444	139	–	474	1,715
Written off	–	–	–	–	–	(144)	–	–	(144)
At 31 December 2024	2,375	578	201	371	2,356	17,913	849	3,090	27,733
Accumulated depreciation									
At 1 January 2023	1,330	274	178	20	1,037	17,689	1,411	893	22,832
Exchange adjustments	(7)	–	(1)	–	–	(318)	–	–	(326)
Charge for the year	119	95	3	21	284	331	–	910	1,763
Written back on disposal	–	(1)	–	–	–	(61)	–	–	(62)
Written off	–	–	–	–	–	–	(562)	–	(562)
At 31 December 2023	1,442	368	180	41	1,321	17,641	849	1,803	23,645
Exchange adjustments	(8)	–	(1)	–	–	(392)	–	–	(401)
Charge for the year	212	99	3	36	395	321	–	681	1,747
Written off	–	–	–	–	–	(141)	–	–	(141)
At 31 December 2024	1,646	467	182	77	1,716	17,429	849	2,484	24,850
Net book value:									
At 31 December 2024	729	111	19	294	640	484	–	606	2,883
At 31 December 2023	386	195	–	264	591	670	–	813	2,919



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Photography services in Mainland China

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

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

Medical services in Hong Kong

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. RIGHT-OF-USE ASSETS

	Properties leased for own use HK\$'000	Motor Vehicle HK\$'000	Total HK\$'000
Cost:			
At 1 January 2023	37,446	–	37,446
Exchange adjustments	(124)	–	(124)
Additions — from entering into new leases	3,253	1,307	4,560
Additions — from lease modification during the year	6,468	–	6,468
Disposal	(1,078)	–	(1,078)
At 31 December 2023 and 1 January 2024	45,965	1,307	47,272
Exchange adjustments	(156)	–	(156)
Additions – from entering into new leases	6,068	–	6,068
Additions – from lease modification during the year	(966)	–	(966)
At 31 December 2024	50,911	1,307	52,218
Accumulated depreciation:			
At 1 January 2023	22,562	–	22,562
Exchange adjustments	(172)	–	(172)
Charge for the year	7,956	145	8,101
Written back on disposal	(313)	–	(313)
Impairment loss	77	–	77
At 31 December 2023 and 1 January 2024	30,110	145	30,255
Exchange adjustments	(156)	–	(156)
Charge for the year	7,755	436	8,191
At 31 December 2024	37,709	581	38,290
Net book value			
At 31 December 2024	13,202	726	13,928
At 31 December 2023	15,855	1,162	17,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. RIGHT-OF-USE ASSETS (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 HK\$'000	2023 HK\$'000
Depreciation expenses on right-of-use assets	8,191	8,101
Interest expense on lease liabilities (note 9)	701	530
Expense relating to short-term leases (note 11)	276	381
Variable lease payments not included in the measurement of lease liabilities (note 11)	17,152	28,347
Gain on lease modification (note 8a)	276	–

During the year ended 31 December 2024, additions to right-of-use assets were HK\$6,068,000 (2023: HK\$11,028,000). This amount primarily related to the capitalised lease payments payable under new or renewed tenancy agreement.

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in notes 24 and 29(b) respectively.

Properties leased for own use

The Group has obtained the right to use properties as its office, warehouse, premises for automatic ID photo booths and medical centres through tenancy agreements. The leases typically run for an initial period of 2 to 5 years. Lease payments are usually increased every 1 to 2 years to reflect market rentals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. RIGHT-OF-USE ASSETS (continued)

Properties leased for own use (continued)

During the year ended 31 December 2024, the Group leased a number of 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. The amount of fixed and variable lease payments recognised in profit or loss for the year is summarised below:

	2024		
	Fixed payments HK\$'000	Variable payments HK\$'000	Total HK\$'000
Sites to install automatic ID photo booths	4,832	17,152	21,984

	2023		
	Fixed payments HK\$'000	Variable payments HK\$'000	Total HK\$'000
Sites to install automatic ID photo booths	4,220	28,347	32,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2024 are as follows:

