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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	<b>2,530,121</b>	2,372,277
Gross profit	<b>387,503</b>	346,106
Gross profit margin	<b>15.3%</b>	14.6%
Profit for the year attributable to owners of the Company	<b>50,290</b>	46,679
Basic earnings per share	<b>HK22.9 cents</b>	HK21.2 cents
Diluted earnings per share	<b>HK22.9 cents</b>	HK21.2 cents

## FINAL RESULTS

The Board of Directors (the “**Board**”) of Wai Chi Holdings Company Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2025*

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>2,530,121</b>	2,372,277
Cost of sales		<u>(2,142,618)</u>	<u>(2,026,171)</u>
<b>Gross profit</b>		<b>387,503</b>	346,106
Other income	4	<b>65,840</b>	77,313
Other losses, net	6	<b>(53,377)</b>	(58,014)
Selling and distribution expenses		<b>(54,447)</b>	(42,805)
Administrative expenses		<b>(123,561)</b>	(130,484)
Research and development expenses		<b>(126,599)</b>	(85,546)
Finance costs	7	<u>(42,303)</u>	<u>(52,036)</u>
<b>Profit before tax</b>		<b>53,056</b>	54,534
Income tax expense	8	<u>(3,457)</u>	<u>(7,577)</u>
<b>Profit for the year</b>	9	<u><b>49,599</b></u>	<u>46,957</u>
<b>Profit (loss) for the year attributable to:</b>			
– Owners of the Company		<b>50,290</b>	46,679
– Non-controlling interests		<u>(691)</u>	<u>278</u>
		<u><b>49,599</b></u>	<u>46,957</u>
		<i>HK\$</i>	<i>HK\$</i>
<b>Earnings per share</b>			
Basic	14	<u><b>0.229</b></u>	<u>0.212</u>
Diluted	14	<u><b>0.229</b></u>	<u>0.212</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<u>49,599</u>	<u>46,957</u>
<b>Other comprehensive expense that will not be reclassified subsequently to profit or loss:</b>		
Fair value loss on investment in equity instrument designated at fair value through other comprehensive income	(9,779)	(3,693)
<b>Other comprehensive income (expense) that may be reclassified subsequently to profit or loss:</b>		
Exchange differences arising on translation of financial statements of foreign operations	<u>14,229</u>	<u>(18,479)</u>
Other comprehensive income (expense) for the year	<u>4,450</u>	<u>(22,172)</u>
<b>Total comprehensive income for the year</b>	<u><b>54,049</b></u>	<u><b>24,785</b></u>
Total comprehensive income (expense) for the year attributable to:		
– Owners of the Company	54,834	24,347
– Non-controlling interests	<u>(785)</u>	<u>438</u>
	<u><b>54,049</b></u>	<u><b>24,785</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>NOTES</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>307,792</b>	292,557
Right-of-use assets		<b>77,111</b>	57,795
Investment properties		<b>165,623</b>	20,000
Financial assets at fair value through profit or loss (“FVTPL”)		<b>8,216</b>	7,983
Financial asset at fair value through other comprehensive income (“FVTOCI”)		<b>3,847</b>	13,626
Deferred taxation assets		<b>14,931</b>	10,701
		<u><b>577,520</b></u>	<u>402,662</u>
<b>Current assets</b>			
Inventories	10	<b>215,672</b>	254,828
Trade receivables	11	<b>1,082,920</b>	980,962
Bills receivables	11	<b>111,098</b>	170,361
Prepayments, deposits and other receivables	12	<b>52,886</b>	79,318
Income tax recoverable		<b>1,433</b>	1,470
Derivative financial assets		<b>5,463</b>	21,166
Pledged bank deposits		<b>630,230</b>	516,846
Bank balances and cash		<b>261,722</b>	328,878
		<u><b>2,361,424</b></u>	<u>2,353,829</u>
<b>Current liabilities</b>			
Trade payables	13	<b>652,812</b>	570,854
Bills payables	13	<b>863,583</b>	796,634
Other payables and accruals	13	<b>102,901</b>	75,797
Amount due to a related party		<b>1,107</b>	1,080
Contract liabilities		<b>1,846</b>	1,639
Bank and other borrowings		<b>310,540</b>	347,604
Derivative financial liabilities		<b>4,384</b>	14,255
Income tax payables		<b>11,917</b>	13,368
Lease liabilities		<b>7,498</b>	7,147
		<u><b>1,956,588</b></u>	<u>1,828,378</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Net current assets</b>	<u>404,836</u>	<u>525,451</u>
<b>Total assets less current liabilities</b>	<u>982,356</u>	<u>928,113</u>
<b>Non-current liabilities</b>		
Deferred taxation liabilities	390	390
Government grants	509	497
Lease liabilities	<u>30,847</u>	<u>30,665</u>
	<u>31,746</u>	<u>31,552</u>
<b>Net assets</b>	<u><u>950,610</u></u>	<u><u>896,561</u></u>
<b>Capital and reserves</b>		
Share capital	2,197	2,197
Reserves	<u>946,008</u>	<u>891,174</u>
Equity attributable to owners of the Company	<u>948,205</u>	893,371
Non-controlling interests	<u>2,405</u>	<u>3,190</u>
<b>Total equity</b>	<u><u>950,610</u></u>	<u><u>896,561</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 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 consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) adopted HK\$ as its presentation currency.

