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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)**

**GRANT AND ISSUE OF AWARDED SHARES  
PURSUANT TO THE SHARE AWARD SCHEME**

On 23 December 2022, the Board resolved to conditionally grant 2,900,000 Awarded Shares to 12 Selected Employees pursuant to the Share Award Scheme (inclusive of the Conditional Grant). Among the Awarded Shares granted, (i) 1,200,000 Awarded Shares are conditionally granted to the Conditional Grantees, subject to the approval of Independent Shareholders at the EGM; and (ii) 1,700,000 Awarded Shares are granted to the other Grantees including certain Directors and employees of the Group. The Grant shall be satisfied by allotment and issue of new Shares under the Scheme Limit.

A circular containing, among other things, (i) further details in respect of the Conditional Grant; and (ii) the notice of the EGM will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

On 23 December 2022, the Board resolved to conditionally grant 2,900,000 Awarded Shares to 12 Selected Employees pursuant to the Share Award Scheme (inclusive of the Conditional Grant). Among the Awarded Shares granted, (i) 1,200,000 Awarded Shares are conditionally granted to the Conditional Grantees, subject to the approval of Independent Shareholders at the EGM; and (ii) 1,700,000 Awarded Shares are granted to the other Grantees including certain Directors and employees of the Group.

Details of the Grant are as follows:

<b>Name of Grantee</b>	<b>Position held at the Company/Group</b>	<b>Number of Awarded Shares</b>
<i>Conditional Grantees:</i>		
Mr. Chen Chung Po	Chairman, executive Director and chief executive officer	800,000
Ms. Yong Jian Hui	Executive Director	400,000
<i>Other Grantees:</i>		
Ms. Yiu Kwan Yu	Executive Director	200,000
Mr. Chen Wei Wu	Executive Director	200,000
Other 8 Selected Employees	Employees of the Company	<u>1,300,000</u>
Total		<u><u>2,900,000</u></u>

Save as disclosed above, none of the Grantees of the Awarded Shares is a Director, a chief executive or a substantial shareholder of the Company, or any of their respective associates.

The key terms of the Awards to be granted under the Grant are set out below:

Date of the Grant:	23 December 2022
Total number of Awarded Shares to be issued under the Grant:	2,900,000 Awarded Shares (inclusive of Conditional Grant of 1,200,000 Awarded Shares)
Market price of the Share on the date of Grant:	The closing price of the Shares on 23 December 2022 as quoted on the Stock Exchange is HK\$1.60 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of Grant as quoted on the Stock Exchange is HK\$1.64 per Share
Consideration for Awards:	There is no additional amount payable on application or acceptance of the Award.
Vesting date:	For 1,700,000 Awarded Shares granted to certain Directors and employees of the Group, the vesting date is the first anniversary date of the date of Grant  For the Conditional Grant, the vesting date is the first anniversary date of the date on which the Independent Shareholders' approval at the EGM was obtained
Performance target:	No performance target is to be achieved

Rights of Awarded Shares upon vesting:

The Selected Employee shall have no right, benefit or interest in any Awarded Shares unless and until the Trustee has vested the legal and beneficial ownership of such Awarded Shares in the Selected Employee. The Awarded Shares shall rank, upon issue, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Awarded Shares.

Clawback mechanism:

In the event that the Selected Employee has committed any serious misconduct or breach of the Company's policies, rules or regulations or made any material misstatement(s) in the Company's financial statements, the Award granted to a Selected Employee shall automatically lapse and be cancelled forthwith pursuant to the rules of the Share Award Scheme

Upon vesting, the Selected Employees will have an unconditional right to obtain the Awarded Shares. There are no performance targets for the grant of Awarded Shares as the objective of the Awards is to recognise contributions by the Selected Employees while serving the purpose of staff retention. As such, the Company's remuneration committee holds the view that it is not necessary to have performance targets, and the vesting periods are fair and reasonable and consistent with the purposes of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the new Shares to be allotted and issued to satisfy the Grant shall be held on trust by the Trustee for the grantees until such Awarded Shares are vested with the relevant grantees in accordance with the rules of the Share Award Scheme and the Trust Deed. As such, no funds will be raised by the Company as a result of the allotment and issue of the new Shares. Pursuant to the rules of the Share Award Scheme, the Trustee shall not exercise any voting rights attached to the Awarded Shares held by it. None of the Directors is the Trustee, nor do they have any direct or indirect interest in the Trustee.

