Wai Chi Holdings Company Limited
偉志控股有限公司

(Incorporated in the Cayman Islands with Limited Liabilities)
Stock Code: 1305

2025 Interim Report

CONTENTS

FINANCIAL HIGHLIGHTS

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Mr. Chen Chung Po
(Chairman and Chief Executive Officer)
Ms. Luk Fong
Ms. Yiu Kwan Yu
Mr. Chen Wei Wu (Resigned on 30 June 2025)
Ms. Yong Jian Hui

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Au Yeung Tin Wah
Mr. Ho Chi Wai
Mr. Yu Zhenyu

COMPANY SECRETARY
Mr. Cheung Wai Hung

AUDIT COMMITTEE
Mr. Au Yeung Tin Wah *(Chairman)*
Mr. Ho Chi Wai
Mr. Yu Zhenyu

REMUNERATION COMMITTEE
Mr. Ho Chi Wai *(Chairman)*
Mr. Au Yeung Tin Wah
Mr. Yu Zhenyu

NOMINATION COMMITTEE
Mr. Yu Zhenyu *(Chairman)*
Mr. Au Yeung Tin Wah
Mr. Ho Chi Wai
Ms. Yiu Kwan Yu (Appointed on 30 June 2025)

RISK MANAGEMENT COMMITTEE
Mr. Chen Chung Po *(Chairman)*
Mr. Yu Zhenyu
Mr. Cheung Wai Hung

AUTHORISED REPRESENTATIVES
Mr. Chen Chung Po
Mr. Cheung Wai Hung

REGISTERED OFFICE
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
6th Floor, Liven House
63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

AUDITORS
SHINEWING (HK) CPA Limited
Certified Public Accountants
17/F., Chubb Tower
Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

LEGAL ADVISER

Guantao & Chow *(as to Hong Kong law)*

STOCK CODE

01305

COMPANY'S WEBSITE

www.waichiholdings.com

PRINCIPAL BANKERS

CTBC Bank Co., Ltd
Hong Kong Branch
28th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Citibank N.A.
3 Garden Road
Central
Hong Kong

Cayman Islands principal share registrar and transfer office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

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 for the period under review 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 for the period under review 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 for the period under review was approximately HK$1,394,000, presenting a decrease of 99.4% compared to the approximately HK$217,443,000 from the corresponding period in 2024. 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 in 2024 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 period under review, 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 approximately HK$22,932,000 (six months ended 30 June 2024: approximately HK$49,115,000).

For the period under review, revenue from commercial lighting was 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 in the corresponding period in 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 in 2024, 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 3.9% (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.

OTHER DISCLOSURE

INTERIM DIVIDEND

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

GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group, based on total borrowings (including bank and other borrowings and lease liabilities) to the equity (including all capital and reserves) of the Company was 48.8% (31 December 2024: 43.1%).

EMPLOYEES

As at 30 June 2025, the Group had 4,314 employees.

The Group recognised the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. In the six months ended 30 June 2025, the Group had not encountered any significant problems with its employees, and there had not been any dispute between the Group and its employees that might have caused any disruption to the Group's business or operation. The Group has had no difficulty in recruiting and retaining experienced staff. The remuneration of each employee of the Group is determined on the basis of his or her performance and responsibility. The Group provides training to employees.

FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign currency risk primarily through sales, purchases, bank balances and cash and bank borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars and Renminbi.

The Group is not engaged in the use of any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure from time to time and will consider hedging significant foreign currency exposure when the need arises.

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.

CONTROLLING SHAREHOLDERS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the "Related Party Transactions and Balances" in note 22 to the Condensed Consolidated Interim Financial Information, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the six months ended 30 June 2025 or at any time during the period.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") were as follows:

Name of Director	Capacity/ nature of interest	Number of shares	Number of shares underlying unvested (Note 4)	Number of share options outstanding (Note 5)	Total Interests in shares and class of shares (Note 6)	Approximate percentage of the issued share capital of the Company (%)
Ms. Luk Fong (Note 1)	Beneficial owner	128,120,000	–	–	128,120,000 (L)	58.31%
Mr. Chen Chung Po (Note 2)	Beneficial owner	–	800,000	800,000	1,600,000 (L) (Note 7)	0.73%
Ms. Yiu Kwan Yu (Note 3)	Beneficial owner	–	200,000	400,000	600,000 (L) (Note 7)	0.27%
Ms. Yong Jian Hui	Beneficial owner	–	400,000	400,000	800,000 (L) (Note 7)	0.36%
Mr. Chen Wei Wu (Resigned on 30 June 2025)	Beneficial owner	–	200,000	200,000	400,000 (L) (Note 7)	0.18%

Notes:

1. Ms. Luk Fong holds 100% of the issued share capital of Rexell Technology Company Limited, which is the controlling shareholder holding approximately 58.31% of the issued share capital of the Company.

