



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

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 1305



2026

Interim Report

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FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026 Unaudited HK\$'000	2025 Unaudited 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



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Chen Chung Po
(Chairman and Chief Executive Officer)
Ms. Luk Fong
Ms. Yiu Kwan Yu
Ms. Yong Jian Hui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Au Yeung Tin Wah
Mr. Ho Chi Wai
Mr. Yu Zhenyu

COMPANY SECRETARY

Mr. Cheung Wai Hung

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Yu Zhenyu *(Chairman)*
Mr. Au Yeung Tin Wah
Mr. Ho Chi Wai
Ms. Yiu Kwan Yu

RISK MANAGEMENT COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Chen Chung Po
Mr. Cheung Wai Hung

REGISTERED OFFICE

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Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited
Certified Public Accountants
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Causeway Bay
Hong Kong



LEGAL ADVISER

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

STOCK CODE

01305

COMPANY'S WEBSITE

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PRINCIPAL BANKERS

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Central
Hong Kong

Citibank N.A.
3 Garden Road
Central
Hong Kong

Cayman Islands principal share registrar and transfer office

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

Hong Kong branch share registrar and transfer office

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



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

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.



OTHER DISCLOSURE

INTERIM DIVIDEND

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

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group, based on total borrowings (including bank and other borrowings and lease liabilities) to the equity (including all capital and reserves) of the Company was 27.5% (31 December 2025: 32.8%).

EMPLOYEES

As at 30 June 2026, the Group had 5,268 employees.

The Group recognised the importance of maintaining good relationships with its employees and retaining competent staff to ensure operational efficiency and effectiveness. In the six months ended 30 June 2026, the Group had not encountered any significant problems with its employees, and there had not been any dispute between the Group and its employees that might have caused any disruption to the Group's business or operation. The Group has had no difficulty in recruiting and retaining experienced staff. The remuneration of each employee of the Group is determined on the basis of his or her performance and responsibility. The Group provides training to employees.

FOREIGN CURRENCY EXPOSURE

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

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



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

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 interim report, 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	0.88	0.66	2,482
July 2026	166,000	0.9	0.87	149
September 2026	100,000	0.85	0.745	79

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 interim report, the Company repurchased a total of 266,000 ordinary shares of HK\$0.01 each in the capital of the Company at an aggregate consideration (excluding expenses) of approximately HK\$0.2 million. Those repurchased shares were held as treasury shares as at the date of this interim report.

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.

CONTROLLING SHAREHOLDERS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the “Related Party Transactions and Balances” in note 22 to the Condensed Consolidated Interim Financial Information, no contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Director or a controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the six months ended 30 June 2026 or at any time during the period.

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

As at 30 June 2026, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

Name of Director	Capacity/ nature of interest	Number of shares	Number of shares underlying vested (Note 4)	Number of share options outstanding (Note 5)	Total Interests in shares and class of shares (Note 6)	Approximate percentage of the issued share capital of the Company (%)
Ms. Luk Fong (Note 1)	Beneficial owner	128,120,000	–	–	128,120,000 (L)	58.31%
Mr. Chen Chung Po (Note 2)	Beneficial owner	–	800,000	800,000	1,600,000 (L) (Note 7)	0.73%
Ms. Yiu Kwan Yu (Note 3)	Beneficial owner	–	200,000	400,000	600,000 (L) (Note 7)	0.27%
Ms. Yong Jian Hui	Beneficial owner	–	400,000	400,000	800,000 (L) (Note 7)	0.36%
<i>Name of Former Director</i>						
Mr. Chen Wei Wu (Note 8)	Beneficial owner	–	200,000	–	200,000 (L) (Note 7)	0.09%

Notes:

1. Ms. Luk Fong holds 100% of the issued share capital of Rexell Technology Company Limited, which is the controlling shareholder holding approximately 58.31% of the issued share capital of the Company.
2. Mr. Chen Chung Po, as the spouse of Ms. Yiu Kwan Yu, is deemed to be interested in the shares of the Company held by Ms. Yiu Kwan Yu by virtue of the SFO. The total number of shares held by Mr. Chen Chung Po and Ms. Yiu Kwan Yu represents approximately 1% of the issued share capital of the Company.
3. Ms. Yiu Kwan Yu, as the spouse of Mr. Chen Chung Po, is deemed to be interested in the shares of the Company held by Mr. Chen Chung Po by virtue of the SFO. The total number of shares held by Mr. Chen Chung Po and Ms. Yiu Kwan Yu represents approximately 1% of the issued share capital of the Company.
4. The Share Award Scheme was adopted pursuant to a shareholders' resolution passed on 19 December 2022, whereby the Company granted a total of 1,600,000 shares to 3 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu, and Ms. Yong Jian Hui) and a former Director (namely, Mr. Chen Wei Wu).
5. The Company adopted the share option scheme on 27 October 2014 (the **"2014 Share Option Scheme"**), under which the Directors may grant options to eligible persons to subscribe for the Company's shares. Under the 2014 Share Option Scheme, a total of 1,800,000 share options were granted to 3 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu, and Ms. Yong Jian Hui) and a former Director (namely, Mr. Chen Wei Wu). The aforesaid Directors and former Director will be entitled to subscribe for 1,800,000 shares upon full exercise of all the share options in accordance with the relevant rules of the Share Option Scheme. The 2014 Share Option Scheme was terminated and new rules of the share option scheme (the **"Share Option Scheme"**) were approved and adopted at the extraordinary general meeting held on 19 December 2022.
6. The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
7. The total number of shares in which the 3 Directors (namely, Mr. Chen Chung Po, Ms. Yiu Kwan Yu and Ms. Yong Jian Hui) and a former Director (namely, Mr. Chen Wei Wu) are interested include the shares granted to such Directors and former Director under the Share Award Scheme and the share options granted to such Directors and former Director under the 2014 Share Option Scheme which such Directors and former Director are entitled to subscribe for upon the full exercise of the subscription rights.
8. Mr. Chen Wei Wu resigned as a director on 30 June 2025, and his share options lapsed on 31 December 2025.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they had taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



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

As at 30 June 2026, so far as the directors and chief executive officer of the Company were aware, the following persons and corporations (excluding the directors and chief executive officer of the Company) had interests or short positions in any of the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 336 of the SFO, or which were, directly or indirectly, interested in 5% or more of the shares of the Company.

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

Notes:

1. Rexell Technology Company Limited directly holds 128,120,000 shares representing approximately 58.31% of the issued share capital of the Company.
2. Ms. Luk Fong is the legal and beneficial owner of all the issued shares of Rexell Technology Company Limited and is therefore deemed to be interested in all the shares of the Company held by Rexell Technology Company Limited under the SFO.

SHARE OPTION SCHEME

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

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

As at 30 June 2026, a maximum of 18,692,500 shares (representing 8.5% of the issued shares thereby) were available for grant under the Share Option Scheme.



Particulars of the Company's share option scheme (the **"Share Option Scheme"**) and details of movements in the share options under the Share Option Scheme during the six months ended 30 June 2026 are summarized as below:

Name/type of Participants	Number of option shares						Date of share option granted	Vesting period	Share option exercise period	Amount of ordinary shares to be obtained after option exercised (Note 1)	Exercise price per share
	Outstanding at 1 January 2026	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30 June 2026					
Director – Mr. Chen Chung Po	800,000	-	-	-	-	800,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	800,000	HK\$1.49 ^(Note 2)
Director – Ms. Yiu Kwan Yu	400,000	-	-	-	-	400,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	400,000	HK\$1.49 ^(Note 2)
Director – Ms. Yong Jian Hui	400,000	-	-	-	-	400,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	400,000	HK\$1.49 ^(Note 2)
Other 19 grantees	2,520,000	-	-	-	-	2,520,000	28 June 2022	28 June 2022 to 27 June 2023	28 June 2023 to 27 June 2032	2,520,000	HK\$1.49 ^(Note 2)
Other 3 grantees	30,000	-	-	-	-	30,000	11 July 2023	11 July 2023 to 10 July 2024	11 July 2024 to 10 July 2033	30,000	HK\$1.49 ^(Note 3)
Total	4,150,000	-	-	-	-	4,150,000				4,150,000	

Notes:

- Representing approximately 1.9% of the issued share capital of the Company as at 30 June 2026.
- The basis of determining the exercise price of Share Options granted is at least the highest of: (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which shall be a Business Day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of offer; or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme. The closing price of the Shares immediately before the grant date (28 June 2022) is HK\$1.49 per Share.