Pursuant to Rule 17.04(1) of the Amended Rules, the grant of Awards by the Company to a Director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Directors who are the grantees of the Awards). On 23 December 2022, the independent non-executive Directors approved the Grant to the Directors (inclusive of the Conditional Grant).

### **The Awarded Shares**

The new Shares to be allotted and issued by the Company to the Trustee to satisfy the Grant of 2,900,000 Awarded Shares represent approximately 1.34% and 1.32% of the total issued share capital of the Company (i) as at the date of this announcement; and (ii) as enlarged by the allotment and issue of such new Shares (assuming that there is no Share Option being exercised and there is no other change to the share capital and shareholding structure of the Company from the date of this announcement up to the proposed date for allotment and issue of such new Shares), respectively.

Based on the closing price of HK\$1.60 per Share of the Company as quoted on the Stock Exchange as at the date of this announcement, the market value of the 1,200,000 Awarded Shares to be allotted and issued to the Conditional Grantees and the 1,700,000 Awarded Shares to be allotted and issued to the other Grantees are HK\$1,920,000 and HK\$2,720,000, respectively.

### **Conditions precedent**

The proposed allotment and issue of new Shares to the Trustee to satisfy the Grant (inclusive of the Conditional Grant) shall be conditional upon the following: (i) the Independent Shareholders having passed all necessary resolutions at the EGM approving the Conditional Grant; and (ii) the fulfilment of the conditions set out in the Share Award Scheme.

### **Scheme Limit**

Pursuant to the Scheme Limit approved by the Shareholders at the extraordinary general meeting of the Company held on 19 December 2022, the Company is authorized to allot and issue up to 21,682,500 Shares for the purpose of the Share Award Scheme and the Share Option Scheme. As at the date of this announcement, no Shares have been allotted and issued under the Scheme Limit. The Scheme Limit is sufficient for the allotment and issue of new Shares to the Trustee to satisfy the Grant. After the Grant (inclusive of the Conditional Grant) under the Share Award, the number of Shares available for future allotment and issue for the purpose of the Share Award Scheme and the Share Option Scheme is 18,782,500 Shares, representing approximately 8.66% of the total issued Shares as at the date of this announcement.

### **REASONS FOR THE GRANT**

The Company is an investment holding company. The Group is principally engaged in the design, manufacture and sales of high-quality Light-Emitting Diode (“**LED**”) backlight and LED lighting products and provision of packaging and testing services for semiconductor memory chip and related products sourcing.

The purposes and objectives of the Share Award Scheme are to recognize the contributions by the Selected Employees and give incentives thereto in order to retain them for the continual operation and development of the Group. The Board considers that the Grant will enable the Company (i) to recognise the contributions made by the 12 Selected Employees in advancing the continual business operation and development of the Group; and (ii) to give incentives thereto in order to retain them for further development of the Group. The Grantees are senior management and key employees of the Group working in various business units of the Group.

With respect to the Conditional Grantees, both Mr. Chen Chung Po and Ms. Yong Jian Hui have performed essential duties and responsibilities in and for the Group. Having considered that (a) (i) Mr. Chen's pivotal role as the Company's chairman and chief executive officer as well as his critical responsibility for the Group's corporate strategy formulation and overall management are crucial to the future development of the Group; and (ii) Mr. Chen has made substantial contribution to the development of the semiconductor memory chip business; (b) (i) Ms. Yong has been serving the Group with dedication and commitment for over 19 years; and (ii) Ms. Yong has made significant contribution to the sales and marketing of the Group's LED backlight products during the COVID-19 pandemic, the Board is of the view that the Conditional Grant is the proper and appropriate way to recognise their contributions to the Group and to motivate them further in applying their expertise, experience and leadership to the development of the Group in the future.