### 2. APPLICATION OF AMENDMENTS TO A HKFRS ACCOUNTING STANDARD

In the current year, the Group has applied, for the first time, the following amendments to a HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKAS 21 in the current year has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

## 2. APPLICATION OF AMENDMENTS TO A HKFRS ACCOUNTING STANDARD (CONTINUED)

### New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature- dependent Electricity <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that, except as described below, the application of new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

#### *HKFRS 18 – Presentation and Disclosure in Financial Statements*

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, financial assets at fair value through profit or loss, financial asset at fair value through other comprehensive income and derivative financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

### 4. REVENUE AND OTHER INCOME

Revenue represented revenue arising on sales of goods excludes discounts and sales related taxes for the year. An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<b>Disaggregated by major products lines</b>		
Sales of goods		
LED backlight	2,418,479	1,958,443
LED lighting	56,803	125,757
Semiconductor memory chips	54,839	288,077
	<u>2,530,121</u>	<u>2,372,277</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Disaggregation of revenue from contracts with customers by timing of recognition</b>		
Timing of revenue recognition		
At a point in time	<u>2,530,121</u>	<u>2,372,277</u>

#### 4. REVENUE AND OTHER INCOME (CONTINUED)

An analysis of the Group's other income for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other income</b>		
Bank interest income	47,782	43,967
Government grants	14,227	24,960
Penalty income from supplier	1,875	3,350
Sales of scrapped materials	229	2,214
Rental income	134	1,097
Sundry income	1,593	1,725
	<u>65,840</u>	<u>77,313</u>

#### 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 packaging and testing services and sourcing business of semiconductor memory chips, the information reported to the CODM is further categorised into difference 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

## 5. SEGMENT INFORMATION (CONTINUED)

### Segment revenues and results

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

*For the year ended 31 December 2025*

	LED backlight <i>HK\$'000</i>	LED lighting <i>HK\$'000</i>	Semiconductor memory chips <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>REVENUE</b>				
External sales	<u>2,418,479</u>	<u>56,803</u>	<u>54,839</u>	<u>2,530,121</u>
Segment profit (loss)	<u>86,426</u>	<u>881</u>	<u>(19,139)</u>	<u>68,168</u>
Unallocated income				50,970
Unallocated expenses				(24,821)
Unallocated finance costs				<u>(41,261)</u>
Profit before tax				<u>53,056</u>

*For the year ended 31 December 2024*

	LED backlight <i>HK\$'000</i>	LED lighting <i>HK\$'000</i>	Semiconductor memory chips <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>REVENUE</b>				
External sales	<u>1,958,443</u>	<u>125,757</u>	<u>288,077</u>	<u>2,372,277</u>
Segment profit (loss)	<u>122,897</u>	<u>9,727</u>	<u>(38,279)</u>	94,345
Unallocated income				53,975
Unallocated expenses				(42,148)
Unallocated finance costs				<u>(51,638)</u>
Profit before tax				<u>54,534</u>