2. Mr. Chen Chung Po, as the spouse of Ms. Yiu Kwan Yu, is deemed to be interested in the shares of the Company held by Ms. Yiu Kwan Yu by virtue of the SFO. The total number of shares held by Mr. Chen Chung Po and Ms. Yiu Kwan Yu represents approximately 1% of the issued share capital of the Company.

3. Ms. Yiu Kwan Yu, as the spouse of Mr. Chen Chung Po, is deemed to be interested in the shares of the Company held by Mr. Chen Chung Po by virtue of the SFO. The total number of shares held by Mr. Chen Chung Po and Ms. Yiu Kwan Yu represents approximately 1% of the issued share capital of the Company.

4. The Share Award Scheme was adopted pursuant to a shareholders' resolution passed on 19 December 2022, whereby the Company granted a total of 1,600,000 shares to 4 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu, Ms. Yong Jian Hui and Mr. Chen Wei Wu).

5. The Company adopted the share option scheme on 27 October 2014 (the "**2014 Share Option Scheme**"), under which the Directors may grant options to eligible persons to subscribe for the Company's shares. Under the 2014 Share Option Scheme, a total of 1,800,000 share options were granted to 4 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu, Ms. Yong Jian Hui and Mr. Chen Wei Wu). The 4 Directors will be entitled to subscribe for 1,800,000 shares upon full exercise of all the share options in accordance with the relevant rules of the Share Option Scheme. The 2014 Share Option Scheme was terminated and new rules of the share option scheme (the "**Share Option Scheme**") were approved and adopted at the extraordinary general meeting held on 19 December 2022.

6. The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.

7. The total number of shares in which the 4 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu, Ms. Yong Jian Hui and Mr. Chen Wei Wu) are interested consist of the shares granted to them under the Share Award Scheme and the shares that they will be entitled to subscribe for upon full exercise of the share options granted under the 2014 Share Option Scheme.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they had taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as the directors and chief executive officer of the Company were aware, the following persons and corporations (excluding the directors and chief executive officer of the Company) had interests or short positions in any of the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange 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 under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the shares of the Company.

Name of Shareholder	Capacity/ nature of interest	Number of shares held	Approximate percentage of issued share capital
Rexell Technology Company Limited (Note 1)	Beneficial owner	128,120,000	58.31%
Ms. Luk Fong (Note 2)	Interest of a controlled corporation	128,120,000	58.31%

Notes:

1. Rexell Technology Company Limited directly holds 128,120,000 shares representing approximately 58.31% of the issued share capital of the Company.

2. Ms. Luk Fong is the legal and beneficial owner of all the issued shares of Rexell Technology Company Limited and is therefore deemed to be interested in all the shares of the Company held by Rexell Technology Company Limited under the SFO.

SHARE OPTION SCHEME

The Company adopted the share option scheme (the "**2014 Share Option Scheme**") on 27 October 2014, under which the Directors may grant options to eligible persons to subscribe for the Company's shares, subject to the terms and conditions stipulated therein. The 2014 Share Option Scheme was terminated and new rules of the share option scheme (the "**Share Option Scheme**") were approved and adopted at the extraordinary general meeting held on 19 December 2022 (the "**Effective Date**") and shall be valid and effective for a period commencing on the Effective Date and expiring at 5:00 p.m. on the business day ("**Business Day**") preceding the tenth anniversary of the Effective Date.

The purposes and objectives of the Share Option Scheme are to recognise and acknowledge the contributions of the eligible participants to the Group by granting Share Options to them as incentives or rewards thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The eligible participants include any executive, employee, director (including non-executive director and independent non-executive director) of the Company or any of its subsidiaries.

As at 30 June 2025 a maximum of 18,692,500 shares (representing 8.5% of the issued shares thereby) were available for grant under the Share Option Scheme.