3. The closing price of the Shares immediately before the grant date (11 July 2023) is HK\$1.42 per share.
4. The estimated fair value of the 4,710,000 Share Options granted on the grant date (28 June 2022) was approximately HK\$3,816,000 comprises a fair value of (i) approximately HK\$1,296,305 for the 1,600,000 Share Options granted to 3 Directors, (ii) approximately HK\$162,039 for the 200,000 Share Options granted to a former director ("**Mr. Chen Wei Wu**") and (iii) approximately HK\$2,357,656 for the 2,910,000 Share Options granted to the other 24 Grantees (being Employees of the Company), as calculated using the Black-Scholes pricing model. The relevant fair value of the Share Options granted to each Director is shown below:

Directors	Amount of shares options granted	Fair Value of the Share Options granted (HK\$) (Approximately)
Mr. Chen Chung Po	800,000	648,153
Ms. Yiu Kwan Yu	400,000	324,076
Ms. Yong Jian Hui	400,000	324,076

5. The estimate fair value of the 90,000 Share Options granted to 3 Grantees (being Employees of the company) on the grant date (11 July 2023) was approximately HK\$75,000, as calculated using the Black-scholes pricing model.
6. The number of Share Options available for grant with respect to the scheme mandate under the 2014 Share Option Scheme at the beginning of the financial year 2022 was 20,000,000 Share Options.
7. Since the 2014 Share Option Scheme was terminated on 19 December 2022 (the "**termination**"), the number of Share Options available for grant with respect to the scheme mandate under the 2014 Share Option Scheme immediately before the termination was 15,290,000 Share Options.
8. The Company's granting of the Share Options to the relevant option holder involves the payment of an amount of HK\$1.00 to the Company by the option holder upon acceptance of the offer to grant the Share Options within 28 days from the date of the offer.

SHARE AWARD SCHEME

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

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

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

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

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

Details of Award Shares that were granted under the Share Award Scheme are as follows:

1. The closing price of the shares immediately before the date on which the Award Shares were granted (23 December 2022) was HK\$1.6 per Share.
2. The fair value of the Award Shares is determined in accordance with HKFRS 2 by reference to the cost of purchase of the Award Shares, or the fair value at grant date. The estimated fair value of the Award Shares granted on the date of grant was approximately HK\$4,640,000, comprising an estimated fair value of (i) approximately HK\$2,240,000 for the grant to 3 Directors of 1,400,000 Award Shares, (ii) approximately HK\$320,000 for the grant to a former director of 200,000 Award Shares and (iii) approximately HK\$2,080,000 for the grant to the other 8 Selected Employees of the Company of 1,300,000 Award Shares, both grant of Award Shares being at the closing price of HK\$1.60 per Share on the date of grant as quoted on the Stock Exchange. The relevant fair value of the Award Shares granted to each Director is shown below:

Directors	Amount of Award Shares granted	Fair Value of the Award Shares granted (HK\$) (approximately)
Mr. Chen Chung Po	800,000	1,280,000
Ms. Yong Jian Hui	400,000	640,000
Ms. Yiu Kwan Yu	200,000	320,000

Note: The above table includes only directors serving as at 30 June 2026. Regarding a former director, Mr. Chan Wei Wu, who resigned on 30 June 2025, the 200,000 Award Shares granted to him have been dealt with in accordance with the terms of the Share Award Scheme upon his resignation.

3. As at 30 June 2026, the total number of Shares available for issue under the Share Option Scheme and the Share Award Scheme was 18,692,500 Shares which represents 8.5% of the issued Shares.
4. The number of options and awards available for grant under the scheme mandate at the beginning of the six months ended 30 June 2026 was a total of 18,692,500 Shares.
5. The number of options and awards available for grant under the scheme mandate at the end of the six months ended 30 June 2026 was a total of 18,692,500 Shares.