## 5. SEGMENT INFORMATION (CONTINUED)

### Revenue from major products

#### *Analysis by type of products*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LED backlight		
– Small dimension	<b>192,980</b>	178,287
– Medium dimension	<b>2,124,593</b>	1,690,559
– Large dimension	<b>100,906</b>	89,597
Sub-total	<b>2,418,479</b>	1,958,443
LED lighting		
– Indoor lighting	<b>55,181</b>	123,699
– Outdoor lighting	<b>1,622</b>	2,058
Sub-total	<b>56,803</b>	125,757
Semiconductor memory chips	<b>54,839</b>	288,077
Total	<b>2,530,121</b>	2,372,277

#### *Analysis by application of products*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LED backlight		
– Automobile displays	<b>2,285,734</b>	1,827,836
– Equipment displays	<b>108,552</b>	102,577
– Televisions	<b>24,193</b>	28,030
Sub-total	<b>2,418,479</b>	1,958,443
LED lighting		
– Commercial lighting	<b>56,803</b>	100,242
– Public lighting	–	25,515
Sub-total	<b>56,803</b>	125,757
Semiconductor memory chips	<b>54,839</b>	288,077
Total	<b>2,530,121</b>	2,372,277

## 6. OTHER LOSSES, NET

	2025 <i>HK\$'000</i>	2024 HK\$'000
Reversal of provision of (provision of) inventories impairment	11,285	(17,200)
Net impairment losses recognised on trade receivable, other receivables and prepayment	(59,427)	(37,613)
Net foreign exchange loss	(2,464)	(1,674)
Loss on fair value changes of investment properties	(2,700)	(3,700)
Gain on fair value changes of financial assets at FVTPL	233	174
Gain (loss) on disposal of property, plant and equipment, net	87	(4,770)
Realised loss on derivative financial instruments	(1,513)	–
Unrealised gain on derivative financial instruments	1,140	7,012
Others	(18)	(243)
	<u>(53,377)</u>	<u>(58,014)</u>

## 7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on:		
– Bank and other borrowings	14,777	20,095
– Lease liabilities	1,042	398
– Bills payables	26,484	31,543
	<u>42,303</u>	<u>52,036</u>

## 8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current income tax</b>		
Hong Kong Profits Tax	–	253
PRC Enterprise Income Tax	7,478	6,335
	<u>7,478</u>	<u>6,588</u>
Deferred taxation	(4,021)	989
Income tax expense	<u>3,457</u>	<u>7,577</u>

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.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 December 2025 and 2024, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

## 8. INCOME TAX EXPENSE (CONTINUED)

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 subsidiaries is 25% for both years.

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 both years.

Pursuant to circular issued by Ministry of Finance and National Tax Bureau on 17 January 2019 and 2 August 2023 respectively, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2019 to 31 December 2023 and further extended to 31 December 2027, respectively. Certain PRC subsidiaries of the Group were qualified during the years ended 31 December 2025 and 2024.

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

## 9. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging:		
Directors' and Chief Executive's emoluments	6,541	4,639
Salaries and allowances (excluding Directors and Chief Executive of the Company)	526,002	343,616
Retirement benefits schemes contributions (excluding Directors and Chief Executive of the Company)	44,055	29,228
Share-based payment expenses (excluding Directors and Chief Executive of the Company)	–	115
Total staff costs	<u>576,598</u>	<u>377,598</u>
Auditor's remuneration	1,420	1,200
Cost of inventories recognised as expenses (included in cost of sales)	1,588,515	1,645,664
Research and development costs recognised as expenses	126,599	85,546
Depreciation of property, plant and equipment	52,942	51,824
Depreciation of right-of-use-assets	10,359	4,688
Property, plant and equipment written off (included in administrative expenses)	–	24,270
	<u>–</u>	<u>24,270</u>

## 10. INVENTORIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	22,922	18,717
Work-in-progress	110,775	96,962
Finished goods	81,975	139,149
	<u>215,672</u>	<u>254,828</u>

## 11. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables at amortised cost comprise:		
Trade receivables	1,168,250	1,019,791
Less: allowance for impairment of trade receivables	(85,330)	(38,829)
	<u>1,082,920</u>	980,962
Bills receivables	111,098	170,361
	<u>1,194,018</u>	<u>1,151,323</u>

During the year ended 31 December 2025, the Group allows an average credit period of 15 to 180 days (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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	1,061,142	875,005
91 to 180 days	20,746	83,002
181 to 365 days	1,032	22,955
	<u>1,082,920</u>	<u>980,962</u>

All the bills receivables are aged within 180 days (2024: 180 days).