Particulars of the Company's share option scheme (the "**Share Option Scheme**") and details of movements in the share options under the Share Option Scheme during the six months ended 30 June 2025 are summarized as below:

	Number of option shares										
Name/type of Participants	Outstanding at 1 January 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30 June 2025	Date of share option granted	Vesting period	Share option exercise period	Amount of ordinary shares to be obtained after option exercised (Note 1)	Exercise price per share
Director – Mr. Chen Chung Po	800,000	–	–	–	–	800,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	800,000	HK$1.49(Note 2)
Director – Ms. Yiu Kwan Yu	400,000	–	–	–	–	400,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	400,000	HK$1.49(Note 2)
Director – Ms. Yong Jian Hui	400,000	–	–	–	–	400,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	400,000	HK$1.49(Note 2)
Director – Mr. Chen Wei Wu (Resigned on 30 June 2025)	200,000	–	–	–	–	200,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	200,000	HK$1.49(Note 2)
Other 24 grantees	2,570,000	–	–	–	–	2,570,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	2,570,000	HK$1.49(Note 2)
Other 3 grantees	30,000	–	–	–	–	30,000	11 July 2023	11 July 2023 to 10 July 2024	11 July 2024 to 10 July 2033	30,000	HK$1.49(Note 3)
Total	4,400,000	–	–	–	–	4,400,000				4,400,000	

Notes:

1. Representing approximately 2.1% of the issued share capital of the Company as at 30 June 2025.

2. The basis of determining the exercise price of Share Options granted is at least the highest of: (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which shall be a Business Day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of offer; or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme. The Closing price of the Shares immediately before the grant date (28 June 2022) is HK$1.49 per Share.

3. The closing price of the Shares immediately before the grant date (11 July 2023) is HK$1.42 per share.

4. The estimated fair value of the Share Options granted on the grant date of approximately HK$3,816,000 comprises a fair value of (i) approximately HK$1,458,344 for the 1,800,000 Share Options granted to 4 Directors, and (ii) approximately HK$2,357,656 for the 2,910,000 Share Options granted to the other 24 Grantees (being Employees of the Company), as calculated using the Black-Scholes pricing model. The relevant fair value of the Share Options granted to each Director is shown below:

Directors	Amount of shares options granted	Fair Value of the Share Options granted (HK$) (Approximately)
Mr. Chen Chung Po	800,000	648,153
Ms. Yiu Kwan Yu	400,000	324,076
Ms. Yong Jian Hui	400,000	324,076
Mr. Chen Wei Wu (Resigned on 30 June 2025)	200,000	162,039

5. The number of Share Options available for grant with respect to the scheme mandate under the 2014 Share Option Scheme at the beginning of the financial year 2022 was 20,000,000 Share Options.

6. Since the 2014 Share Option Scheme was terminated on 19 December 2022 (the "**termination**"), the number of Share Options available for grant with respect to the scheme mandate under the 2014 Share Option Scheme immediately before the termination was 15,290,000 Share Options.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 19 December 2022 (the "**Adoption Date**") and shall be valid and effective for a term of 10 years commencing from the Adoption Date. The purposes and objectives of the Share Award Scheme are to through the Shares awarded or provisionally awarded (the "**Award(s)**" or "**Award Share(s)**") (a) recognise the contribution and/or future contributions of certain employees (the "**Selected Employees**") to the growth and development of the Group and give incentives thereto in order to retain them for the continual operation and development of the Group; and (b) attract suitable personnel for further development of the Group.

The Selected Employees participating in the Share Award Scheme include any employee (including without limitation any director) of the Company or of any subsidiary (including any person who is granted Award(s) under the Share Award Scheme as an inducement to enter into employment contract with the Company or any subsidiary) whom the Board may, from time to time, at its absolute discretion select for participation in the Share Award Scheme.

During the period from the Adoption Date and as at 30 June 2025, 2,900,000 Awarded Shares had been granted under the Share Award Scheme. Subject to the terms and conditions of the Share Award Scheme and the requirements of the Listing Rules, the Board may, from time to time at their absolute discretion, select any Selected Employee to participate in the Share Award Scheme as a Selected Employee, determine the number of Awarded Shares to be awarded and inform in writing the trustee and the Selected Employee(s) of such number of Awarded Shares and the vesting period and conditions (if any) accordingly; and such Award Shares can be satisfied by (i) new Shares to be allotted and issued to the trustee upon its application for the same without exceeding the scheme limit specified in the Share Award Scheme; or (ii) Shares purchased by the trustee in the open market at its reasonable discretion and in good faith.

