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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **FINANCIAL HIGHLIGHTS**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b> <b>HK\$'000</b>	<b>Unaudited</b> <b>HK\$'000</b>
Revenue	<b>1,127,460</b>	1,166,073
Gross profit	<b>166,545</b>	132,255
Gross profit margin	<b>14.8%</b>	11.3%
Profit for the period attributable to owners of the Company	<b>28,505</b>	23,967
Basic and diluted earnings per share	<b>HK12.97 cents</b>	HK10.90 cents

#### **INTERIM RESULTS**

The Board of Directors (the “**Board**”) of Wai Chi Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the unaudited comparative figures for the same period of 2024 and the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2025 together with audited comparative figures as at 31 December 2024.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>1,127,460</b>	1,166,073
Cost of sales		<u><b>(960,915)</b></u>	<u>(1,033,818)</u>
Gross profit		<b>166,545</b>	132,255
Other income	4	<b>33,156</b>	47,976
Selling and distribution expenses		<b>(20,145)</b>	(22,176)
Administrative expenses		<b>(75,561)</b>	(64,106)
Research and development expenses		<b>(37,803)</b>	(34,175)
Finance costs	6	<u><b>(27,930)</b></u>	<u>(32,027)</u>
Profit before tax		<b>38,262</b>	27,747
Income tax expense	7	<u><b>(10,278)</b></u>	<u>(3,483)</u>
Profit for the period	8	<u><b>27,984</b></u>	<u>24,264</u>
Profit for the period attributable to:			
– Owners of the Company		<b>28,505</b>	23,967
– Non-controlling interests		<u><b>(521)</b></u>	<u>297</u>
		<u><b>27,984</b></u>	<u>24,264</u>
Earnings per share			
Basic and diluted ( <i>HK cents</i> )	10	<u><b>12.97</b></u>	<u>10.90</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period	<b>27,984</b>	24,264
Other comprehensive income (expense) that may be reclassified subsequently to profit or loss:		
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	(1,055)
Exchange differences arising on translation of financial statements of foreign operations	<b>6,860</b>	(406)
Total comprehensive income for the period	<b>34,844</b>	22,803
Total comprehensive income for the period attributable to:		
– Owners of the Company	<b>35,425</b>	22,503
– Non-controlling interests	<b>(581)</b>	300
	<b>34,844</b>	22,803

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>283,364</b>	292,557
Right-of-use assets		<b>54,187</b>	57,795
Investment property		<b>19,768</b>	20,000
Financial assets at fair value through profit or loss (“FVTPL”)	11	<b>7,983</b>	7,983
Financial asset at fair value through other comprehensive income (“FVTOCI”)	12	<b>13,626</b>	13,626
Deferred tax assets		<b>10,794</b>	10,701
		<b>389,722</b>	402,662
<b>Current assets</b>			
Inventories		<b>353,259</b>	254,828
Trade receivables	13	<b>1,005,838</b>	980,962
Bills receivables	13	<b>133,598</b>	170,361
Prepayments, deposits and other receivables		<b>78,247</b>	79,318
Income tax recoverable		<b>1,484</b>	1,470
Derivative financial assets		<b>13,734</b>	21,166
Pledged bank deposits		<b>651,191</b>	516,846
Bank balances and cash		<b>204,483</b>	328,878
		<b>2,441,834</b>	2,353,829
<b>Current liabilities</b>			
Trade payables	14	<b>543,035</b>	570,854
Bills payables	14	<b>813,670</b>	796,634
Other payables and accruals	14	<b>57,255</b>	75,797
Amount due to a related party		<b>1,097</b>	1,080
Contract liabilities		<b>2,468</b>	1,639
Bank and other borrowings		<b>419,199</b>	347,604
Derivative financial liabilities		<b>8,540</b>	14,255
Income tax payable		<b>20,381</b>	13,368
Lease liabilities		<b>6,958</b>	7,147
		<b>1,872,603</b>	1,828,378
<b>Net current assets</b>		<b>569,231</b>	525,451
<b>Total assets less current liabilities</b>		<b>958,953</b>	928,113

	<b>30 June</b> <b>2025</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2024 <i>HK\$'000</i> (Audited)
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>391</b>	390
Government grants	<b>504</b>	497
Lease liabilities	<b>26,653</b>	30,665
	<b>27,548</b>	31,552
<b>Net assets</b>	<b>931,405</b>	896,561
<b>Capital and reserves</b>		
Share capital	<b>2,197</b>	2,197
Reserves	<b>926,599</b>	891,174
Equity attributable to owners of the Company	<b>928,796</b>	893,371
Non-controlling interests	<b>2,609</b>	3,190
<b>Total equity</b>	<b>931,405</b>	896,561

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1. GENERAL

Wai Chi Holdings Company Limited (the “**Company**”) is a company incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 16 August 2013 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 November 2014. Its parent and ultimate parent is Rexell Technology Company Limited (incorporated in the British Virgin Islands). Its ultimate controlling party is Ms. Luk Fong.