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deposits and other receivables	60,652	62,204
Less: allowance for impairment of other receivables	<u>(24,072)</u>	<u>(12,128)</u>
	36,580	50,076
VAT receivables	10,339	24,320
Prepayments	<u>5,967</u>	<u>4,922</u>
	<u><b>52,886</b></u>	<u><b>79,318</b></u>

## 13. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables (note a)	652,812	570,854
Bills payables (note b)	<u>863,583</u>	<u>796,634</u>
	<u><b>1,516,395</b></u>	<u><b>1,367,488</b></u>
Interest payable	–	69
Other payables	51,437	37,181
Accrued expenses	<u>51,464</u>	<u>38,547</u>
	<u><b>102,901</b></u>	<u><b>75,797</b></u>
Total trade and other payables	<u><b>1,619,296</b></u>	<u><b>1,443,285</b></u>

*Notes:*

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	493,713	437,121
91 to 180 days	139,779	115,076
181 to 365 days	10,009	6,721
Over 365 days	<u>9,311</u>	<u>11,936</u>
	<u><b>652,812</b></u>	<u><b>570,854</b></u>

The average credit period on purchase of goods is from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

- (b) All the bills payables are aged within 180 days (2024: 180 days).

#### 14. EARNINGS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share	<u>50,290</u>	<u>46,679</u>
	2025	2024
Number of ordinary shares for the purpose of basic and diluted earnings per share	219,725,000	219,672,397
Effect of dilutive potential ordinary shares:		
Share awards	<u>–</u>	<u>52,603</u>
Number of ordinary shares for the purpose of diluted earnings per share	<u>219,725,000</u>	<u>219,725,000</u>
Basic earnings per share ( <i>HK\$ per share</i> )	<u>0.229</u>	<u>0.212</u>
Diluted earnings per share ( <i>HK\$ per share</i> )	<u>0.229</u>	<u>0.212</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust.

The computation of diluted earnings per share does not assume the exercise of the Company's option because the exercise price of those options was higher than the average market price of shares for the years ended 31 December 2025 and 2024.

#### 15. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY REVIEW

The global LED backlight industry experienced steady growth in 2025, driven by expanding demand from the automobile sector – particularly electric vehicles (EVs) – and design shifts in traditional vehicles. The Group's performance benefited from these trends, as EV market dynamics evolves rapidly with technological advancements and shifting customer preferences. Possession of in-depth understanding of these needs and market trends differentiates leading manufacturers of LED automobile onboard displays. To maintain competitiveness and in its global leading position, the Group incorporated artificial intelligence (AI) into production, advanced automation processes, and continued enhancing product quality and designs.

According to data published by Sigmaintell Consulting, global automotive display panel shipments reached approximately 120 million units in the first half of 2025, reflecting a 5.6% year-on-year increase. China solidified its position as a leading EV producer, with major players like BYD, Geely, and NIO – alongside global brands such as Tesla and Volvo – posting robust sales gains. BYD, in particular, achieved double-digit vehicle sales growth in the period, underscoring the sector's momentum amid the worldwide push for renewable energy and smart mobility.

China accounted for over 60% of global EV production in 2025, driving corresponding demand for advanced automotive displays and LED backlights. Mini LED backlights gained traction as a bright spot, showing robust growth projections to 2030 amid demand for enhanced brightness, contrast, and efficiency in EV instrument clusters and infotainment. The Group's strategic focus on this technology positions it to capture increased share in premium EV applications.

The LED backlight sector faced notable pressures in 2025, including pricing challenges from intensified competition – particularly new entrants – and supplier overcapacity, which strained profit margins. Accelerating technological advancements and evolving customer expectations increased research and development costs. Macroeconomic factors – such as elevated interest rates, trade tensions, and supply chain volatility – further heightened market uncertainty.

To address these opportunities and risks, the Group focused on streamlining operations, scaling production capacity, and expanding its portfolio with advanced offerings like high-resolution Mini-LED displays. Despite anticipated headwind ahead, the Group's over 40 years of expertise and commitment to premium, innovative products position it for sustained success in the automotive LED backlight market.