A detailed summary of the terms of the Share Award Scheme are set out in the Company's circular dated 1 December 2022.

Grantee	Date of grant	Number of Shares underlying the share awards granted	Vesting period
Mr. Chen Chung Po	9 February 2023	800,000	9 February 2023 to 8 February 2024
Ms. Yong Jian Hui	9 February 2023	400,000	9 February 2023 to 8 February 2024
Ms. Yiu Kwan Yu	23 December 2022	200,000	23 December 2022 to 22 December 2023
Mr. Chen Wei Wu (Resigned on 30 June 2025)	23 December 2022	200,000	23 December 2022 to 22 December 2023
Other 8 Selected Employees	23 December 2022	1,300,000	23 December 2022 to 22 December 2023
Total		2,900,000	

Details and movements of award shares that were granted under the Share Award Scheme are as follows:

1. The closing price of the shares immediately before the date on which the Awards Shares were granted (23 December 2022) is HK$1.6 per Share.

2. The fair value of the Awards Shares is determined in accordance with HKFRS 2 by reference to the cost of purchase of the Awarded Shares, or the fair value at grant date. The estimated fair value of the Award Shares granted on the date of grant is approximately HK$4,640,000, comprising an estimated fair value of (i) approximately HK$2,560,000 for the grant to 4 Directors of 1,600,000 Awarded Shares, and (ii) approximately HK$2,080,000 for the grant to the other 8 Selected Employees of the Company of 1,300,000 Awarded Shares, both grant of Awarded Shares being at the closing price of HK$1.60 per Share on the date of grant as quoted on the Stock Exchange. The relevant fair value of the Awarded Shares granted to each Director is shown below:

Directors	Amount of share awards granted	Fair Value of the Awarded Shares granted (HK$) (approximately)
Mr. Chen Chung Po	800,000	1,280,000
Ms. Yong Jian Hui	400,000	640,000
Ms. Yiu Kwan Yu	200,000	320,000
Mr. Chen Wei Wu (Resigned on 30 June 2025)	200,000	320,000

3. As at 30 June 2025, the total number of Shares available for issue under the Share Option Scheme and the Share Award Scheme was 18,692,500 Shares which represents 8.5% of the issued Shares.

4. The number of options and awards available for grant under the scheme mandate at the beginning of the six months ended 30 June 2025 was a total of 18,692,500 Shares.

5. The number of options and awards available for grant under the scheme mandate at the end of the six months ended 30 June 2025 was a total of 18,692,500 Shares.

6. The number of Shares that may be issued in respect of the Share Options and the Awards granted under all the Share Schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for the financial year ended 31 December 2024 was 8.5%.

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June **2025** **HK$'000** **(Unaudited)**	 2024 HK$'000 (Unaudited)
Revenue	5	**1,127,460**	1,166,073
Cost of sales		**(960,915)**	(1,033,818)
Gross profit		**166,545**	132,255
Other income	5	**33,156**	47,976
Selling and distribution expenses		**(20,145)**	(22,176)
Administrative expenses		**(75,561)**	(64,106)
Research and development expenses		**(37,803)**	(34,175)
Finance costs	7	**(27,930)**	(32,027)
Profit before tax		**38,262**	27,747
Income tax expense	8	**(10,278)**	(3,483)
Profit for the period	9	**27,984**	24,264
Profit for the period attributable to:			
– Owners of the Company		**28,505**	23,967
– Non-controlling interests		**(521)**	297
		27,984	24,264
Earnings per share			
Basic and diluted (HK cents)	11	**12.97**	10.90

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period	**27,984**	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	**6,860**	(406)
Total comprehensive income for the period	**34,844**	22,803
Total comprehensive income for the period attributable to:		
– Owners of the Company	**35,425**	22,503
– Non-controlling interests	**(581)**	300
	34,844	22,803