As the Grant (inclusive of the Conditional Grant) will be satisfied by the issue and allotment of new Shares, there will not be any material cash outflow by the Group under the Grant (inclusive of the Conditional Grant). In light of the above, the Directors consider that the number of Awarded Shares, the terms and conditions of the Grant as well as the issue and allotment of new Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 17.04(1) of the Amended Rules, any grant of Awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, under the Share Award Scheme must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the Awards). On 23 December 2022, the Grant to the Directors (inclusive of the Conditional Grant) was approved by all the independent non-executive Directors.

Pursuant to Rule 17.04(2) of the Amended Rules, where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive director) or chief executive of the issuer, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Awards must be approved by Shareholders in general meeting whereby such grantee and his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

As each of the total number of Shares issued and to be issued in respect of all Awards conditionally granted to Mr. Chen Chung Po and Ms. Yong Jian Hui would, in each case, in a 12-month period up to and including the date of such grant, represent over 0.1% of the Shares in issue, the Conditional Grant is subject to the approval by the Independent Shareholders, where Mr. Chen Chung Po and Ms. Yong Jian Hui, their associates and all core connected persons of the Company shall abstain from voting in favour on the relevant resolution(s) at the EGM pursuant to the Listing Rules and the Amended Rules.

The EGM will be convened and held to consider, and if thought fit, approve, among other things, the Conditional Grant and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details in respect of the Conditional Grant; and (ii) the notice of the EGM will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

Each of Mr. Chen Chung Po, Ms. Luk Fong, Ms. Yiu Kwan Yu, Mr. Chen Wei Wu and Ms. Yong Jian Hui has abstained from approving the relevant board resolution on the Grant (except for the other 8 Selected Employees) under the Share Award Scheme. Save as disclosed, none of the other Directors had any interest in the Grant and therefore no other Directors abstained from voting on the relevant resolution of the Board in respect of the Grant.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Amended Rules”	the amendments to the Listing Rules relating to share schemes of listed issuer, which will take effect on 1 January 2023 pursuant to the Consultation Conclusions
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Award”	an award of Awarded Shares to Selected Employees pursuant to the Share Award Scheme
“Awarded Shares”	the Shares to be awarded to the Selected Employees under the Share Award Scheme
“Board”	the board of Directors
“chief executive”	has the meaning ascribed to it in the Listing Rules
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“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, the issued shares of which are listed on the Stock Exchange
“Conditional Grant”	the conditional grant of 800,000 Awarded Shares to Mr. Chen Chung Po and 400,000 Awarded Shares to Ms. Yong Jian Hui under the Share Award Scheme
“Conditional Grantee(s)”	Mr. Chen Chung Po and Ms. Yong Jian Hui, and each a Conditional Grantee

“connected person”	shall have the meaning ascribed to it under the Listing Rules
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Conditional Grant
“Grant”	the grant of 2,900,000 Awarded Shares to 12 Selected Employees pursuant to the Share Award Scheme
“Grantee(s)”	the 12 Selected Employees including the Conditional Grantees
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholder who is not required to abstain from voting at the EGM, if necessary, and is required to vote at the EGM to approve the Conditional Grant
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Scheme Limit”	the total number of Shares which may be issued upon exercise of all options and Awards to be granted under the Share Option Scheme, the Share Award Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme and the Share Award Scheme
”Selected Employee(s)”	employee(s) selected by the Board for participation in the Share Award Scheme in respect of the award of the Awarded Shares
“Share(s)”	fully paid ordinary shares of HK\$0.01 each in the capital of the Company

“Share Award Scheme”	the share award scheme approved and adopted by the Company on 19 December 2022
“Share Option Scheme”	the share option scheme approved and adopted by the Company on 19 December 2022
“Shareholder(s)”	holder(s) of Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed to support and facilitate the operation of the Share Award Scheme
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trustee”	First Shanghai Securities Limited, a professional trustee appointed by the Company to hold the Shares (and the Related Income, if any) on trust for the benefit of the Selected Employee under the Share Award Scheme pursuant to the terms of the relevant Trust Deed, who is an Independent Third Party
“%”	per cent.

For and on behalf of the Board of  
**Wai Chi Holdings Company Limited**  
**Chen Chung Po**  
*Chairman*

Hong Kong, 23 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.*