The address of the registered office of the Company is Offshore Incorporations (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of the principal place of business of the Company is 6th Floor, Liven House, 63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are manufacturing and trading of Light-Emitting Diode (“**LED**”) backlight and LED lighting products and trading of high-tech electronic components and products.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are Hong Kong dollars (“**HK\$**”) while that of the subsidiaries established in the PRC are Renminbi (“**RMB**”). For the purpose of presenting the condensed consolidated interim financial information, the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) adopted HK\$ as its presentation currency.

### 2. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### 3. ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024 except as described below.

#### Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial information.

#### 4. REVENUE AND OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<i>Disaggregated by major products lines</i>		
Sales of goods		
– LED backlight	1,103,134	899,515
– LED lighting	22,932	49,115
– Semiconductor memory chips	1,394	217,443
	<u>1,127,460</u>	<u>1,166,073</u>
<i>Disaggregation of revenue from contracts with customers by timing of recognition</i>		
Timing of revenue recognition		
– At a point in time	<u>1,127,460</u>	<u>1,166,073</u>
<b>Other income</b>		
Bank interest income	24,546	27,762
Exchange (losses) gains, net	(874)	1,938
Government grants ( <i>note</i> )	7,607	15,835
Sales of scrapped materials	–	241
Sundry income	<u>1,877</u>	<u>2,200</u>
	<u>33,156</u>	<u>47,976</u>

*Note:* Included in the amount, there are government grants immediately recognised as other income during the six months ended 30 June 2025 of approximately HK\$1,325,000 (six months ended 30 June 2024: approximately HK\$7,902,000) which were received from the PRC government in respect of certain research projects, and company business development, and salaries subsidies approximately HK\$6,282,000 (six months ended 30 June 2024: HK\$7,933,000) which were received from PRC government in respect of the extra deduction from the value-added tax (“VAT”), the relevant granting criteria of which have been fulfilled.

## 5. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker (the “CODM”) for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. In addition, for both LED backlight and LED lighting operations and trading of high-tech electronic components and products, the information reported to the CODM is further categorised into different types of products and application of products. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- |    |                            |   |   |
|----|----------------------------|---|---|
| 1. | LED backlight              | – | Manufacture and trading of LED backlight products in different sizes and applications |
| 2. | LED lighting               | – | Manufacture and trading of LED lighting products for public and commercial use        |
| 3. | Semiconductor memory chips | – | Provision of packaging and testing services and related products sourcing business    |

### Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

*For the six months ended 30 June 2025*

	LED backlight HK\$'000 (Unaudited)	LED lighting HK\$'000 (Unaudited)	Semiconductor memory chips HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
REVENUE				
External sales	<u>1,103,134</u>	<u>22,932</u>	<u>1,394</u>	<u>1,127,460</u>
Segment profit	<u>67,772</u>	<u>2,384</u>	<u>1,082</u>	71,238
Unallocated income				340
Unallocated expenses				(5,869)
Unallocated finance costs				<u>(27,447)</u>
Profit before tax				<u>38,262</u>



*For the six months ended 30 June 2024*

	LED backlight HK\$'000 (Unaudited)	LED lighting HK\$'000 (Unaudited)	Semiconductor memory chips HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
REVENUE				
External sales	<u>899,515</u>	<u>49,115</u>	<u>217,443</u>	<u>1,166,073</u>
Segment profit	<u>52,176</u>	<u>2,834</u>	<u>12,555</u>	67,565
Unallocated income				444
Unallocated expenses				(8,438)
Unallocated finance costs				<u>(31,824)</u>
Profit before tax				<u>27,747</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments, certain other income, certain finance costs and certain other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

**Segment assets and liabilities**

The following table presents assets and liabilities of the Group's operating segments as at 30 June 2025 and 31 December 2024:

*Segment assets*

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
LED backlight	1,711,291	1,622,910
LED lighting	104,144	69,774
Semiconductor memory chips	<u>1,564</u>	<u>129,071</u>
Total segment assets	1,816,999	1,821,755
Unallocated assets	<u>1,014,557</u>	<u>934,736</u>
Consolidated total assets	<u>2,831,556</u>	<u>2,756,491</u>

### *Segment liabilities*

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
LED backlight	<b>1,360,191</b>	1,406,310
LED lighting	<b>62,809</b>	68,929
Semiconductor memory chips	<b>1,531</b>	3,961
Total segment liabilities	<b>1,424,531</b>	1,479,200
Unallocated liabilities	<b>475,620</b>	380,730
Consolidated total liabilities	<b>1,900,151</b>	1,859,930

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, financial assets at FVTPL and FVTOCI, derivative financial assets, income tax recoverables, pledged bank deposits, bank balances and cash, certain property, plant and equipment, investment property and certain other receivables. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to operating segments other than income tax payables, bank and other borrowings, derivative financial liability, deferred tax liabilities and certain other payables and accruals. Liabilities for which reportable segments are jointly liable are allocated on the basis of the revenues earned by individual reportable segments

### **Revenue from major products**

#### *Analysis by type of products*

	<b>Six months ended 30 June 2025 HK\$'000 (Unaudited)</b>	<b>2024 HK\$'000 (Unaudited)</b>
LED backlight		
– Small dimension	<b>103,271</b>	92,189
– Medium dimension	<b>952,916</b>	769,242
– Large dimension	<b>46,947</b>	38,084
Sub-total	<b>1,103,134</b>	899,515
LED lighting		
– Indoor lighting	<b>22,620</b>	48,556
– Outdoor lighting	<b>312</b>	559
Sub-total	<b>22,932</b>	49,115
Semiconductor memory chips	<b>1,394</b>	217,443
Total	<b>1,127,460</b>	1,166,073

*Analysis by application of products*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
LED backlight		
– Automobile displays	1,017,696	823,079
– Equipment displays	73,758	64,815
– Televisions	11,680	11,621
	<hr/>	<hr/>
Sub-total	1,103,134	899,515
	<hr/>	<hr/>
LED lighting		
– Commercial lighting	22,932	35,838
– Public lighting	–	13,277
	<hr/>	<hr/>
Sub-total	22,932	49,115
	<hr/>	<hr/>
Semiconductor memory chips	1,394	217,443
	<hr/>	<hr/>
Total	1,127,460	1,166,073
	<hr/> <hr/>	<hr/> <hr/>

**6. FINANCE COSTS**

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
– Bank and other borrowings	27,447	31,824
– Lease liabilities	483	203
	<hr/>	<hr/>
	27,930	32,027
	<hr/> <hr/>	<hr/> <hr/>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
PRC Enterprise Income Tax		
– Current period	<b>10,278</b>	3,483

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for the six months ended 30 June 2025 and 2024.

Pursuant to the relevant laws and regulations in the PRC, the Group’s subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited\* (偉志光電(深圳)有限公司) and Huizhou Wai Chi Electronics Company Limited\* (惠州偉志電子有限公司), were accredited as high-tech enterprises which will be expired in 2027 and 2026 respectively. They are entitled to the preferential tax rate of 15% for the six months ended 30 June 2025 and 2024.

\* *The English name is for identification purpose only*

## 8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	141,788	149,490
Retirement benefit scheme contributions (excluding directors)	21,239	21,369
Total staff costs	163,027	170,859
Cost of inventories recognised as expenses (included in cost of sales)	960,915	1,033,818
Net foreign exchange losses (gains)	874	(1,938)
Depreciation of property, plant and equipment	24,201	26,325
Depreciation of right-of-use assets	4,560	5,703
Loss on disposal of property, plant and equipment, net	23	3,473

## 9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the interim period (six months ended 30 June 2024: nil).

## 10. EARNINGS PER SHARE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic and diluted earnings per share	28,505	23,967
Number of ordinary shares for the purpose of basic and diluted earnings per share	219,725,000	219,725,000
Basic and diluted earnings per share (HK cents per share)	12.97	10.90

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

## 11. FINANCIAL ASSETS AT FVTPL

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Investments in a life insurance policy	<u>7,983</u>	<u>7,983</u>