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	**30 June 2025 HK$'000 (Unaudited)**	31 December 2024 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	**283,364**	292,557
Right-of-use assets	13	**54,187**	57,795
Investment property		**19,768**	20,000
Financial assets at fair value through profit or loss ("**FVTPL**")	14	**7,983**	7,983
Financial asset at fair value through other comprehensive income ("**FVTOCI**")	15	**13,626**	13,626
Deferred tax assets		**10,794**	10,701
		389,722	402,662
Current assets			
Inventories		**353,259**	254,828
Trade receivables	16	**1,005,838**	980,962
Bills receivables	16	**133,598**	170,361
Prepayments, deposits and other receivables		**78,247**	79,318
Income tax recoverable		**1,484**	1,470
Derivative financial assets		**13,734**	21,166
Pledged bank deposits	17	**651,191**	516,846
Bank balances and cash	17	**204,483**	328,878
		2,441,834	2,353,829
Current liabilities			
Trade payables	18	**543,035**	570,854
Bills payables	18	**813,670**	796,634
Other payables and accruals	18	**57,255**	75,797
Amount due to a related party		**1,097**	1,080
Contract liabilities		**2,468**	1,639
Bank and other borrowings	19	**419,199**	347,604
Derivative financial liabilities		**8,540**	14,255
Income tax payable		**20,381**	13,368
Lease liabilities	13	**6,958**	7,147
		1,872,603	1,828,378

	Notes	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Net current assets		**569,231**	525,451
Total assets less current liabilities		**958,953**	928,113
Non-current liabilities			
Deferred tax liabilities		**391**	390
Government grants		**504**	497
Lease liabilities	13	**26,653**	30,665
		27,548	31,552
Net assets		**931,405**	896,561
Capital and reserves			
Share capital	21	**2,197**	2,197
Reserves		**926,599**	891,174
Equity attributable to owners of the Company		**928,796**	893,371
Non-controlling interests		**2,609**	3,190
Total equity		**931,405**	896,561

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Share based compensation reserve HK$'000	Shares held for the share award scheme HK$'000	Statutory reserve (note a) HK$'000	Translation reserve HK$'000	Revaluation reserve HK$'000	Merger reserve (note b) HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024 (audited)	2,197	334,850	5,516	(12)	71,161	(56,073)	7,392	34,561	466,927	866,519	1,685	868,204
Profit for the period	–	–	–	–	–	–	–	–	23,967	23,967	297	24,264
Other comprehensive (expense) income for the period												
– Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	(1,055)	–	–	(1,055)	–	(1,055)
– Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	(409)	–	–	–	(409)	3	(406)
Total comprehensive (expense) income for the period	–	–	–	–	–	(409)	(1,055)	–	23,967	22,503	300	22,803
Recognition of equity-settled share-based payments	–	–	1,874	–	–	–	–	–	–	1,874	–	1,874
Vested shares for share awards	–	1,728	(1,740)	12	–	–	–	–	–	–	–	–
Transfer	–	–	–	–	2,081	–	–	–	(2,081)	–	–	–
At 30 June 2024 (unaudited)	2,197	336,578	5,650	–	73,242	(56,482)	6,337	34,561	488,813	890,896	1,985	892,881

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Share based compensation reserve HK$'000	Statutory reserve (note a) HK$'000	Translation reserve HK$'000	Revaluation reserve HK$'000	Merger reserve (note b) HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2025 (audited)	2,197	334,850	2,390	5,294	78,625	(74,712)	3,699	34,561	506,467	893,371	3,190	896,561
Profit for the period	-	-	-	-	-	-	-	-	28,505	28,505	(521)	27,984
Other comprehensive income (expense) for the period – Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	6,920	-	-	-	6,920	(60)	6,860
Total comprehensive income (expense) for the period	-	-	-	-	-	6,920	-	-	28,505	35,425	(581)	34,844
Transfer	-	-	-	-	3,815	-	-	-	(3,815)	-	-	-
At 30 June 2025 (unaudited)	2,197	334,850	2,390	5,294	82,440	(67,792)	3,699	34,561	531,157	928,796	2,609	931,405

Notes:

(a) As stipulated by regulations in the People's Republic of China (the "**PRC**"), the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the applicable laws and regulations in the PRC, to statutory reserve until the reserve balance reaches 50% of the registered capital of the relevant subsidiaries. The transfer to this reserve must be made before distribution of a dividend to equity owners.

(b) Merger reserve represented the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries.