## **BUSINESS REVIEW**

By intelligently integrating its enterprise resource planning (“**ERP**”) system, manufacturing execution system (“**MES**”), and warehouse management (“**WMS**”) system, the Group effectively leverages real-time analytics and seamless integration, maximising resource utilisation and adaptability in a dynamic manufacturing landscape. From precise scheduling and inventory optimisation to financial alignment across operations, the ERP played a pivotal role in streamlining core business process, enhancing resource planning and providing end-to-end oversight of the full manufacturing process. Complemented by MES and WMS at the execution level, the Group achieves real-time control for quality and throughput alongside with streamlined warehouse logistics. Together, these integrated systems ensure the Group’s strategic objectives are met with agility, driving cost control and operational efficiency.

The total revenue for the year ended 31 December 2025 was approximately HK\$2,530,121,000, representing an increase of 6.7% compared to approximately HK\$2,372,277,000 for the year ended 31 December 2024. As regards the core business segments, being LED backlight and LED lighting products, the Group’s core revenue was approximately HK\$2,475,282,000 representing a notable increase of 18.8% as compared to approximately HK\$2,084,200,000 for the year ended 31 December 2024. Revenue from the sales of LED backlight products was approximately HK\$2,418,479,000 (2024: approximately HK\$1,958,443,000), representing a considerable increase of 23.5%. Revenue from the sales of LED lighting products was approximately HK\$56,803,000 (2024: approximately HK\$125,757,000), representing an appreciable decline of 54.8%, which is attributed to the discontinued supply of these lighting products to the PRC public school customers as disclosed in the 2024 report.

### **LED Backlight Business**

The Group primarily focuses on producing three types of LED backlight products, which are: (1) automobile displays; (2) televisions; and (3) equipment displays. For the year ended 31 December 2025, these products generated revenues of approximately HK\$2,285,734,000, HK\$24,193,000 and HK\$108,552,000, respectively.

Attributed to the rising popularity and robust growth of automobile displays, backlights for these displays have solidified as the Group’s core growth driver, recording a 25.1% increase in sales for the year ended 31 December 2025. Its dominant position as the Group’s largest contributor to the LED backlight business remains unchanged during the year under review, representing approximately 94.5% of total LED backlight product sales (2024: approximately 93.3%).

The slight decrease in demand for LED backlights for televisions in 2025 resulted in a 13.7% decrease in the Group’s LED backlight for television sales, amounting to approximately HK\$24,193,000 (2024: approximately HK\$28,030,000). Equipment display backlight products recorded a moderate growth of 5.8% in revenue from HK\$102,577,000 for the year ended 31 December 2024 to HK\$108,552,000 for the year under review.

## **Lighting Service Business**

As regards the Group's LED lighting business, the Group provides various services including products, lighting solutions design, installation, and maintenance etc. During the year ended 31 December 2025, the total revenue from lighting services was solely contributed by commercial lighting and amounted to approximately HK\$56,803,000 (2024: approximately HK\$125,757,000). Orders from the Group's primary market in Europe have declined sharply, driving the revenue down. The plunge in revenues from public lighting stems from discontinued supply of public lighting after project completion within the PRC public school system – a foreseen development – further eroding revenue streams.

## **Semiconductor Memory Chip Business**

During the year under review, the revenue generated by the semiconductor memory chip business fell sharply to approximately HK\$54,839,000, representing a decrease of 81.0% (2024: approximately HK\$288,077,000). As previously disclosed, the Group conducted comprehensive reassessment of the semiconductor trade and decided against allocating additional resources to this sector. The significant revenue decline for the year ended 31 December 2025 fell well within the Group's expectations.

## **QUALITY CONTROL**

The Group places great importance on quality control as a foundation for customer trust and business growth. Strict procedures are in place to ensure product excellence – from design and supplier selection to manufacturing, testing, and storage. The Group's advanced testing equipment and quality assurance team work together to deliver reliable, high-performance products. For key products such as automotive LED backlight displays, maintaining the highest safety and performance standards is vital to deliver superior product value, contribute to a more refined driving experience, and reinforce the Group's reputation for reliability.

Reflecting its commitment to systematic quality assurance, the Group's dedication to quality and environmental management is demonstrated through its attainment of internationally recognised certifications, including ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, and IATF 16949 for automotive quality management systems. These accreditations underscore the Group's ongoing efforts to maintain robust management practices, align with industry-accepted standards, and pursue continuous improvement in its operations.