In September 2021, the Group's subsidiary, Wai Chi Opto Technology Limited ("Wai Chi Opto"), entered into a life insurance policy with an insurance company to insure Mr. Chen Chung Po, a director of the Company. Under the policy, the beneficiary and the policy holder is Wai Chi Opto and the total insured sum is approximately US\$1,750,000 (equivalent to approximately HK\$13,650,000). The Company was required to pay an one-off premium payment of approximately US\$602,000 (equivalent to approximately HK\$4,696,000). The Company can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal ("Cash Value"), which is determined by the premium payment plus accumulated interest earned minus the accumulated insurance charges and a specified amount of surrender charge if the withdrawal is made before the specified policy year.

In February 2020, Wai Chi Opto, entered into a life insurance policy with an insurance company to insure Ms. Yiu Kwan Yu, a director of the Company. Under the policy, the beneficiary and the policy holder was Wai Chi Opto and the total insured sum was approximately US\$3,492,000 (equivalent to approximately HK\$27,238,000). The Group was required to pay an one-off premium payment of approximately US\$600,000 (equivalent to approximately HK\$4,680,000). The Group can terminate the policy at any time and receive cash back based on the Cash Value, which is determined by the premium payment plus accumulated interest earned minus the accumulated insurance charges and a specified amount of surrender charge if the withdrawal is made before the specified policy year.

## 12. FINANCIAL ASSET AT FVTOCI

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Unlisted equity investment	<u>13,626</u>	<u>13,626</u>

The unlisted equity investment is issued by a private entity incorporated in Taiwan.

The investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, the directors of the Company elected to designate the investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising their performance potential in the long run.

### 13. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Trade receivables	<b>1,033,972</b>	1,019,791
Less: allowance for impairment losses	<b>(28,134)</b>	(38,829)
	<b>1,005,838</b>	980,962
Bills receivables	<b>133,598</b>	170,361
	<b>1,139,436</b>	1,151,323
Total trade and bill receivables	<b>1,139,436</b>	1,151,323

As at 30 June 2025, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$1,033,972,000 (31 December 2024: approximately HK\$1,019,791,000).

The Group allows an average credit period of 15 to 180 days (31 December 2024: 15 to 180 days) to its trade customers.

The following is an aged analysis of trade receivables (net of allowance for impairment of trade receivables) presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
0 to 90 days	<b>966,498</b>	875,005
91 to 180 days	<b>19,849</b>	83,002
181 to 365 days	<b>19,491</b>	22,955
	<b>1,005,838</b>	980,962

All the bills receivables are aged within 180 days.

# 14. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables ( <i>note a</i> )	543,035	570,854
Bills payables ( <i>note b</i> )	813,670	796,634
	<u>1,356,705</u>	<u>1,367,488</u>
Interest payable	300	69
Other payables	33,270	37,181
Accrued expense	23,685	38,547
	<u>57,255</u>	<u>75,797</u>
	<u><u>1,413,960</u></u>	<u><u>1,443,285</u></u>

*Notes:*

- (a) The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0 to 90 days	422,398	437,121
91 to 180 days	103,962	115,076
181 to 365 days	7,305	6,721
Over 365 days	9,370	11,936
	<u>543,035</u>	<u>570,854</u>

The average credit period on purchase of goods is from 30 days to 90 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

- (b) All the bills payables are aged within 180 days.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY REVIEW

In the first half of 2025, the global economy continued its cautious recovery amid lingering geopolitical tensions and supply-chain adjustments. However, Asia, especially China, remained a key engine of growth. Supported by resilient exports and domestic investment, economic momentum in the region proved more robust than many forecasts anticipated. In China, gross domestic product (GDP) grew by approximately 5.3% year on year in first half (H1) of 2025, broadly in line with the pace recorded in the same period of the previous year. Industrial output held steady, underpinned by firm export demand and significant infrastructure and green-tech investment.

A major driver during this period has been the accelerating shift to new energy vehicles (NEVs). According to data released by the China Association of Automobile Manufacturers (CAAM), sales of NEVs in China surged 40.3% year on year, reaching 6.94 million units in H1 2025 – equivalent to 44.3% of all new vehicle sales. Domestic sales were bolstered by generous trade in subsidies and promotional policies, while exports of NEVs grew by a remarkable 75.2% to 1.06 million units.

