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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Revenue	**1,329,736**	1,127,460
Gross profit	**174,362**	166,545
Gross profit margin	**13.1%**	14.8%
Profit for the period attributable to owners of the Company	**28,143**	28,505
Basic and diluted earnings per share	**HK12.80 cents**	HK12.97 cents

INTERIM RESULTS

The Board of Directors (the "**Board**") of Wai Chi Holdings Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the unaudited comparative figures for the same period of 2025 and the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2026 together with audited comparative figures as at 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June **2026** ***HK$'000*** **(Unaudited)**	 2025 *HK$'000* (Unaudited)
Revenue	4	**1,329,736**	1,127,460
Cost of sales		**(1,155,374)**	(960,915)
Gross profit		**174,362**	166,545
Other income, gains and losses	4	**32,023**	33,156
Selling and distribution expenses		**(17,499)**	(20,145)
Administrative expenses		**(68,543)**	(75,561)
Research and development expenses		**(65,841)**	(37,803)
Finance costs	6	**(16,696)**	(27,930)
Profit before tax		**37,806**	38,262
Income tax expense	7	**(9,255)**	(10,278)
Profit for the period	8	**28,551**	27,984
Profit for the period attributable to:			
– Owners of the Company		**28,143**	28,505
– Non-controlling interests		**408**	(521)
		28,551	27,984
Earnings per share			
Basic and diluted *(HK cents)*	10	**12.80**	12.97

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**28,551**	27,984
Other comprehensive income that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	**20,382**	6,860
Total comprehensive income for the period	**48,933**	34,844
Total comprehensive income (expense) for the period attributable to:		
– Owners of the Company	**48,970**	35,425
– Non-controlling interests	**(37)**	(581)
	48,933	34,844

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**30 June 2026** **HK$'000** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**344,032**	307,792
Right-of-use assets		**77,857**	77,111
Investment properties		**171,544**	165,623
Financial assets at fair value through profit or loss ("**FVTPL**")	11	**8,216**	8,216
Financial asset at fair value through other comprehensive income ("**FVTOCI**")	12	**3,847**	3,847
Deferred tax assets		**15,339**	14,931
		620,835	577,520
Current assets			
Inventories		**326,911**	215,672
Trade receivables	13	**962,173**	1,082,920
Bills receivables	13	**142,529**	111,098
Prepayments, deposits and other receivables		**67,594**	52,886
Income tax recoverable		**1,007**	1,433
Derivative financial assets		**–**	5,463
Pledged bank deposits		**332,576**	630,230
Bank balances and cash		**362,452**	261,722
		2,195,242	2,361,424
Current liabilities			
Trade payables	14	**639,708**	652,812
Bills payables	14	**727,925**	863,583
Other payables and accruals	14	**107,091**	102,901
Amount due to a related party		**40**	1,107
Contract liabilities		**2,987**	1,846
Bank and other borrowings		**282,257**	310,540
Derivative financial liabilities		**–**	4,384
Income tax payable		**19,161**	11,917
Lease liabilities		**7,759**	7,498
		1,786,928	1,956,588
Net current assets		**408,314**	404,836
Total assets less current liabilities		**1,029,149**	982,356

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Deferred tax liabilities	**390**	390
Government grants	**530**	509
Lease liabilities	**31,177**	30,847
	32,097	31,746
Net assets	**997,052**	950,610
Capital and reserves		
Share capital	**2,197**	2,197
Reserves	**992,487**	946,008
Equity attributable to owners of the Company	**994,684**	948,205
Non-controlling interests	**2,368**	2,405
Total equity	**997,052**	950,610

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

2. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 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 (the "**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 investment properties and 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 2025.