In 2013, as part of the pre-listing reorganisation, the Company issued 135 ordinary shares of HK$1,000,000 each which, through its subsidiaries, were used to subscribe for new shares issued and allotted by Wai Chi Group (HK) Limited and became the holding company of the Group. The difference between the proceeds from the issuance of shares and the then share capital and capital reserve subscribed was recognised in the merger reserve.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash (used in) from operations	**(79,766)**	24,456
PRC Enterprise Income Tax paid	**(3,371)**	(269)
Net cash (used in) from operating activities	**(83,137)**	24,187
Investing activities		
Purchase of property, plant and equipment	**(4,602)**	(8,289)
Proceeds from disposal of property, plant and equipment	**448**	–
Other investing cash flows	**(117,435)**	(158,752)
Net cash used in investing activities	**(121,589)**	(167,041)
Financing activities		
Repayments of bank and other borrowings	**(37,956)**	(89,118)
Proceeds from bank and other borrowings	**106,247**	186,104
Other financing cash flows	**(4,684)**	(28,396)
Net cash from financing activities	**63,607**	68,590
Net decrease in cash and cash equivalents	**(141,119)**	(74,264)
Cash and cash equivalents at 1 January	**328,878**	357,208
Effect of foreign exchange rates changes	**16,724**	(8,157)
Cash and cash equivalents at 30 June, represented by bank balances and cash	**204,483**	274,787

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. FAIR VALUE MEASUREMENT

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4. FAIR VALUE MEASUREMENT (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2025 and 31 December 2024:

	As at 30 June 2025			
	Level 1 HK$'000 (Unaudited)	Level 2 HK$'000 (Unaudited)	Level 3 HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Financial assets at FVTPL				
– Investments in a life insurance policy	–	7,983	–	7,983
Financial asset at FVTOCI				
– Unlisted equity investment	–	–	13,626	13,626
Derivative financial assets				
– Foreign exchange swaps	–	–	4,452	4,452
– Foreign exchange options	–	–	9,282	9,282
	–	–	13,734	13,734
Total	–	7,983	27,360	35,343
Derivative financial liabilities				
– Foreign exchange forwards	–	–	8,540	8,540

4. FAIR VALUE MEASUREMENT (continued)

	As at 31 December 2024			
	Level 1 HK$'000 (Unaudited)	Level 2 HK$'000 (Unaudited)	Level 3 HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Financial assets at FVTPL				
– Investments in a life insurance policy	–	7,983	–	7,983
Financial asset at FVTOCI				
– Unlisted equity investment	–	–	13,626	13,626
Derivative financial assets				
– Foreign exchange swaps	–	–	8,365	8,365
– Foreign exchange options	–	–	12,801	12,801
	–	–	21,166	21,166
Total	–	7,983	34,792	42,775
Derivative financial liabilities				
– Foreign exchange forwards	–	–	14,255	14,255

During the six months ended 30 June 2025, there were no transfers between levels of fair value hierarchy.

5. REVENUE AND OTHER INCOME

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

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.

6. 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 packaging and testing services and sourcing business of semiconductor memory chips, 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	**1,103,134**	**22,932**	**1,394**	**1,127,460**
Segment profit	**67,772**	**2,384**	**1,082**	**71,238**
Unallocated income				**340**
Unallocated expenses				**(5,869)**
Unallocated finance costs				**(27,447)**
Profit before tax				**38,262**

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

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	899,515	49,115	217,443	1,166,073
Segment profit	52,176	2,834	12,555	67,565
Unallocated income				444
Unallocated expenses				(8,438)
Unallocated finance costs				(31,824)
Profit before tax				27,747

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.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following table presents assets and liabilities of the Group's reportable and 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	**1,564**	129,071
Total segment assets	**1,816,999**	1,821,755
Unallocated assets	**1,014,557**	934,736
Consolidated total assets	**2,831,556**	2,756,491

Segment liabilities

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

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 recoverable, 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 payable, bank and other borrowings, derivative financial liabilities, 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.

6. SEGMENT INFORMATION (continued)

Other segment information

For the six months ended 30 June 2025

	LED backlight HK$'000 (Unaudited)	LED lighting HK$'000 (Unaudited)	Memory chips HK$'000 (Unaudited)	Unallocated HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets#	3,909	693	–	–	4,602
Depreciation of property, plant and equipment	22,887	4	1	1,310	24,202
Depreciation of right-of-use assets	4,302	145	5	108	4,560
Loss on disposal of property, plant and equipment	23	–	–	–	23
Finance costs	483	–	–	27,447	27,930
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Bank interest income	–	–	–	(24,546)	(24,546)

Non-current assets excluded investment property, deferred tax assets and financial assets at FVTOCI and FVTPL.