## **RESEARCH AND DEVELOPMENT**

As customers place increasing emphasis on product quality and seek products that enhance user experience and incorporate advanced technologies, the Group firmly regards research and development as a fundamental pillar in maintaining its competitiveness and leading position within the industry. Continued investment in R&D enables the Group to deliver innovative, reliable, and high-performance solutions that meet evolving customer expectations and distinguish its products in the marketplace. These ongoing efforts not only strengthen customer loyalty and support global market expansion but also enhance operational efficiency and cost effectiveness through continuous technological innovation and process optimisation.

The Group's R&D Centre, located within its production plant in Huizhou, PRC, undertakes a broad range of research and development activities to support product innovation and continuous improvement. These activities include (1) joint development of new product designs in collaboration with customers; (2) enhancement of product quality, performance, and functionality of existing product lines; (3) calibration and optimisation of production processes and equipment capabilities during project execution; (4) introduction and promotion of advanced production technologies and new materials; and (5) assessment of future prospects and development trends within the LED display sector.

The Group has achieved a number of technological advancements and breakthroughs over the years. As of 31 December 2025, the Group held over 288 patents, of which over 192 relate to LED backlight technology, registered in the PRC.

## **PROSPECTS**

Impact of fluctuating tariffs and rising trade protectionism continues to cloud global economic growth. Since 2024, tariffs on the Chinese electric vehicle (EV) industry have surged, with the U.S. now exceeding prior levels under the Trump administration and the EU maintaining up to 45.3%, both persisting into 2026. These measures now target not only vehicles but upstream components like lithium-ion batteries, semiconductors, and critical minerals, fuelling a global trade war. Such developments amplify hurdles for Chinese EV exports, undermining cost competitiveness and creating volatility across battery, electronics, and assembly networks worldwide.

Despite tariff pressures, Chinese automakers' affordable, technologically advanced EVs continue driving higher global market penetration. Beyond competitive pricing, innovations in intelligent vehicle design – such as sophisticated onboard displays – address growing consumer demand for safer, more intuitive driving experiences. These trends present key opportunities for the Group as a top global supplier of LED backlight products for automotive displays.

Die-casting is a reliable and widely adopted technology for manufacturing LED automotive onboard displays, proven effective in enhancing production quality and efficiency. Through planned in-house investments in die-casting capabilities, the Group is able to produce automotive onboard displays in larger sizes to satisfy growing customer demand for expanded dimensions. These will deliver superior durability, sharper aesthetics, and greater cost efficiency compared to traditional methods like stamping, which has slowly advanced to manage similar products at substantially lower costs (though not matching die-casting's superior quality). The Group's strategic approach will secure core upstream cost advantages through die-casting mastery – balancing premium quality with rigorous cost discipline. This proprietary expertise will not only bolsters current operations but also positions the Group for downstream growth, extending die-casting to new applications beyond LED displays and unlocking greater revenue potential.

Economies of scale remain fundamental to the Group's ability to maintain its leading position in the global market, as they enable substantial reductions in per-unit production costs through increased output volumes, optimised resource allocation, and enhanced operational efficiencies that create formidable barriers to entry for competitors. However, amid concerns over decelerated growth in the automotive industry – characterised by softening global EV demand and production slowdowns compared to prior high-growth periods – strategic production capacity expansion serves as a vital defensive measure to protect market share by strengthening price negotiation power with suppliers and catering to the diverse needs of varied customer segments. To sustain and amplify these advantages, strategic initiatives such as production capacity expansion and advanced automation are of paramount importance, allowing the Group to scale operations efficiently, boost delivery capabilities, improve productivity, and respond agilely to rising global demand while preserving cost leadership. The completion of the major and connected transaction, details of which are set out in the paragraph headed “Major Transaction” at the end of this section, resulting in the acquisition of a land parcel in Boluo County in Guangdong, PRC, which is nearby the current production facility in Huizhou, PRC, represents a major step in implementing the Group's strategic expansion, supporting accelerated manufacturing expansions while mitigating long-term risks associated with rental dependencies and market volatility, thereby ensuring robust, sustainable growth and resilience in a competitive landscape.