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 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

4. REVENUE AND OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	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	**1,305,527**	1,103,134
– LED lighting	**24,209**	22,932
– Semiconductor memory chips	**–**	1,394
	1,329,736	1,127,460
Disaggregation of revenue from contracts with customers by timing of recognition		
Timing of revenue recognition		
– At a point in time	**1,329,736**	1,127,460
Other income, gains and losses		
Bank interest income	**19,659**	24,546
Exchange losses, net	**(1,440)**	(874)
Government grants *(note)*	**8,619**	7,607
Rental income	**3,800**	327
Sundry income	**1,385**	1,550
	32,023	33,156

Note: Included in the amount, there are government grants immediately recognised as other income during the six months ended 30 June 2026 of approximately HK$1,301,000 (six months ended 30 June 2025: HK$1,325,000) which were received from the PRC government in respect of certain research projects, and company business development, and salaries subsidies approximately HK$7,318,000 (six months ended 30 June 2025: HK$6,282,000) which were received from PRC government in respect of the extra deduction from the value-added tax ("**VAT**"), the relevant granting criteria of which have been fulfilled.

5. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker (the "**CODM**") for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. In addition, for both LED backlight and LED lighting operations and 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 2026

	LED backlight *HK$'000* **(Unaudited)**	**LED lighting** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
REVENUE			
External sales	**1,305,527**	**24,209**	**1,329,736**
Segment profit	**44,610**	**1,322**	**45,932**
Unallocated income			**22,634**
Unallocated expenses			**(14,570)**
Unallocated finance costs			**(16,190)**
Profit before tax			**37,806**

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

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

Segment assets and liabilities

The following table presents assets and liabilities of the Group's reportable and operating segments as at 30 June 2026 and 31 December 2025:

Segment assets

	30 June 2026 ***HK$'000*** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
LED backlight	**1,785,642**	1,735,886
LED lighting	**35,694**	39,306
Semiconductor memory chips	**–**	24,271
Total segment assets	**1,821,336**	1,799,463
Unallocated assets	**994,741**	1,139,481
Consolidated total assets	**2,816,077**	2,938,944

Segment liabilities

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
LED backlight	**1,448,753**	1,603,378
LED lighting	**47,205**	57,605
Semiconductor memory chips	**–**	4,233
Total segment liabilities	**1,495,958**	1,665,216
Unallocated liabilities	**323,067**	323,118
Consolidated total liabilities	**1,819,025**	1,988,334

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 properties 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 and amount due to a related party. Liabilities for which reportable segments are jointly liable are allocated on the basis of the revenues earned by individual reportable segments.

Revenue from major products

Analysis by type of products

	Six months ended 30 June	
	2026 *HK$'000* **(Unaudited)**	2025 *HK$'000* (Unaudited)
LED backlight		
– Small dimension	**108,651**	103,271
– Medium dimension	**1,145,068**	952,916
– Large dimension	**51,808**	46,947
Sub-total	**1,305,527**	1,103,134
LED lighting		
– Indoor lighting	**24,209**	22,620
– Outdoor lighting	**–**	312
Sub-total	**24,209**	22,932
Semiconductor memory chips	**–**	1,394
Total	**1,329,736**	1,127,460

Analysis by application of products

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LED backlight		
– Automobile displays	**1,247,150**	1,017,696
– Equipment displays	**49,934**	73,758
– Televisions	**8,443**	11,680
Sub-total	**1,305,527**	1,103,134
LED lighting		
– Commercial lighting	**24,209**	22,932
Semiconductor memory chips	**–**	1,394
Total	**1,329,736**	1,127,460

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on:		
– Bank and other borrowings	**16,190**	27,447
– Lease liabilities	**506**	483
	16,696	27,930

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
PRC Enterprise Income Tax	**9,255**	10,278

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 2026 and 2025.

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 2026 and 2025.

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 2026 and 2025.

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

8. PROFIT FOR THE PERIOD

	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	**152,882**	141,788
Retirement benefit scheme contributions (excluding directors)	**22,663**	21,239
Total staff costs	**175,545**	163,027
Cost of inventories recognised as expenses (included in cost of sales)	**1,155,374**	960,915
Net foreign exchange losses	**1,440**	874
Depreciation of property, plant and equipment	**26,858**	24,202
Depreciation of right-of-use assets	**4,923**	4,560
Loss on disposal of property, plant and equipment, net	**29**	23

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the interim period (six months ended 30 June 2025: nil).