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the six months ended 30 June 2024

	LED backlight HK$'000 (Unaudited)	LED lighting HK$'000 (Unaudited)	Memory chips HK$'000 (Unaudited)	Unallocated HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets#	63,987	3,291	35	–	67,313
Depreciation of property, plant and equipment	21,415	4,379	17	514	26,325
Depreciation of right-of-use assets	3,051	2,055	–	597	5,703
Loss on disposal of property, plant and equipment	3,473	–	–	–	3,473
Finance costs	203	–	–	31,824	32,027
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Bank interest income	–	–	–	(27,762)	(27,762)

Non-current assets excluded investment property, deferred tax assets and financial assets at FVTOCI and FVTPL.

6. SEGMENT INFORMATION (continued)

Revenue from major products

Analysis by type of products

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

6. SEGMENT INFORMATION (continued)

Revenue from major products (continued)

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
Sub-total	**1,103,134**	899,515
LED lighting		
– Commercial lighting	**22,932**	35,838
– Public lighting	**–**	13,277
Sub-total	**22,932**	49,115
Semiconductor memory chips	**1,394**	217,443
Total	**1,127,460**	1,166,073

6. SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are located in Hong Kong and the PRC. The Group's customers are mainly located in Hong Kong, the PRC and Taiwan.

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
The PRC	**1,072,018**	883,436
Hong Kong	**2,863**	27,369
Taiwan	**29,495**	216,516
Others	**23,084**	38,752
	1,127,460	1,166,073

The Group's information about its non-current assets is presented based on geographical location of the assets as below:

	30 June	31 December
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Audited)
The PRC	**337,224**	345,877
Hong Kong	**20,095**	24,475
	357,319	370,352

Non-current assets excluded deferred tax assets and financial assets at FVTOCI and FVTPL.

6. SEGMENT INFORMATION (continued)

Information about major customers

Details of the customers accounting for 10% or more of aggregate revenue of the Group are as follows:

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Customer A[1]	**329,974**	340,452
Customer B	**170,332**	107,858

[1] Revenue from LED backlight.

7. 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
	27,930	32,027

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current income tax		
PRC Enterprise Income Tax	**10,278**	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

9. 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	**24,202**	26,325
Depreciation of right-of-use assets	**4,560**	5,703
Loss on disposal of property, plant and equipment, net	**23**	3,473

10. 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).

11. 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.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of approximately HK$4,602,000 (six months ended 30 June 2024: approximately HK$8,289,000) for the expansion of production facilities. Items of property, plant and equipment with an aggregate carrying amount of approximately HK$1,423,000 were disposed of and written-off during the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK$11,028,000), resulting in a net loss on disposal and written-off of approximately HK$23,000 (six months ended 30 June 2024: net gain on disposal of approximately HK$3,473,000).

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Land	**16,025**	16,130
Buildings	**34,223**	37,178
Plant and machinery	**3,939**	4,487
	54,187	57,795

As at 30 June 2025, right-of-use assets of approximately HK$16,025,000 (31 December 2024: approximately HK$16,130,000) represents land use rights located in the PRC.

The Group has lease arrangements for factory premises and offices and plant and machinery. The lease terms are generally ranged from 2 to 8 years (31 December 2024: 2 to 8 years).

No addition to the right-of-use assets for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$59,024,000), due to new leases of buildings.

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(ii) Lease liabilities

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Non-current	**26,653**	30,665
Current	**6,958**	7,147
	33,611	37,812
Amounts payable under lease liabilities		
Within one year	**6,958**	7,147
After one year but within two years	**4,814**	4,387
After two years but within five years	**16,712**	13,888
After five years	**5,127**	12,390
	33,611	37,812
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(6,958)**	(7,147)
Amount due for settlement after 12 months	**26,653**	30,665

During the six months ended 30 June 2025, no new lease agreement was entered into in respect of renting of building (six months ended 30 June 2024: recognition of lease liabilities of approximately HK$59,024,000).

The leases for office or dormitory premises and factories have remaining non-cancellable lease terms of between 1 to 8 years. All leases held by the Group comprises fixed payment over the lease term.

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(iii) Amounts recognised in profit or loss

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets		
– Land	**244**	435
– Buildings	**3,680**	4,271
– Plant and machinery	**636**	997
Interest expense on lease liabilities	**483**	203

14. FINANCIAL ASSETS AT FVTPL

	30 June	31 December
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Investments in a life insurance policy	**7,983**	7,983

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.