However, the market also showed signs of mounting pressure. Fierce price competition among leading manufacturers such as BYD, Geely, Li Auto, Xiaomi, and Tesla has ignited a “smart EV war” which, while boosting consumer interest, has placed considerable strain on margins. In June alone, EV and plug in hybrid vehicles accounted for over 52% of total passenger vehicle sales. Yet, concerns have begun to emerge regarding overcapacity and the sustainability of demand.

Within the LED backlight industry, demand for in vehicle display panels remained buoyant, driven by the growth in NEVs. According to the Global Lighting Forum, China’s LED module exports increased exponentially, with volume rising nearly 488%, particularly to emerging markets such as India, Egypt, and Vietnam. While data for 2025 is still being consolidated, market sentiment during the first half reflected a continuation of the momentum seen in 2024.

On the technology front, China is pushing hard into AI-powered LED panels, enabling immersive Augmented Reality (AR)/Virtual Reality (VR) and next-generation ‘smart display’ solutions. Domestic LED display leaders are actively driving this transition, supported by government incentives including enhanced R&D tax reliefs and regional policy support aimed at advancing high-end, green, and intelligent manufacturing.

Nonetheless, the sector continues to face notable headwinds. U.S. tariffs on Chinese LED goods have reduced exports to North America by around 5% in first quarter (Q1) of 2025, while rising competition from Southeast Asia, notably Vietnam and Malaysia, is prompting a shift in global sourcing strategies. The industry has responded with higher-value products, focusing on Mini/Micro LEDs and automotive-grade LED products that offer improved margins and stronger market differentiation.

## BUSINESS REVIEW

### Overview

For the six months ended 30 June 2025 (the “**period under review**”), the Group continues to focus on its core business of LED products, especially that of LED backlights for automobile onboard displays. In the dynamic landscape of its ever-changing industry, the Group continuously studies industry trends, vigorously invests in product research and development, and production to ensure meeting customer demands. Through a steadfast commitment to quality assurance, it prioritises maintaining its reputation as a reliable and trusted player in the market.

The Group’s enterprise resource planning (“**ERP**”) system effectively controls costs through timely monitoring, seamless information exchange, and efficient data management. This has boosted financial management and work efficiency with increased process automation during manufacturing.

The total revenue for the period under review was approximately HK\$1,127,460,000, representing a slight decrease of approximately 3.3% compared to approximately HK\$1,166,073,000 for the corresponding period in 2024. Revenue from the core sector of LED business was approximately HK\$1,126,066,000, representing an increase of approximately 18.7% compared to that of the corresponding period in 2024. Revenue from the sales of LED backlight products was approximately HK\$1,103,134,000 (six months ended 30 June 2024: approximately HK\$899,515,000), representing an increase of approximately 22.6%, mainly due to the increased sales from automobile onboard display backlights. Revenue from the sales of LED lighting products was approximately HK\$22,932,000 (six months ended 30 June 2024: approximately HK\$49,115,000), representing a decrease of approximately 53.3%. This resulted from evolving market conditions and the Group’s strategic shifts. The revenue from the semiconductor memory chip business was approximately HK\$1,394,000, presenting a decrease of 99.4% compared to the approximately HK\$217,443,000 from the corresponding period last year. This downward trend primarily reflected the Group’s strategic positioning.

### LED Backlight Business

The three types of the Group’s LED backlight products are used for: 1) automobile onboard displays; 2) television displays; and 3) other industrial equipment displays. For the period under review, revenues derived from LED backlight products in automobile onboard displays, television displays and industrial equipment displays were approximately HK\$1,017,696,000, HK\$11,680,000, and HK\$73,758,000, respectively.

Benefiting from the thriving development of the automobile onboard display technology and the increasing popularity of new energy vehicles, the order volume for the Group's automobile display backlight products has consistently remained at a high level. It continued to be the largest contributor to the Group's LED backlight business during the period under review, representing approximately 92.3% of total LED backlight product sales (six months ended 30 June 2024: approximately 91.5%). The Group's gross profit margin in this segment increased from 13.3% for the corresponding period last year to 14.6% for the period under review.