Name of company	Place of incorporation and business	Particulars of issued and paid up capital/ establishment	Proportion of ownership interest/voting power		Principal activity
			Direct	Indirect	
Max Sight (BVI) Limited	BVI	\$1	100%	–	Investment holding
Treasure Star (China) Holding Limited	BVI	\$1	100%	–	Investment holding
Max Sight Healthcare Management Services (BVI) Limited	BVI	\$1	100%	–	Investment holding
Max Sight Limited	Hong Kong	\$4,000,000	–	100%	Provision of photography services through automatic ID photo booths
Max Medical Service (NOP Clinic) Limited (formerly known as MV Asset Management Limited)	Hong Kong	\$2	–	100%	Holding of licencing agreements
Treasure Star (China) Limited	Hong Kong	\$10,000	–	100%	Provision of photography services through automatic photo booths
Max Sight International Limited	Hong Kong	\$10,000	–	100%	Holding of licencing agreements
廣州富美快相有限公司 ("Guangzhou Max Sight Photo Company Limited")	Mainland China	Renminbi ("RMB") 5,000,000	–	100%	Provision of photography services through automatic ID photo booths
Fullwise International Limited	Hong Kong	\$1,000,000	–	100%	Holding of licencing agreements
Max Sight Healthcare Management Limited	Hong Kong	\$10,000	–	100%	Investment holding and provision of medical management services
Max Medical Services Limited	Hong Kong	\$10,000	–	100%	Provision of medical services
Wealthy Dragon Development Limited	Hong Kong	\$10,000	–	51%	Provision of medical services
Speed Dragon Development Limited	Hong Kong	\$10,000	–	51%	Provision of medical services
Ascent Lucky Limited	Hong Kong	\$1	–	100%	Provision of medical services

As at 31 December 2024, the bank and cash balances of the Group' subsidiaries in the PRC denominated in Renminbi ("RMB") amounted to HK\$30,000 (2023: HK\$52,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

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

20. RESTRICTED BANK DEPOSIT AND CASH AND BANK BALANCES

	2024 HK\$'000	2023 HK\$'000
Cash at bank and on hand and cash and cash equivalents in the consolidated statement of cash flows	21,320	20,669
Restricted bank deposit (note)	–	5,000
	21,320	25,669

Note: As at 31 December 2023, the restricted bank deposit of HK\$5,000,000 represents deposits placed with a bank, which were used as a guarantee for a banking facility. The restricted bank deposit carries fixed interest rate at 0.1% per annum. The banking facility of the Group has been repaid in 2024 and the restricted bank deposit was released.

The carrying amounts of the Group's restricted bank deposit and cash and bank balances are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HKD	10,414	14,845
USD	10,573	10,466
EUR	64	68
RMB	269	290
	21,320	25,669

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables	316	177
Other payables and accrued charges		
Accrued expenses	1,933	1,560
Salaries payables and provision for bonus	635	711
Other lease and licence fee payables	376	471
Others	19	99
	2,963	2,841

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

	2024 HK\$'000	2023 HK\$'000
0–30 days	316	177

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

22. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

Amounts due to non-controlling shareholders is unsecured, interest-free and repayable on demand.

23. BANK LOAN — SECURED

	2024 HK\$'000	2023 HK\$'000
Within 1 year or on demand	–	1,000

At 31 December 2023, the banking facility of the Group were secured by restricted bank deposit with an aggregate carrying value of HK\$5,000,000. The facilities were utilised to the extent of HK\$1,000,000. The loan is interest bearing at 2.15% per-annum over 3 or 6 or 12-months Hong Kong Interbank Offered Rate ("HIBOR") or 2.15% per-annum over the costs of fund of the bank as determined, whichever is higher and repayable within 1 year or on demand. The bank loan of the Group has been repaid in January 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payment	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Within one year	7,527	9,551	6,819	9,298
More than one year, but not exceeding two years	5,348	5,973	5,005	5,339
More than two years, but not more than five years	3,165	4,753	3,068	4,693
More than five years	–	–	–	–
	16,040	20,277	14,892	19,330
Less: Future finance charges	(1,148)	(947)	N/A	N/A
Present value of lease obligations	14,892	19,330		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(6,819)	(9,298)
Amount due for settlement after 12 months			8,073	10,032

The weighted average incremental borrowing rates applied to lease liabilities range from 1.4% to 6.9% (2023: from 1.3% to 6.9%).