6. During the six months ended 30 June 2026, no Share Options and Award Shares were granted, exercised/vested, expired, lapsed or cancelled.
7. The number of Shares that may be issued in respect of the Share Options and the Award Shares granted under all the Share Schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for the six months ended 30 June 2026 was 8.5%.

CORPORATE GOVERNANCE PRACTICES

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

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.



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	5	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	5	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	7	(16,696)	(27,930)
Profit before tax		37,806	38,262
Income tax expense	8	(9,255)	(10,278)
Profit for the period	9	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)	11	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	12	344,032	307,792
Right-of-use assets	13	77,857	77,111
Investment properties		171,544	165,623
Financial assets at fair value through profit or loss ("FVTPL")	14	8,216	8,216
Financial asset at fair value through other comprehensive income ("FVTOCI")	15	3,847	3,847
Deferred tax assets		15,339	14,931
		620,835	577,520
Current assets			
Inventories		326,911	215,672
Trade receivables	16	962,173	1,082,920
Bills receivables	16	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	17	332,576	630,230
Bank balances and cash	17	362,452	261,722
		2,195,242	2,361,424
Current liabilities			
Trade payables	18	639,708	652,812
Bills payables	18	727,925	863,583
Other payables and accruals	18	107,091	102,901
Amount due to a related party		40	1,107
Contract liabilities		2,987	1,846
Bank and other borrowings	19	282,257	310,540
Derivative financial liabilities		—	4,384
Income tax payable		19,161	11,917
Lease liabilities	13	7,759	7,498
		1,786,928	1,956,588

	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Net current assets		408,314	404,836
Total assets less current liabilities		1,029,149	982,356
Non-current liabilities			
Deferred tax liabilities		390	390
Government grants		530	509
Lease liabilities	13	31,177	30,847
		32,097	31,746
Net assets		997,052	950,610
Capital and reserves			
Share capital	21(a)	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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company												Total equity HK\$'000
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share based compensation reserve HK\$'000	Statutory reserve (note a) HK\$'000	Translation reserve HK\$'000	Revaluation reserve HK\$'000	Merger reserve (note b) HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2026 (audited)	2,197	-	334,660	2,390	5,077	65,399	(60,389)	(6,080)	34,561	550,200	948,205	2,405	950,610
Profit for the period	-	-	-	-	-	-	-	-	-	28,143	28,143	408	28,551
Other comprehensive income (expense) for the period													
- Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	20,827	-	-	-	20,827	(445)	20,382
Total comprehensive income (expense) for the period	-	-	-	-	-	-	20,827	-	-	28,143	48,970	(37)	48,933
Repurchase of shares (note 21(b))	-	(2,491)	-	-	-	-	-	-	-	-	(2,491)	-	(2,491)
Transfer	-	-	-	-	-	1,009	-	-	-	(1,009)	-	-	-
At 30 June 2026 (unaudited)	2,197	(2,491)	334,660	2,390	5,077	66,408	(59,562)	(6,080)	34,561	577,304	994,684	2,368	997,052

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

Notes:

- (a) As stipulated by regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the applicable laws and regulations in the PRC, to statutory reserve until the reserve balance reaches 50% of the registered capital of the relevant subsidiaries. The transfer to this reserve must be made before distribution of a dividend to equity owners.
- (b) Merger reserve represented the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash used in operations	(128,659)	(79,766)
PRC Enterprise Income Tax paid	(1,993)	(3,371)
Net cash used in operating activities	(130,652)	(83,137)
Investing activities		
Purchase of property, plant and equipment	(47,499)	(4,602)
Proceeds from disposal of property, plant and equipment	2,920	448
Other investing cash flows	331,030	(117,435)
Net cash from (used in) investing activities	286,451	(121,589)
Financing activities		
Repayments of bank and other borrowings	(326,108)	(37,956)
Proceeds from bank and other borrowings	291,379	106,247
Other financing cash flows	(3,405)	(4,684)
Net cash (used in) from financing activities	(38,134)	63,607
Net increase (decrease) in cash and cash equivalents	117,665	(141,119)
Cash and cash equivalents at 1 January	228,508	328,878
Effect of foreign exchange rates changes	16,279	16,724
Cash and cash equivalents at 30 June, represented by bank balances and cash	362,452	204,483