In addition to the sustained growth in NEV sales, new opportunities have emerged downstream. An increasing number of vehicle models are now equipped with central infotainment screens, head-up displays (HUDs), and other in-vehicle display components – applications that generate higher margins for the Group. These products, once limited to small-scale trial production, have begun entering mass production, supporting improved scalability and profitability. In parallel, more carmakers are adopting design strategies that reuse the same screen specifications across multiple display points within a vehicle, thereby reducing design complexity and lowering overall production costs.

The Group has also benefited from a strengthened domestic supply chain, including exclusive collaborations with key suppliers in selected production processes. Combined with continued upgrades to its advanced automation lines, these measures have enabled effective cost control and enhanced manufacturing efficiency.

During the first half of 2025, the sales of the Group's television display backlights increased slightly to approximately HK\$11,680,000 (six months ended 30 June 2024: approximately HK\$11,621,000).

As for the backlights for other industrial equipment displays, the Group recorded an increase of approximately 13.8% in revenue for the six months ended 30 June 2025, amounting to approximately HK\$73,758,000 (six months ended 30 June 2024: approximately HK\$64,815,000). The growth is primarily driven by technological advancements that have increased demand for high-performance displays across various applications, particularly in emerging sectors such as low-altitude aircraft and robotics.

### **Lighting Service Business**

The Group's LED lighting service business is classified into two categories, including public lighting and commercial lighting. The Group provides various services including product sales, lighting solutions design, installation, and maintenance etc. During the period under review, the total revenue from lighting services amounted to HK\$22,932,000 (six months ended 30 June 2024: approximately HK\$49,115,000).

For the period under review, revenues from commercial lighting were approximately HK\$22,932,000 (six months ended 30 June 2024: approximately HK\$35,838,000). Regarding public lighting services, the Group successfully completed its government-contracted public lighting upgrade initiative. As this was a discrete project with no follow-on orders, it did not generate additional revenue during the period under review (six months ended 30 June 2024: approximately HK\$13,277,000).

## **Semiconductor Memory Chip Business**

During the period under review, the revenue generated by the semiconductor memory chip business amounted to approximately HK\$1,394,000 (six months ended 30 June 2024: approximately HK\$217,443,000). As previously mentioned, the decline was primarily attributable to the Group's strategic positioning – given the inherent uncertainties in the semiconductor market and the Group's conscious decision to limit resource commitments to this non-core business segment, the Group will continue to consider this sector as a non-core business, utilising its existing facilities and capabilities to generate a supplementary revenue stream without allocating additional resources in the near term.

## **QUALITY CONTROL**

The Group's unwavering commitment to quality control has earned it a loyal customer base. Stringent quality control procedures are in place, ensuring the excellence of products at every stage from design to manufacturing and storage. Thorough testing of product samples occurs before mass production, and new suppliers and raw materials undergo a rigorous selection and approval process. This is especially crucial in the automobile onboard display backlight segment. Due to the stringent safety requirements in the automotive sector, strict product quality standards are imposed on onboard modules. In order to meet these high demands, the Group has made significant efforts in quality control for this segment. Leveraging the Group's technological advantages, it has earned a reputation for delivering exceptional quality, fostering positive interactions with clients and other industry players, and laying a solid foundation for future growth.

The Group owns a series of advanced production and testing equipment for improving quality control. The Group has been awarded various certifications, including ISO 9001:2008 and ISO 14001:2004 for quality and environmental management systems, which serve as an important assurance of product quality and reliability.

## **RESEARCH AND DEVELOPMENT**

Recognising the immense value of Research and Development (“**R&D**”) capabilities, the Group has become an agile and sharp industry player in this field. With consumers seeking intelligence, diversity, and integration in tech-related products, market research becomes vital to comprehend evolving customer needs and preferences. The R&D department not only keeps the Group relevant in market trends and retains customer loyalty but also empowers the Group to proactively identify niche markets that offer profitable opportunities. By staying informed of market trends and technological advances, the Group remains prepared for emerging possibilities and strives to seize optimal business deals.

The Group's R&D centre is located in its production plant in Huizhou. The Group engages in various R&D activities, including (i) concurrent development of new product designs with our customers; (ii) improvement of product quality, efficiency and functionality of existing products; (iii) in-project calibration and optimization of the production processes and capability of the equipment; (iv) introduction and promotion of the use of new production technologies and new production materials; and (v) assessment of the future prospect and development trend of the LED industry. The Group has achieved a number of technological advancements and breakthroughs over the years, and, as at 30 June 2025, the Group held 278 patents registered in the PRC. Looking forward, the Group aims to enhance its R&D centre and talent pool, ensuring preparedness for emerging opportunities and maximising potential business prospects.

