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Wai Chi Holdings Company Limited

偉志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

DISCLOSEABLE TRANSACTION FX FORWARD CONTRACT

The Board announces that on 20 December 2022, Shenzhen Waichi, a subsidiary of the Company, entered into the FX Forward Contract with China Construction Bank, an Independent Third Party, to hedge against RMB/USD currency risk, in the Principal Amount of approximately RMB65.4 million. Shenzhen Waichi has entered into certain loan agreements with China Construction Bank denominated in RMB in November 2022 while a certain part of the Company's earnings is denominated in USD. Fluctuation in the exchange rate of RMB against USD may therefore impact the financial results of the Group. In light of the foregoing, Shenzhen Waichi entered into the FX Forward Contract with the aim of hedging against such currency risk.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the FX Forward Contract exceeds 5% but is less than 25%, the FX Forward Contract and the transactions contemplated thereunder constitute a disclosable transaction of the Company, and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

FX FORWARD CONTRACT

Shenzhen Waichi, a subsidiary of the Company, entered into the FX Forward Contract on 20 December 2022 to hedge against RMB/USD currency risk. As at the date of this announcement and to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the counterparty and its ultimate beneficial owners are Independent Third Parties.

Major Terms of the FX Forward Contract

Trade date:	20 December 2022
Parties:	(1) Wai Chi Opto Technology (Shenzhen) (as the purchaser of RMB) and; (2) China Construction Bank (as the seller of RMB)
Principal Amount and currency:	RMB65,376,362
Forward rate:	RMB7.152 per USD1.00
Settlement currency:	the Group shall pay to China Construction Bank the agreed sum of USD to purchase the RMB
Settlement date:	10 May 2023

The FX Forward Contract is a type of hedging instrument. In essence, it allows the Group to place an order with China Construction Bank in the Principal Amount with a fixed forward RMB/USD exchange rate, to be settled in a future agreed time. On the settlement date, the Group shall pay to China Construction Bank the agreed sum of USD to purchase the RMB.

REASONS AND BENEFITS FOR ENTERING INTO THE FX FORWARD CONTRACT

As the Group's principal operations are in the PRC, its income and expenses are primarily denominated in RMB. The Group considers RMB as its functional currency. As such, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group.

In November 2022, Shenzhen Waichi has entered into certain loan agreements with China Construction Bank denominated in RMB, while a certain part of the Company's earnings is denominated in USD. Fluctuation in the exchange rate of RMB against USD may therefore impact the financial results of the Group. In light of the foregoing, Shenzhen Waichi has entered into the FX Forward Contract with the aim of hedging against such currency risk.

In view of the reasons and benefits described above, the Directors (including the independent non-executive Directors) believe that the terms of the FX Forward Contract and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in the manufacture and sale of LED backlight and lighting products and sourcing business.

China Construction Bank being an Independent Third Party is a financial institution whose business activities include dealing in foreign exchange forward contracts.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the FX Forward Contract exceeds 5% but is less than 25%, the FX Forward Contract and the transactions contemplated thereunder constitute a disclosable transaction of the Company, and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company
“China Construction Bank”	China Construction Bank Corporation (中國建設銀行股份有限公司) (Stock code: 939), the shares of which are listed on the Main Board of the Stock Exchange
“Company”	Wai Chi Holdings Company Limited (偉志控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 August 2013, the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“FX Forward Contract”	the foreign exchange forward contract dated 20 December 2022 between Shenzhen Waichi and China Construction Bank, an Independent Third Party, pursuant to which, the Group agrees to place an order up to the Principal Amount, and having the aim of hedging against the currency risk in relation to the possible fluctuation in the exchange rate of RMB against USD
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Principal Amount”	the agreed principal RMB amount of RMB65,376,362 under the FX Forward Contract
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of the PRC
“Shenzhen Waichi”	Wai Chi Opto Technology (Shenzhen) Limited* (偉志光電(深圳)有限公司), a company established under the laws of the PRC on 9 August 2002 and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S. dollar(s)”, “USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

* *The English name is for identification purpose only*

By order of the Board
Wai Chi Holdings Company Limited
Chen Chung Po
Chairman

Hong Kong, 20 December 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Chen Chung Po (Chairman and Chief Executive Officer), Ms. Luk Fong, Ms. Yiu Kwan Yu, Mr. Chen Wei Wu and Ms. Yong Jian Hui; and the independent non-executive Directors are Mr. Au Yeung Tin Wah, Mr. Chen Kwok Wang and Mr. Ho Chi Wai.