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. **FAIR VALUE MEASUREMENT**

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

- Level 1 – Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



4. FAIR VALUE MEASUREMENT (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026			
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Financial assets at FVTPL				
– Investment in a life insurance policy	–	8,216	–	8,216
Financial asset at FVTOCI				
– Unlisted equity investment	–	–	3,847	3,847
	As at 31 December 2025			
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
Financial assets at FVTPL				
– Investment in a life insurance policy	–	8,216	–	8,216
Financial asset at FVTOCI				
– Unlisted equity investment	–	–	3,847	3,847
Derivative financial assets				
– Foreign exchange options	–	–	5,463	5,463
Total	–	8,216	9,310	17,526
Derivative financial liabilities				
– Foreign exchange swaps	–	–	2,090	2,090
– Foreign exchange options	–	–	2,294	2,294
	–	–	4,384	4,384

During the six months ended 30 June 2026 and year ended 31 December 2025, there were no transfer between levels of fair value hierarchy.

5. 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		
<i>Disaggregated by major products lines</i>		
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
<i>Disaggregation of revenue from contracts with customers by timing of recognition</i>		
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.

6. SEGMENT INFORMATION

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

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

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

Segment revenues and results

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

For the six months ended 30 June 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

6. SEGMENT INFORMATION (continued)**Segment revenues and results (continued)****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.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following table presents assets and liabilities of the Group's reportable and operating segments as at 30 June 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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

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

- all assets are allocated to operating segments other than deferred tax assets, financial assets at FVTPL and FVTOCI, derivative financial assets, income tax recoverable, pledged bank deposits, bank balances and cash, certain property, plant and equipment, investment 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.



6. SEGMENT INFORMATION (continued)

Other segment information

For the six months ended 30 June 2026

	LED backlight HK\$'000 (Unaudited)	LED lighting HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets [#]	44,324	4,012	47	48,383
Depreciation of property, plant and equipment	25,196	–	1,662	26,858
Depreciation of right-of-use assets	4,681	133	109	4,923
(Gain) loss on disposal of property, plant and equipment	(66)	95	–	29
Finance costs	506	–	16,190	16,696
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:				
Bank interest income	–	–	(19,659)	(19,659)

[#] Non-current assets excluded investment properties, deferred tax assets and financial assets at FVTOCI and FVTPL.

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the six months ended 30 June 2025

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

[#] Non-current assets excluded investment properties, deferred tax assets and financial assets at FVTOCI and FVTPL.

6. SEGMENT INFORMATION (continued)

Revenue from major products

Analysis by type of products

	Six months ended 30 June	
	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

6. SEGMENT INFORMATION (continued)**Revenue from major products (continued)****Analysis by application of products**

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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. SEGMENT INFORMATION (continued)

Geographical information

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

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
The PRC	1,287,799	1,072,018
Hong Kong	167	2,863
Taiwan	26,724	29,495
Others	15,046	23,084
	1,329,736	1,127,460

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
The PRC	574,768	527,956
Hong Kong	18,665	22,570
	593,433	550,526

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

6. SEGMENT INFORMATION (continued)

Information about major customers

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Customer A	421,845	329,974
Customer B	147,433	170,332

7. FINANCE COSTS

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



8. 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.

9. 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

10. 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).



11. EARNINGS PER SHARE

	Six months ended 30 June	
	2026	2025
	HK\$'000 (Unaudited)	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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of approximately HK\$47,499,000 (six months ended 30 June 2025: approximately HK\$4,602,000) for the expansion of production facilities. Items of property, plant and equipment with an aggregate carrying amount of approximately HK\$2,949,000 were disposed of and written-off during the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK\$1,423,000), resulting in a net loss on disposal and written-off of approximately HK\$29,000 (six months ended 30 June 2025: approximately HK\$23,000).