10. EARNINGS PER SHARE

	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Earnings for the purpose of basic and diluted earnings per share	**28,143**	28,505

	Six months ended 30 June 2026	2025
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**219,869,000**	219,725,000
Basic and diluted earnings per share *(HK cents per share)*	**12.80**	12.97

11. FINANCIAL ASSETS AT FVTPL

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Investment in a life insurance policy	**8,216**	8,216

12. FINANCIAL ASSET AT FVTOCI

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity investment	**3,847**	3,847

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

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

13. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**1,039,761**	1,168,250
Less: allowance for impairment losses	**(77,588)**	(85,330)
	962,173	1,082,920
Bills receivables	**142,529**	111,098
Total trade and bill receivables	**1,104,702**	1,194,018

As at 30 June 2026, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK$1,039,761,000 (31 December 2025: approximately HK$1,168,250,000).

The Group allows an average credit period of 15 to 180 days (31 December 2025: 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.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**933,830**	1,061,142
91 to 180 days	**26,288**	20,746
181 to 365 days	**2,055**	1,032
	962,173	1,082,920

All the bills receivables are aged within 180 days.

14. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables *(note a)*	**639,708**	652,812
Bills payables *(note b)*	**727,925**	863,583
	1,367,633	1,516,395
Other payables	**59,031**	51,437
Accrued expense	**48,060**	51,464
	107,091	102,901
	1,474,724	1,619,296

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 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
0 to 90 days	**490,424**	493,713
91 to 180 days	**132,556**	139,779
181 to 365 days	**6,960**	10,009
Over 365 days	**9,768**	9,311
	639,708	652,812

The average credit period on purchase of goods is from 30 days to 90 days (31 December 2025: 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 2025: 180 days).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Heightened geopolitical tensions in the Middle East in early 2026, together with persistent international trade friction, increased uncertainty in the global operating environment and created risks to energy prices, raw material costs and supply chain capacity. Tariff escalation and continuing trade friction also weighed on economic activity by raising trade costs and increasing uncertainty around business and investment decisions. Despite these challenges, China's gross domestic product ("**GDP**") grew by approximately 4.7% year on year in the first half of 2026, at constant prices. According to the data from the National Bureau of Statistics, production and supply grew rapidly, employment remained generally stable and new growth drivers developed quickly, underscoring the resilience of the Chinese economy.

During the first half of 2026, China's new energy vehicle ("**NEV**") market maintained robust growth. NEV production and sales reached 7.438 million and 7.446 million units, respectively, up 6.7% and 7.3% year on year, according to data released by the China Association of Automobile Manufacturers. NEVs accounted for 49.42% of all newly registered automobiles in the first half of 2026, while the NEV share of the national automobile fleet rose to 13.19% by end of June 2026, according to the Ministry of Public Security. The continuing adoption of NEVs, rising operational costs of gasoline vehicles and shortening vehicle ownership cycles are rapidly transforming the automotive and related-components manufacturing ecosystem.

For the LED backlight industry, the rapid adoption of in-vehicle display panels over the past decade has made such panels increasingly important automotive components. Demand for these panels has benefited from the expansion of the NEV sector. Consumers are also showing increasing demand for displays with higher technical specifications and more advanced functionality, supporting the growth of the high-end 'smart display' segment.

The GDP growth and the vibrant NEV market in China in the first half of 2026, however, do not shield the automobile industry from mounting pressure, particularly as competition among leading manufacturers intensifies. Higher input costs, including the cost of semiconductor chips, have increased pressure on NEV production costs. Because intense market competition makes it extremely difficult for manufacturers to raise retail prices to offset these expenses, automobile manufacturers intend to manage the overall manufacturing costs and margins by increasing pressure on component suppliers to reduce component prices.

Beyond these upstream cost pressures, the LED backlight sector faces intensified competition from new entrants, supply-chain uncertainties and broader macroeconomic headwinds, all of which may add to operational costs across the supply chain.