Except for lease liabilities of approximately HK\$32,000 (2023: HK\$1,179,000) are denominated in RMB, all other lease liabilities are denominated in Hong Kong dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25. DEFERRED TAX

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Deferred tax liabilities/ (assets) HK\$'000
At 1 January 2023	115
Charged to profit or loss	(97)
At 31 December 2023 and 1 January 2024	18
Charged to profit or loss	(85)
At 31 December 2024	(67)

Deferred tax assets not recognised

As the probability of generating future taxable profits in order to utilise the tax losses and temporary differences is uncertain at this point of time, the Group has not recognised deferred tax assets in respect of cumulative tax losses arising from operation in Hong Kong of approximately HK\$16,492,000 (2023: HK\$16,307,000) and operation in Mainland China of approximately HK\$13,139,000 (2023: HK\$14,141,000).

The tax losses from the operations in Hong Kong do not expire under current tax legislation. The tax losses arising from the operations in Mainland China can be carried forward to offset against taxable profits of subsequent years up to five years from the year in which they arose and the expired year of tax losses are set out below:

	2024 HK\$'000	2023 HK\$'000
Year 2024	–	2,343
Year 2025	3,044	3,044
Year 2026	3,603	3,603
Year 2027	3,064	3,064
Year 2028	2,087	2,087
Year 2029	1,341	–
	13,139	14,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

26. SHARE CAPITAL

	2024		2023	
	Number of shares '000	HK\$'000	Number of shares '000	HK\$'000
Authorised — ordinary share of HK\$0.01 each:				
At 1 January and 31 December	5,000,000	50,000	5,000,000	50,000
Issued and fully paid:				
At 1 January and 31 December	800,000	8,000	800,000	8,000

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises lease liabilities, bank loan and amounts due to non-controlling shareholders. Total equity comprises all components of equity (i.e. share capital, share premium, distributable reserve, translation reserve, other reserve and accumulated losses) except for non-controlling interests.

	2024 HK\$'000	2023 HK\$'000
Total debt	17,087	22,525
Less: cash and cash equivalents	(21,320)	(20,669)
Net debt	(4,233)	1,856
Total equity	24,035	28,686
Debt-to-adjusted capital ratio	N/A	6.47%

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

26. SHARE CAPITAL (continued)

The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2024, 25% (2023: 25%) of the shares were in public hands.

27. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investments in subsidiaries	(a)	–	–
Current assets			
Amount due from subsidiaries		11,773	11,571
Prepayments		162	335
Cash and bank balances		123	5,559
		12,058	17,465
Current liabilities			
Accrued charges		48	–
		48	–
Net current assets		12,010	17,465
NET ASSETS		12,010	17,465
CAPITAL AND RESERVES			
Share capital		8,000	8,000
Reserves	27(b)	4,010	9,465
TOTAL EQUITY		12,010	17,465

Note (a): The balance represents HK\$1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

27. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

(b) Reserve movement of the Company

	Share premium HK\$'000	Distributable reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	53,083	–	(39,705)	13,378
Loss for the year	–	–	(913)	(913)
Dividend paid	(3,000)	–	–	(3,000)
At 31 December 2023 and 1 January 2024	50,083	–	(40,618)	9,465
Loss for the year	–	–	(955)	(955)
Dividend paid	(4,500)	–	–	(4,500)
Transfer (note)	(45,583)	4,965	40,618	–
At 31 December 2024	–	4,965	(955)	4,010

Note: Pursuant to an ordinary resolution passed by the shareholders at the annual general meeting of the Company on 22 March 2024, full amount of approximately HK\$45,583,000 standing to the credit of the share premium account was reduced and cancelled and that amount of the credit arising from the share premium reduction be applied to offset the entire amount of the accumulated losses of the Company as at 31 December 2023 and the remaining balance of the credit arising from the share premium reduction be transferred to the distributable reserve account of the Company.