## **PROSPECTS**

The global economy is projected to achieve moderate recovery in the second half of 2025, albeit within a context of historically subdued growth. Geopolitical uncertainties will continue to cast a shadow over international relations, trade development, and financial market stability. While China's economic recovery in the first half of the year has laid a solid foundation for continued growth, the resurgence of trade protectionism poses notable challenges, as evidenced by the substantially increased tariffs imposed by the United States to protect its domestic automotive industry.

Despite these headwinds, the electric vehicle (EV) market maintains promising prospects. Chinese regulators' market-stabilising measures implemented since the third quarter of 2025 are likely to help curb excessive competition and restore healthier industry fundamentals. On the international front, the global trade landscape is showing early signs of stabilisation, and tariff clarity may support more predictable export activity in the near term. Chinese EV manufacturers continue to demonstrate strong competitiveness in emerging markets, particularly in Southeast Asia, where they command a dominant 75% market share in Thailand, effectively mitigating overreliance on a few traditional key markets.

The LED backlight display market is simultaneously experiencing diversified growth across multiple sectors. In automotive applications, manufacturers are driving innovation in vehicle performance and human-machine interaction, leading to increasingly sophisticated requirements for display quality and functionality, as exemplified by cutting-edge solutions like the Hyper Vision panoramic display in Xiaomi's YU7. Following a period of fierce competition, the automotive industry is entering a phase of consolidation, which is expected to foster a more stable operating environment for upstream component suppliers. Concurrently, emerging demand from low-altitude aircraft and robotics sectors for high-performance interactive displays is creating new market opportunities with significant growth potential.

As China's automobile market transitions from volume expansion to a focus on technological transformation, the Group is actively positioning itself at the forefront of this shift. The Group remains firmly committed to its strategic focus on technological innovation, cost optimisation, and global market expansion. Our substantial R&D investments in next-generation Mini LED technology have yielded important breakthroughs, while our domestic sourcing strategy and strategic supplier partnerships have significantly enhanced production efficiency.

Looking ahead, the Group will continue to deepen integration with key upstream resources, including involvement in die-casting module solutions, and actively pursue strategic collaborations with multinational partners to further diversify its business pipeline and capture new opportunities in the evolving automotive and industrial display markets.

## **FINANCIAL REVIEW**

### **Revenue**

For the six months ended 30 June 2025, the sources of revenue for the Group were the sales of LED backlights, LED lighting services, and semiconductor memory chips business. The total revenue for the period under review was approximately HK\$1,127,460,000, decreasing by approximately 3.3% compared to approximately HK\$1,166,073,000 for the corresponding period in 2024. The Group's LED backlight product sales were approximately HK\$1,103,134,000, representing an increase of approximately 22.6% from approximately HK\$899,515,000, for the six months ended 30 June 2024, which was mainly attributable to the increased sales from automobile onboard display backlights. The sales of the Group's LED lighting products for the period under review decreased by approximately 53.3% to approximately HK\$22,932,000 from approximately HK\$49,115,000 in the corresponding period in 2024. The revenue from the Group's semiconductor memory chips business was approximately HK\$1,394,000, decreasing by approximately 99.4% compared to approximately HK\$217,443,000 from the corresponding period last year, resulting from the drop in order volume.



## **Gross Profit and Gross Profit Margin**

For the period under review, the Group's overall gross profit was approximately HK\$166,545,000, which increased by approximately 25.9% from approximately HK\$132,255,000 in the corresponding period in 2024. The overall gross profit margin was approximately 14.8%, which increased by approximately 3.5 percentage points from approximately 11.3% in the corresponding period in 2024. Gross profit from the sales of the Group's LED segments of backlight products and lighting services was approximately HK\$166,490,000, representing an increase of approximately 29.6% from approximately HK\$128,438,000 for the corresponding period in 2024. The gross profit margin for these two segments increased by approximately 1.3 percentage points from approximately 13.5% in the first half of 2024 to approximately 14.8% in the period under review. Gross profit from the semiconductor memory chip business was approximately HK\$55,000 (six months ended 30 June 2024: approximately HK\$3,817,000). The gross profit margin for the semiconductor memory chip business was approximately 4.0% (six months ended 30 June 2024: approximately 1.8%). The overall increase in gross profit is mainly attributed to the rise in sales of LED backlight products.