Superior product quality is pivotal in securing repeat orders and cultivating enduring customer relationships, as consistent excellence fosters trust and provides a key competitive differentiator for the Group. Rigorous quality control is therefore essential to enhancing customer retention – creating a virtuous cycle of loyalty that raises switching costs, progressively reinforcing an oligopolistic market structure favouring established industry leaders such as the Group. The Group takes pride in its comprehensive testing throughout the production process. To elevate inspection accuracy, optimise efficiency and consistency, and lower overall costs – thereby enabling advanced whole-product integration and underscoring its steadfast commitment to operational excellence and technological innovation – the Group is methodically integrating artificial intelligence into quality control. With planned substantial in-house investment in die-casting, alongside expanding production capacity and refined quality control processes, the Group will be uniquely positioned to capture opportunities in delivering fully integrated whole-product solutions in relation to the LED automotive onboard displays. The Group prioritises continuous investment in research and development to pioneer next-generation solutions, ensuring sustained innovation that underpins its competitive edge. Through dedicated R&D investments, the Group advances core technologies – complementing production expansion and quality enhancements – to deliver breakthrough efficiencies and capture emerging market opportunities in a rapidly evolving global landscape.

The Group proactively strengthens supply chain stability by cultivating strategic relationships with both established suppliers and promising new entrants – particularly smaller, innovative suppliers that introduce agility, specialised technologies, and reduced dependency on single sources. In light of 2026’s geopolitical instability and potential supply price volatility, this dual-sourcing approach not only diversifies risk but also fosters competitive dynamics that optimise procurement costs. By leveraging demonstrated economies of scale and robust delivery capabilities, the Group enhances price negotiation power, secures reliable supply commitments from key partners, and safeguards profit margins against input cost volatility and global disruptions, ensuring sustained operational resilience and financial performance.

While the ultimate impact of geopolitical tensions on consumer demand remains uncertain, the Group will continue to monitor market developments closely and take timely actions as necessary. The Group will prioritise the LED backlight business, which remains single largest revenue contributor and primary growth driver for overall performance. Separately, to optimise resource allocation and concentrate on core competencies, the Group plans to exit the semiconductor memory chip business over the coming periods. For the lighting business, the Group will actively pursue new customer opportunities in Europe to sustain its viability.

## **FINANCIAL REVIEW**

### **Revenue**

During the year ended 31 December 2025, the sources of revenue for the Group were the sales of LED backlights, LED lighting services, and the sourcing of semiconductor products. The sales of the Group's LED backlight products were approximately HK\$2,418,479,000 (2024: HK\$1,958,443,000), representing an increase of approximately 23.5%, which was mainly attributable to rising popularity and robust growth of automobile onboard displays LED backlight products. The revenue from the Group's LED lighting services was approximately HK\$56,803,000 (2024: HK\$125,757,000), representing a decrease of approximately 54.8%. The segment of the semiconductor product sourcing business recorded sales of approximately HK\$54,839,000 (2024: HK\$288,077,000), representing a decrease of 81.0%. Overall revenue was HK\$2,530,121,000, increasing by 6.7% from the amount of HK\$2,372,277,000 for the previous year.

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

For the year ended 31 December 2025, gross profit from the sales of LED backlight products and LED lighting services was approximately HK\$382,688,000, representing an increase of 13.4% from approximately HK\$337,516,000 in 2024. Gross profit margin for these two segments decreased by 0.7 percentage points from 16.2% in 2024 to 15.5% in 2025. Gross profit and gross profit margin from the sourcing of semiconductor products were HK\$4,815,000 and 8.8% (2024: HK\$8,590,000 and 3.0%) respectively. For the year ended 31 December 2025, the Group's overall gross profit was approximately HK\$387,503,000, representing an increase of 12.0% from approximately HK\$346,106,000 in 2024. Overall gross profit margin was 15.3% in 2025, representing an increase of 0.7 percentage points from 14.6% in 2024.

### **Selling and Distribution Expenses**

Labour costs, sales commissions and transportation costs were the Group's major selling and distribution expenses. For the year ended 31 December 2025, the Group's selling and distribution expenses were approximately HK\$54,447,000, which has increased by 27.2% compared to approximately HK\$42,805,000 for the year 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 year ended 31 December 2025, the Group's administrative expenses and R&D expenses were approximately HK\$250,160,000, which has increased by 15.8 % compared to approximately HK\$216,030,000 for the year 2024.