Against this industry backdrop, the Group's performance was affected by the balance between continued demand for automotive display-related products and persistent pricing and cost pressures across the supply chain. The Group continued to monitor customer demand, product mix, capacity utilisation, procurement costs and pricing trends closely, while seeking to improve operating efficiency, strengthen cost control and maintain its competitiveness in the automotive onboard display market. The Group expects industry competition, customer price negotiations, component and other input costs, supply-chain conditions and the pace of NEV adoption to remain key factors affecting its future operating performance and profitability.

BUSINESS REVIEW

For the six months ended 30 June 2026 (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.

The Group's manufacturing operations were further enhanced through the effective integration of its enterprise resource planning ("**ERP**"), manufacturing execution ("**MES**"), and warehouse management ("**WMS**") systems. The ERP system supports resource planning, streamlines key business processes and provides end-to-end oversight of the manufacturing process, while MES and WMS systems enable operational execution by tracking production activities and warehouse operations in near real-time. Together, these systems have improved operational efficiency, strengthened cost control and the timely achievement of the Group's strategic objectives.

The total revenue for the period under review was approximately HK$1,329,736,000, representing a notable increase of approximately 17.9% compared to approximately HK$1,127,460,000 for the corresponding period in 2025. Revenue from the sales of LED backlight products for the period under review was approximately HK$1,305,527,000 (six months ended 30 June 2025: approximately HK$1,103,134,000), representing a considerable increase of 18.3%. Revenue from the sales of LED lighting products was approximately HK$24,209,000 (six months ended 30 June 2025: approximately HK$22,932,000), representing an increase of 5.6%. As a result of the Group's strategic positioning, the Group ceased to conduct activity in the semiconductor memory chip business for the period under review.

LED Backlight Business

The Group primarily focuses on producing three types of LED backlight products, which are: (1) automobile onboard displays; (2) television displays; and (3) other industrial equipment displays. For the period under review, these products generated revenues of approximately HK$1,247,150,000, HK$8,443,000 and HK$49,934,000, respectively.

Owing to the growing demand for new energy vehicles, the rising popularity and robust growth of automobile onboard displays, backlights for these displays have continued to act as the core driver of the Group's growth. Revenue generated from this segment increased by 22.5% from HK$1,017,696,000 for the six months ended 30 June 2025 to HK$1,247,150,000 during the period under review. These products, dominating the position as the Group's largest contributor to the LED backlight business during the period under review, accounted for approximately 95.5% of the total LED backlight product revenue (six months ended 30 June 2025: approximately 92.3%). The Group's gross profit margin in this segment dropped slightly to 13.1% for the period under review from 14.8% for the corresponding period in 2025.

The continued growth in NEV sales and the increasing adoption of central infotainment screens and other in-vehicle display components have allowed the Group to optimise its production capabilities, improving scalability and profitability. Meanwhile, standardisation of screen specifications across multiple display formats by car manufacturers has minimised design complexity and reduced overall production costs, boosting the Group's competitiveness. Backed by proactive resource planning, strategic supplier partnerships, and ongoing upgrades to its advanced automation lines, the Group achieved tighter cost control and higher manufacturing efficiency, maximising long-term shareholder value.

During the first half of 2026, both the sales of LED backlights for television and other industrial equipment displays dropped. The revenue for television display backlights amounted to approximately HK$8,443,000 for the period under review (six months ended 30 June 2025: approximately HK$11,680,000), representing a decrease of 27.7%. Equipment display backlight products recorded a decline of 32.3% in revenue from HK$73,758,000 for the six months ended 30 June 2025 to HK$49,934,000 for the period under review.

LED Lighting 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 period under review, the total revenue from commercial lighting services amounted to approximately HK$24,209,000 (six months ended 30 June 2025: approximately HK$22,932,000), representing an increase of 5.6%. Orders during the period under review mainly originated from Europe, being the Group's primary market.

Semiconductor Memory Chip Business

As previously disclosed, the Group conducted a comprehensive reassessment of the semiconductor trade and decided against allocating additional resources to this sector. During the period under review, the Group did not conduct any business activity in relation to the semiconductor memory chip business.