## **Selling and Distribution Expenses**

Labour costs, sales commissions and transportation costs were the Group's major selling and distribution expenses. For the six months ended 30 June 2025, the Group's selling and distribution expenses were approximately HK\$20,145,000, representing a decrease of approximately 9.2% as compared to approximately HK\$22,176,000 in the corresponding period in 2024.

## **Administrative Expenses and R&D Expenses**

Administrative expenses refer to the general expenses incurred in offices and factories. The Group focuses on effective management by means of resource consolidation in the Shenzhen and Huizhou factories. For the six months ended 30 June 2025, the Group's administrative expenses and R&D expenses were approximately HK\$113,364,000, which increased by approximately 15.3% as compared to approximately HK\$98,281,000 for the first half of 2024.

## **Other Income**

During the period under review, other income was approximately HK\$33,156,000, representing a decrease of approximately 30.9% in comparison with approximately HK\$47,976,000 for the corresponding period in 2024, mainly due to the decrease in bank interest income and government grant income.

## **Taxation**

Taxation comprised current tax and movements in deferred tax assets and liabilities. Two of the Group's subsidiaries, Wai Chi Opto Technology (Shenzhen) Limited and Huizhou Wai Chi Electronics Company Limited (“**Huizhou Wai Chi**”), are qualified as a “High-Tech Enterprise” in the PRC and granted certain tax benefits, including a preferential enterprise income tax rate of 15% instead of the statutory rate of 25%. During the period under review, the Group's tax expenses amounted to approximately HK\$10,278,000 (six months ended 30 June 2024: approximately HK\$3,483,000). The increase in tax expenses was primarily attributable to the gradual utilisation and eventual expiry of previously available tax reliefs and attributes.

## **Inventories**

As at 30 June 2025, the Group's inventory was approximately HK\$353,259,000, which increased by approximately 38.6% compared to approximately HK\$254,828,000 as at 31 December 2024. The increase in inventories is a result of enhanced production capacity and proactive preparation for anticipated higher order volumes in the future.

## **Trade Receivables**

As at 30 June 2025, the Group's net trade receivables amounted to approximately HK\$1,005,838,000 which increased mildly by approximately 2.5% as compared to approximately HK\$980,962,000 as at 31 December 2024.

## **Trade Payables**

As at 30 June 2025, the Group's trade payables amounted to approximately HK\$543,035,000, which decreased by 4.9% as compared to approximately HK\$570,854,000 as at 31 December 2024. Such minor variations represent normal operational fluctuations.

## **INTERIM DIVIDEND**

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.



## **CORPORATE GOVERNANCE PRACTICES**

The Company and its management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is essential for the continual growth and enhancement of shareholders' value. Throughout the period under review, the Company has applied the principles of and complied with the code provisions stipulated in the Corporate Governance Code (the “**Code**”) as set out in Appendix C1 to the Listing Rules. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance.

Section C.2.1 in Part 2 of the Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Former Chairman of the Company, Mr. Yiu Chi To, passed away on 28 January 2022, currently the role of the chairman of the Company is performed by Chief Executive Officer, Mr. Chen Chung Po. Besides the above, the Company has complied with all the other applicable code provisions of the Code.

All other information on the Code has been disclosed in the corporate governance report contained in the 2024 annual report of the Company issued in April 2025.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct governing Director's securities transactions. All Directors have confirmed, pursuant to specific enquiry by the Company, that they had complied with the required standards set out in the Model Code throughout the period under review.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the unaudited interim financial report for the six months ended 30 June 2025. On 25 August 2025, the Audit Committee met with the management to review the unaudited interim financial statements with the attendance of the external auditor and to consider the significant accounting policies.

## **PUBLICATION OF INTERIM REPORT**

The 2025 interim report of the Company containing all applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the Company's website at [www.waichiholdings.com](http://www.waichiholdings.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

## **APPRECIATION**

Finally, the Board would like to thank all shareholders of the Company who have placed strong confidence in our Group's management. We would also like to thank all our business partners and bank enterprises who have supported and stood beside us at all times.

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

Hong Kong, 25 August 2025

*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 and Ms. Yong Jian Hui; and the independent non-executive directors of the Company are Mr. Au Yeung Tin Wah, Mr. Ho Chi Wai and Mr. Yu Zhenyu.*