## **Other Income**

During the year ended 31 December 2025, other income was approximately HK\$65,840,000, representing a decrease of 14.8% in comparison with approximately HK\$77,313,000 for the year 2024, mainly due to decrease in government grant in 2025.

## **Bank Balances and Cash**

During the year ended 31 December 2025, the Group's bank balances and cash amounted to approximately HK\$261,722,000, representing a marked reduction of 20.4% from approximately HK\$328,878,000 in 2024, mainly due to an increase in cash held as pledged deposits for the year ended 31 December 2025.

## **Pledged Deposit**

During the year ended 31 December 2025, the Group's pledged deposit amounted to approximately HK\$630,230,000 (2024: approximately HK\$516,846,000). Having only one property in PRC as collateral limited the Group's options for corporate loans needed for business expansion at times, thus, as a norm under the current macroeconomic policies, the Group was provided with an alternative of savings pledged loans. The Group is currently consolidating its assets and savings hoping to simplify and improve the situation in the coming year.

## **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 (“**Shenzhen Wai Chi**”) and Huizhou Wai Chi Electronics Company Limited (“**Huizhou Wai Chi**”), are qualified as “High-Tech Enterprises” 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 year ended 31 December 2025, the Group's tax expenses were approximately HK\$3,457,000 (2024: approximately HK\$7,577,000)

## **Inventories**

As at 31 December 2025, the Group's inventories were approximately HK\$215,672,000, representing a decrease of 15.4% as compared to approximately HK\$254,828,000 as at 31 December 2024.

## **Trade Receivables**

As at 31 December 2025, the Group's net trade receivables amounted to approximately HK\$1,082,920,000, which increased by 10.4% as compared to approximately HK\$980,962,000 as at 31 December 2024. This was attributable to the increase in sales of LED backlight products.

## **Trade Payables**

As at 31 December 2025, the Group's trade payables amounted to approximately HK\$652,812,000, which increased by 14.4% as compared to approximately HK\$570,854,000 as at 31 December 2024.

## **Major Acquisition**

On 15 September 2025, Techwide Management Company Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, and Ms. Luk Fong, as vendor, entered into an agreement for the acquisition of the entire issued ordinary share capital of Joyful Family Consultant Limited, a company incorporated under the laws of the British Virgin Islands with limited liability (the "**Target Company**"), at the consideration of HK\$155.0 million which shall be settled by way of cash. The Target Company held the entire equity interest in Letu Photoelectric (Huizhou) Company Limited\* (樂圖光電(惠州)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Target Company, which owned a land parcel located at Hongda (International) Industrial Manufacturing Zone, Luoyang Town, Boluo County, Guangdong Province, the PRC (中國廣東省博羅縣羅陽鎮洪達(國際)工業製造城) with a total land use right area of approximately 86,118 square metres. On 31 December 2025, in accordance with the terms and conditions of the said agreement, the said acquisition was completed and the Target Company became an indirect wholly-owned subsidiary of the Company. The acquisition was financed by internal resources of the Group. For details regarding the acquisition, please refer to the Company's announcements dated 15 September 2025 and 31 December 2025, and the circular dated 25 November 2025.

## **REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased or redeemed any of the listed shares of the Company.

## **CORPORATE GOVERNANCE**

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 continual growth and enhancement of shareholder's value. For the year ended 31 December 2025, the Company has applied the code provisions stipulated in the Corporate Governance Code as set out in Appendix C1 (the "CG Code") to the Listing Rules. Code Provision C.2.1. of Part 2 of the CG 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 CG Code. The Company periodically reviews its corporate governance practices with reference to the latest development in corporate governance.

## **AUDIT COMMITTEE**

The Audit Committee had reviewed with the management the Group's consolidated financial statements for the year ended 31 December 2025, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company will be held on 27 May 2026. The notice of the annual general meeting will be published in the Company's website and sent to the shareholders of the Company in the manner required by the Listing Rules in due course.

## **PUBLICATION OF ANNUAL REPORT**

The 2025 annual 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 HKEx news 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 the Group's management. We would also like to thank all our business partners and bank enterprises who have supported and stood by us at all times.

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

Hong Kong, 27 March 2026

*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 are Mr. Au Yeung Tin Wah, Mr. Ho Chi Wai and Mr. Yu Zhenyu.*

\* *for identification purposes only*