QUALITY CONTROL

The Group's strong commitment to quality control has enabled it to build a stable and loyal customer base. Stringent quality assurance procedures are implemented throughout the product lifecycle, covering product design, supplier and raw material selection, manufacturing, testing and storage. Product samples are thoroughly tested before mass production, while new suppliers and raw materials are subject to a rigorous evaluation and approval process. These measures are particularly important for the Group's automotive onboard display backlight products, which are required to meet stringent safety, quality and performance standards. Supported by advanced production and testing equipment, the Group continues to enhance its quality control capabilities and maintain a reputation for reliable and consistent product quality. Its commitment is further demonstrated by certifications including ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, and IATF 16949 for automotive quality management systems, which reflect its focus on quality management, environmental responsibility and continuous operational improvement.

RESEARCH AND DEVELOPMENT

As customers place greater emphasis on product quality, user experience and technological advancement, the Group regards research and development ("**R&D**") as a key driver of its competitiveness and industry position. By maintaining its investment in R&D, the Group seeks to develop innovative, reliable and high-performance solutions that respond to evolving customer needs and strengthen product differentiation. These efforts also support customer loyalty, global market expansion, operational efficiency and cost control through ongoing technological and process improvements.

The Group's R&D Centre, located at its production plant in Huizhou, the PRC, conducts a wide range of activities to support product innovation and continuous improvement. Its key responsibilities include: (1) collaborating with customers on the development of new product designs; (2) enhancing the quality, performance and functionality of existing products; (3) optimising production processes and equipment during project implementation; (4) introducing advanced production technologies and new materials; and (5) evaluating development trends and future opportunities in the LED display industry.

Through its continued R&D efforts, the Group has achieved various technological advancements and breakthroughs. As at 30 June 2026, the Group held over 267 patents registered in the PRC, most of the patents are related to LED backlight technology. Looking ahead, the Group will continue to strengthen its R&D capabilities and expand its talent pool, positioning itself to capture emerging opportunities and pursue new avenues for business growth.

PROSPECTS

Going into the second half of 2026, the global macroeconomic environment is projected to remain highly fragmented, with overall global GDP growth expected to stabilise between 2.5% and 3.0%. Ongoing geopolitical tensions in the Middle East and persistent trade frictions will continue to exert structural pressure on supply chain logistics and raw material pricing. Simultaneously, China's economic growth is projected to moderate slightly to between 4.3% and 4.6% for the second half of 2026, anchoring full-year performance toward the baseline of the state's official 4.5% to 5.0% annual target. Under these circumstances, weak domestic consumer demand has fuelled intense internal hyper-competition among Chinese car manufacturers, making it extremely difficult to increase product prices to offset these rising expenses.

On the macroeconomic front, the ongoing impacts of geopolitical tensions, tariffs in the United States and Europe, and rising material costs are significantly pushing up production expenses. Specifically, higher prices for oil, metals and plastics have increased the Group's production costs. While the Group utilised strategic advance purchasing in the first half of 2026 to cushion the initial impact, management expects these heightened expenses will affect financial results beginning in the third quarter of 2026. Beyond these upstream cost pressures, the LED backlight sector faces intensified competition from new entrants, uncertainties in the supply chain, and accelerating technological advancements. These compounding macroeconomic and industry factors continue to impose additional operational costs on the Group, threatening to diminish gross profits and severely squeeze overall profit margins.

To mitigate these risks and capture emerging opportunities, the Group believes the most effective deployment of its resources is to prioritise the automotive LED backlight segment, which remains the core driver of the Group's performance. To maximise economies of scale, the Group has commenced the expansion of production capacity by building a new, fully automated production facility on its newly acquired land parcel (see the paragraph headed "Update on the Development of the Land" in this section).

As China's automotive manufacturers continue to expand their global footprints and receive increasingly favourable reception for their vehicles overseas, the Group is actively formulating strategic initiatives to increase customer outreach across international markets such as Korea, Japan and Europe. To complement these efforts, management will also explore potential overseas expansion options to diversify its manufacturing footprint and optimise international sales strategies.