14. FINANCIAL ASSETS AT FVTPL (continued)

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.

15. FINANCIAL ASSET AT FVTOCI

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Unlisted equity investment	**13,626**	13,626

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.

16. TRADE AND BILLS RECEIVABLES

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

16. TRADE AND BILLS RECEIVABLES (continued)

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.

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

All the bills receivables are aged within 180 days.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

The pledged bank deposits are pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK$651,191,000 as at 30 June 2025 (31 December 2024: approximately HK$516,846,000) have been pledged to secure bank borrowings and bills payables due within one year and are therefore classified as current assets. The pledged bank deposits will be released upon settlement of relevant bank borrowings.

The pledged bank deposits carry interest rates ranging from 0.1% to 3.0% (31 December 2024: 0.1% to 3.0%) per annum as at 30 June 2025. The pledged bank deposits will be released upon the end of facilities.

Bank balances and cash

The bank balances and cash comprised cash held by the Group and short-term bank deposits with an original maturity of three months or less. The bank balances as at 30 June 2025 carry interest at the prevailing market rate ranging from 0.0001% to 3.25% (31 December 2024: 0.0001% to 3.25%) per annum.

18. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

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

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
	543,035	570,854

The average credit period on purchase of goods is from 30 days to 90 days (31 December 2024: 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 (31 December 2024: 180 days).

19. BANK AND OTHER BORROWINGS

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Secured:		
– Trust receipts loans	**103,458**	38,060
– Other bank loans	**87,724**	116,771
– Other loans	**38,040**	31,532
	229,222	186,363
Unsecured:		
– Other bank loans	**189,977**	161,241
	419,199	347,604

20. SHARE-BASED PAYMENT

The Company's share option scheme (the "**2022 Scheme**") was adopted pursuant to a Shareholders' resolution passed on 19 December 2022. On 11 July 2023, 90,000 share options were granted by the Company to three eligible employees of the Group under 2022 Scheme. The exercise price of the options granted was HK$1.49 per share, with a 10-year validity period from 11 July 2023, and the exercise period will be commenced on the date immediately following the expiry of twelve months from the grant date (i.e. 11 July 2023) up to and inclusive of 10 July 2024. The details were set out in the Company's announcement dated 11 July 2023.

20. SHARE-BASED PAYMENT (continued)

On 23 December 2022, the Board resolved to award conditionally an aggregate of 2,900,000 new shares of the Company (the "**2022 Shares Awards**") to twelve grantees. For 1,700,000 awarded shares ("**Lot 1**") granted to certain directors and employees of the Group, the vesting date is the first anniversary date of the date of grant. For the remaining 1,200,000 awarded shares ("**Lot 2**"), the vesting date is the first anniversary date of the date on which the independent shareholders' approval at the extraordinary general meeting of the Company was obtained. The Company had allotted 2,900,000 shares to the share pool maintained by the trustee under the Share Award scheme at HK$nil consideration. For Lot 1, the awarded shares granted had been vested in twelve months after the grant date (i.e. 23 December 2022). The awarded shares granted had been vested in twelve months after the date of the independent shareholders' approval at the extraordinary general meeting of the Company held on 9 February 2023. Details were set out in the announcement of the Company dated 23 December 2022 and the Company's circular dated 17 January 2023.

For six months ended 30 June 2024, the Group has recognised share-based payment expenses of HK$1,874,000 (30 June 2025: nil) in the condensed consolidated statement of profit or loss and other comprehensive income.

21. SHARE CAPITAL

The share capital of the Company as at 30 June 2025 and 31 December 2024 is as follows:

	Number of shares		Share capital	
	30 June 2025	31 December 2024	**30 June 2025 HK$'000**	31 December 2024 HK$'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Ordinary shares of HK$0.01 each				
Authorised				
At the beginning and end of the period/year	**1,000,000,000**	1,000,000,000	**10,000**	10,000
Issued and fully paid				
At the beginning and end of the period/year	**219,725,000**	219,725,000	**2,197**	2,197

22. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances detailed elsewhere in the condensed consolidated interim financial information, the Group has entered into the following significant transactions with related parties during the period.

Compensation of key management personnel

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Salaries and other allowances	**3,640**	2,139
Retirement benefit scheme contributions	**67**	65
	3,707	2,204