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Land	38,861	36,733
Buildings	36,839	36,312
Plant and machinery	2,157	4,066
	77,857	77,111

As at 30 June 2026, right-of-use assets of approximately HK\$38,861,000 (31 December 2025: approximately HK\$36,733,000) represents land use rights located in the PRC.

The Group has lease arrangements for factory premises and offices and plant and machinery. The lease terms are generally ranged from 2 to 8 years (31 December 2025: 2 to 8 years).

Addition of HK\$884,000 to the right-of-use assets for the six months ended 30 June 2026 (six months ended 30 June 2025: nil), due to new leases of buildings.



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

(ii) Lease liabilities

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Non-current	31,177	30,847
Current	7,759	7,498
	38,936	38,345
Amounts payable under lease liabilities		
Within one year	7,759	7,498
After one year but within two years	8,244	6,779
After two years but within five years	22,933	16,351
After five years	–	7,717
	38,936	38,345
Less: Amount due for settlement within 12 months (shown under current liabilities)	(7,759)	(7,498)
Amount due for settlement after 12 months	31,177	30,847

During the six months ended 30 June 2026, new lease agreement of HK\$884,000 was entered into in respect of renting of building (six months ended 30 June 2025: nil).

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

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**(iii) Amounts recognised in profit or loss**

	Six months ended 30 June	
	2026	2025
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Depreciation of right-of-use assets		
– Land	255	244
– Buildings	3,431	3,680
– Plant and machinery	1,237	636
Interest expense on lease liabilities	506	483

14. FINANCIAL ASSETS AT FVTPL

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

15. FINANCIAL ASSET AT FVTOCI

	30 June	31 December
	2026	2025
	HK\$'000 (Unaudited)	HK\$'000 (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.

16. TRADE AND BILLS RECEIVABLES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

The pledged bank deposits are pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK\$332,576,000 as at 30 June 2026 (31 December 2025: approximately HK\$630,230,000 have been pledged to secure bank borrowings and bills payables due within one year and are therefore classified as current assets. The pledged bank deposits will be released upon settlement of relevant bank borrowings.

The pledged bank deposits carry interest rates ranging from 1.00% to 3.25% (31 December 2025: 1.00% to 3.25%) per annum as at 30 June 2026. The pledged bank deposits will be released upon the end of facilities.

Bank balances and cash

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Cash and cash equivalents (represented by cash at banks and on hand)	362,452	228,508
Fixed deposits with maturity date over three months	–	33,214
	362,452	261,722

Bank balances and time deposits carry interest at market rates ranging as follows per annum:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Bank balances	0% to 0.35%	0% to 0.35%
Fixed deposits	1.0% to 3.90%	1.0% to 3.90%

18. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (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).

19. BANK AND OTHER BORROWINGS

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Secured:		
– Trust receipts loans	–	20,731
– Other bank loans	214,228	156,951
	214,228	177,682
Unsecured:		
– Other bank loans	68,029	132,858
	282,257	310,540

20. SHARE-BASED PAYMENT

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

20. SHARE-BASED PAYMENT (continued)

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

No share-based payment was recognised for the six months ended 30 June 2026 and 2025 in the condensed consolidated statement of profit or loss and other comprehensive income.

21. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

The share capital of the Company as at 30 June 2026 and 31 December 2025 is as follows:

	Number of shares		Share capital	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Ordinary shares of HK\$0.01 each Authorised At the beginning and end of the period/year	1,000,000,000	1,000,000,000	10,000	10,000
Issued and fully paid At the beginning and end of the period/year	219,725,000	219,725,000	2,197	2,197

21. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Treasury shares

During the six months ended 30 June 2026, the Company has repurchased a total of 2,866,000 shares for a total consideration of approximately HK\$2,491,000.

22. RELATED PARTY TRANSACTIONS AND BALANCES

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

Compensation of key management personnel

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Salaries and other allowances	2,891	3,640
Retirement benefit scheme contributions	42	67
	2,933	3,707