The Group attributes its long-term success and ability to maintain its position as a top global supplier of automotive LED backlight products to its continuous pursuit of innovation and excellence, consistently responding to evolving customer demands for advanced technological specifications. Building on this momentum, the Group has successfully commenced mass production of panoramic heads-up displays (“**PHUD**”) – revolutionary interfaces that utilise a horizontal area along the lower edge of the windshield to provide integrated driving, data, safety alerts and vehicle entertainment. By incorporating Mini-LED backlighting into these PHUD systems, the Group achieves exceptionally precise lighting control, significantly enhancing the brightness and improving energy efficiency compared to conventional displays. Moving forward, the Group will continue to sharpen its competitive edge by accelerating its proprietary R&D initiatives to pioneer next-generation automotive display technologies.

The Group remains committed to mastering upstream manufacturing and precision techniques to secure cost advantages and ensure the long-term structural stability of its products. Accordingly, the Group has planned to develop in-house die-casting capabilities to deliver components with superior durability, sharper aesthetics, and enhanced cost efficiency. Management is also exploring the application of die-casting techniques to magnesium alloys. Known for its light weight, high strength-to-weight ratio, and excellent heat dissipation, magnesium alloy also offer superior vibration damping and impact resistance. Consequently, it has emerged as a vital material in the production of larger, next generation automotive displays.

To sharpen focus on strengthening core competencies, the Group will maintain its resource allocation to sustain baseline sales with the television LED, industrial equipment backlight, and lighting service segments until viable new client avenues or business opportunities emerge.

Leveraging over four decades of deep industrial expertise and an unyielding commitment to premium engineering, the Group remains uniquely equipped to convert near-term macroeconomic headwinds into long-term market advantages, driving sustained growth and commercial excellence across the evolving automotive landscape.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the sources of revenue for the Group were the sales of LED backlights and LED lighting services. The total revenue for the period under review was approximately HK$1,329,736,000, representing an increase of approximately 17.9% compared to approximately HK$1,127,460,000 for the corresponding period in 2025. The sales of the Group’s LED backlight products were approximately HK$1,305,527,000, representing an increase of approximately 18.3% from HK$1,103,134,000 in the corresponding period in 2025. This was mainly attributable to the rising popularity and robust growth of LED backlight products for automobile onboard displays. The revenue from the Group’s LED lighting services for the period under review was approximately HK$24,209,000, representing an increase of approximately 5.6% from approximately HK$22,932,000 in the corresponding period in 2025. There was no revenue from the Group’s semiconductor product sourcing business recorded for the six months ended 30 June 2026.

Gross Profit and Gross Profit Margin

For the period under review, the Group's gross profit was approximately HK$174,362,000, which increased by approximately 4.7% from approximately HK$166,545,000 in the corresponding period in 2025. The overall gross profit margin was approximately 13.1%, which decreased by approximately 1.7 percentage points from approximately 14.8% in the corresponding period in 2025. The decrease was mainly attributable to the increase in raw material costs during the period under review. No activity was conducted in respect of the sourcing of semiconductor memory chips in 2026.

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 2026, the Group's selling and distribution expenses were approximately HK$17,499,000, which has decreased by approximately 13.1% compared to approximately HK$20,145,000 in the corresponding period in 2025.

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 2026, the Group's administrative expenses and R&D expenses were approximately HK$134,384,000, which increased by 18.5% compared to approximately HK$113,364,000 for the first half of 2025.

Other Income

During the period under review, other income was approximately HK$32,023,000, representing a decrease of 3.4% in comparison with approximately HK$33,156,000 for the corresponding period in 2025, mainly attributable to lower bank interest income, partially offset by increases in government grants and rental 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, 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 period under review, the Group's tax expenses were approximately HK$9,255,000 (for the six months ended 30 June 2025: approximately HK$10,278,000).

Inventories

As at 30 June 2026, the Group's inventories were approximately HK$326,911,000, representing an increase of 51.6% as compared to approximately HK$215,672,000 as at 31 December 2025. The increase in inventories was mainly attributable to the purchase of raw materials in advance to mitigate the impact of anticipated increases in raw material prices.