Distributability of reserves

As 31 December 2024, the aggregate amount of the Company's reserves available for distribution to the equity shareholders of the Company, as calculated in accordance with the Companies Law of the Cayman Islands and the Company's memorandum and articles of association, was HK\$4,010,000 (2023: HK\$9,465,000). The directors did not propose any final dividend after the end of the reporting period (2023: special dividend of HK\$4,500,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution of dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Distributable reserve

The distributable reserve account is the profits that the Company has available for distribution to its shareholders. The initial amount of approximately HK\$4,965,000 was transferred from the share premium account on 14 June 2024.

(iii) Translation reserve

The translation reserve comprises exchange differences arising from the translation of the financial statements of the Group's operations in Mainland China.

(iv) Other reserve

The other reserve was created as a result of the reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loan (Note 23) HK\$'000	Lease liabilities (Note 24) HK\$'000	Total HK\$'000
At 1 January 2024	1,000	19,330	20,330
Changes from financing cash flows:			
Repayment of bank loan	(1,000)	–	(1,000)
Capital element of lease rentals paid	–	(9,246)	(9,246)
Interest element of lease rentals paid	–	(701)	(701)
Total changes from financing cash flows	(1,000)	(9,947)	(10,947)
Other changes:			
Increase in lease liabilities from entering into new leases	–	6,068	6,068
Decrease in lease liabilities from lease modification	–	(966)	(966)
Decrease in lease liabilities from early-termination	–	(276)	(276)
Interest expenses (note 9)	–	701	701
Exchange adjustments	–	(18)	(18)
Total other changes	–	5,509	5,509
At 31 December 2024	–	14,892	14,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Reconciliation of liabilities arising from financing activities (continued)

	Bank loan (Note 23) HK\$'000	Lease liabilities (Note 24) HK\$'000	Total HK\$'000
At 1 January 2023	1,000	17,436	18,436
Changes from financing cash flows:			
Proceeds from new bank loan	1,000	–	1,000
Repayment of bank loan	(1,000)	–	(1,000)
Capital element of lease rentals paid	–	(8,118)	(8,118)
Interest element of lease rentals paid	–	(530)	(530)
Total changes from financing cash flows	–	(8,648)	(8,648)
Other changes:			
Increase in lease liabilities from entering into new leases	–	4,520	4,520
Increase in lease liabilities from lease modification	–	6,468	6,468
Decrease in lease liabilities	–	(926)	(926)
Interest expenses (note 9)	–	530	530
Exchange adjustments	–	(50)	(50)
Total other changes	–	10,542	10,542
At 31 December 2023	1,000	19,330	20,330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

	2024 HK\$'000	2023 HK\$'000
Within operating cash flows	17,428	28,728
Within financing cash flows	9,947	8,648
	27,375	37,376

These amounts relate to the following:

	2024 HK\$'000	2023 HK\$'000
Lease rental paid	27,075	37,139
Motor vehicle	300	237
	27,375	37,376

(c) Major non-cash transaction

- (i) Additions to right-of-use assets during the year of approximately HK\$6,068,000 (2023: approximately HK\$10,988,000) were financed by leases liabilities.

30. COMMITMENTS

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

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	213	608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

31. RELATED PARTY TRANSACTIONS

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

	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	7,409	6,744
Post-employment benefits	119	144
	7,528	6,888

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

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

32. EVENT AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this report.

FINANCIAL SUMMARY

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years.

RESULTS

	2024 HK\$'000	Year ended 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	66,246	80,218	31,253	20,953	19,979
Profit/(loss) before taxation	732	8,431	(12,503)	(7,529)	(4,433)
Income tax (expenses)/credit	(262)	(412)	120	(126)	(45)
Profit/(loss) for the year	470	8,019	(12,383)	(7,655)	(4,478)

ASSETS AND LIABILITIES

	2024 HK\$'000	Year ended 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Total assets	45,810	54,440	46,792	59,787	55,757
Total liabilities	(21,647)	(26,495)	(24,078)	(25,245)	(13,358)
	24,163	27,945	22,714	34,542	42,399