Trade Receivables

As at 30 June 2026, the Group's net trade receivables amounted to approximately HK$962,173,000, which decreased by 11.2% as compared to approximately HK$1,082,920,000 as at 31 December 2025. This was attributable to the Group's strengthened credit control and collection efforts, together with the timing of billings and settlements by customers around the period end, which resulted in a lower outstanding trade receivables balance as at 30 June 2026.

Trade Payables

As at 30 June 2026, the Group's trade payables amounted to approximately HK$639,708,000, which slightly decreased by 2.0% as compared to approximately HK$652,812,000 as at 31 December 2025.

Update on the Development of the Land

The Group acquired 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) through the acquisition of the entire issued ordinary share capital of Joyful Family Consultant Limited, which was completed in 2025. Construction on the land parcel has commenced, with the new factory currently expected to be completed and commercial production scheduled to commence in 2027. The development forms part of the Group's long-term strategy to support the continued growth of its automotive LED backlight business and respond to evolving customer requirements. Upon commencement of operations, the new facility is expected to complement the Group's existing manufacturing operations, enhance production workflow and space utilisation, facilitate further automation, and strengthen operational efficiency and supply-chain coordination. The actual completion and commencement dates remain subject to the progress of construction, regulatory inspections, equipment installation and trial production.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2026.

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

Shareholders of the Company passed an ordinary resolution on 27 May 2026 granting the Directors an unconditional general mandate to repurchase up to 10% of the aggregate nominal amount of the issued share capital of the Company as at that date (the "**Share Buy-back Mandate**"), allowing the Company to buy back a maximum of 21,972,500 shares of the Company (the "**Shares**"). On 5 June 2026, the Company announced that the Board had resolved to exercise its power under the Share Buy-back Mandate to buy back the Shares in the open market on The Stock Exchange of Hong Kong Limited at any time and from time to time for a maximum amount of up to and not exceeding HK$20 million. The Board is confident in the Group's business outlook and long-term development and considers that the Share Buy-backs, when conducted having regard to the Group's business growth, development prospects, financial condition and the prevailing market environment, are in the best interests of the Company and its shareholders as a whole. The Share Buy-backs are expected to enhance the net asset value per Share and/or earnings per Share, thereby creating value and optimising returns for shareholders. During the period ended 30 June 2026 and subsequent to the reporting date and up to the date of this announcement, the Company repurchased its own shares on the Stock Exchange as follows:

Month/Year	Number of shares repurchased	Highest Price per share *HK$*	Lowest price per share *HK$*	Aggregate consideration (excluding expenses) *HK$'000*
June 2026	2,866,000	0.87935	0.66	2,482
July 2026	166,000	0.9	0.87	149

During the period ended 30 June 2026, the Company repurchased a total of 2,866,000 ordinary shares of HK$0.01 each in the capital of the Company at an aggregate consideration (excluding expenses) of approximately HK$2.5 million. Subsequent to the reporting date and up to the date of this announcement, the Company repurchased a total of 166,000 ordinary shares of HK$0.01 each in the capital of the Company at an aggregate consideration (excluding expenses) of approximately HK$0.1 million. Those repurchased shares were held as treasury shares as at the date of this announcement.

Save as disclosed above, 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 2026.

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.

Code provision 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. The former Chairman, Mr. Yiu Chi To, passed away on 28 January 2022. Currently, the roles of Chairman and Chief Executive Officer are both performed by 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 2025 annual report of the Company issued in April 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct governing Directors' 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 2026. On 28 August 2026, the Audit Committee met with the management to review the unaudited interim financial statements with the attendance of the external auditor and to consider the significant accounting policies.

PUBLICATION OF INTERIM REPORT

The 2026 interim report of the Company containing all applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the Company's website at www.waichiholdings.com and the Stock Exchange's website at www.hkexnews.hk in due course.

APPRECIATION

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

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

Hong Kong, 28 August 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 of the Company are Mr. Au Yeung Tin Wah, Mr. Ho Chi Wai and Mr. Yu Zhenyu.