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If you have sold or transferred all your shares in Wai Chi Holdings Company Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

**CONDITIONAL GRANT AND ISSUE OF AWARDED SHARES
TO EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

All capitalized terms used in this circular shall have the meanings ascribed to them in the section headed “Definitions” of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 11th Floor, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 9 February 2023 at 11:00 a.m. is set out on pages 15 to 16 of this circular. Whether or not you propose to attend the meeting, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting, or any adjourned meeting should you so wish.

17 January 2023

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic and requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into, or be requested to leave, the EGM venue.
- (ii) All attendees are requested to wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees where possible.
- (iii) To the extent permitted under applicable laws and regulations, any person who does not comply with the measures above may be denied entry into, or be required to leave, the EGM venue.
- (iv) No refreshments will be served, and there will be no corporate gifts, at the EGM.

Shareholders should carefully consider the risk of attending the EGM, including their own personal circumstances. In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing and signing the form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the EGM as their proxies to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.

The form of proxy for use in connection with the EGM is enclosed with this circular. The form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.waichiholdings.com>). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“Amended Rules”	the amendments to the Listing Rules relating to share schemes of listed issuer, which have taken effect on 1 January 2023 pursuant to the Consultation Conclusions
“Announcement”	the announcement of the Company dated 23 December 2022 in relation to, amongst others, the grant of 2,900,000 Awarded Shares to 12 Selected Employees under the Share Award Scheme (inclusive of the Conditional Grant)
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Award”	an award of Awarded Shares to Selected Employees pursuant to the Share Award Scheme
“Awarded Shares”	the Shares to be awarded to the Selected Employees under the Share Award Scheme
“Board”	the board of Directors
“chief executive”	has the meaning ascribed to it in the Listing Rules
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“Company”	Wai Chi Holdings Company Limited (偉志控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange
“Conditional Grant”	the conditional grant of 800,000 Awarded Shares to Mr. Chen Chung Po and 400,000 Awarded Shares to Ms. Yong Jian Hui under the Share Award Scheme
“Conditional Grantee(s)”	Mr. Chen Chung Po and Ms. Yong Jian Hui, and each a Conditional Grantee
“connected person”	shall have the meaning ascribed to it under the Listing Rules
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Conditional Grant
“Employee(s)”	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)
“Grant”	the grant of 2,900,000 Awarded Shares to 12 Selected Employees pursuant to the Share Award Scheme
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholder who is not required to abstain from voting at the EGM, if necessary, and is required to vote at the EGM to approve the Conditional Grant
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“Latest Practicable Date”	12 January 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Scheme Limit”	the total number of Shares which may be issued upon exercise of all options and Awards to be granted under the Share Option Scheme, the Share Award Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme and the Share Award Scheme
“Selected Employee(s)”	employee(s) selected by the Board for participation in the Share Award Scheme in respect of the award of the Awarded Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	fully paid ordinary shares of HK\$0.01 each in the capital of the Company
“Share Award Scheme”	the share award scheme approved and adopted by the Company on 19 December 2022
“Share Option Scheme”	the share option scheme approved and adopted by the Company on 19 December 2022
“Shareholder(s)”	holder(s) of Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed to support and facilitate the operation of the Share Award Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee on 23 December 2022 (as restated, supplemented and amended from time to time)
“Trustee”	First Shanghai Securities Limited, a professional trustee appointed by the Company to hold the Shares (and the Related Income, if any) on trust for the benefit of the Selected Employee under the Share Award Scheme pursuant to the terms of the relevant Trust Deed, who is an Independent Third Party
“%”	per cent.

LETTER FROM THE BOARD



Wai Chi Holdings Company Limited

偉志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

Executive Directors:

Mr. Chen Chung Po (*Chairman*)

Ms. Luk Fong

Ms. Yiu Kwan Yu

Mr. Chen Wei Wu

Ms. Yong Jian Hui

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Au Yeung Tin Wah

Mr. Chen Kwok Wang

Mr. Ho Chi Wai

Principal place of business

in Hong Kong:

6th Floor, Liven House

63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

17 January 2023

To the Shareholders

Dear Sir or Madam,

**CONDITIONAL GRANT AND ISSUE OF AWARDED SHARES
TO EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to, amongst others, the grant of 2,900,000 Awarded Shares to 12 Selected Employees under the Share Award Scheme (inclusive of the Conditional Grant). The purpose of this circular is to provide the Shareholders with, among other things, (i) further details in respect of the Conditional Grant; and (ii) the notice of the EGM.

LETTER FROM THE BOARD

THE CONDITIONAL GRANT

On 23 December 2022, the Board (including the independent non-executive Directors, and excluding Mr. Chen Chung Po, Ms. Luk Fong, Ms. Yiu Kwan Yu and Ms. Yong Jian Hui) resolved to conditionally grant 800,000 Awarded Shares and 400,000 Awarded Shares to Mr. Chen Chung Po and Ms. Yong Jian Hui, respectively, conditional upon the approval of such grant by the Independent Shareholders at the EGM. Details of the Conditional Grant are as follows:

Name of grantee	Position held at the Company	Number of Awarded Shares	Approximate percentage of the total issued Shares as at the Latest Practicable Date	Market value of Conditional Grant as at the date of the Announcement	Market Value of Conditional Grant as at the Latest Practicable Date
				(Note 1) HK\$	(Note 2) HK\$
Mr. Chen Chung Po	Chairman, executive Director and chief executive officer	800,000	0.37%	1,280,000	1,232,000
Ms. Yong Jian Hui	Executive Director	400,000	0.18%	640,000	616,000

Notes:

1. The market value of the Awarded Shares was calculated based on the closing price of the Shares as quoted on the Stock Exchange of HK\$1.60 per Share as at the date of the Announcement.
2. The market value of the Awarded Shares was calculated based on the closing price of the Shares as quoted on the Stock Exchange of HK\$1.54 per Share as at the Latest Practicable Date.

The key terms of the Awards to be granted under the Conditional Grant are set out below:

Date of Conditional Grant: 23 December 2022

Total number of Awarded Shares to be issued under the Conditional Grant: 1,200,000 Awarded Shares

Market price of the Share on the date of Conditional Grant: The closing price of the Shares on 23 December 2022 as quoted on the Stock Exchange is HK\$1.60 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of Conditional Grant as quoted on the Stock Exchange is HK\$1.64 per Share

LETTER FROM THE BOARD

Consideration for Awards:	There is no additional amount payable on application or acceptance of the Award
Vesting date:	The first anniversary date of the date on which the Independent Shareholders' approval at the EGM was obtained
Performance target:	No performance target is to be achieved
Rights of Awarded Shares upon vesting:	The Selected Employee shall have no right, benefit or interest in any Awarded Shares unless and until the Trustee has vested the legal and beneficial ownership of such Awarded Shares in the Selected Employee. The Awarded Shares shall rank, upon issue, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Awarded Shares
Transferability:	Subject to the rules of the Share Award Scheme, any Award made hereunder shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award under the Share Award Scheme
Clawback mechanism:	In the event that the Selected Employee has committed any serious misconduct or breach of the Company's policies, rules or regulations or made any material misstatement(s) in the Company's financial statements, the Award granted to a Selected Employee shall automatically lapse and be cancelled forthwith pursuant to the rules of the Share Award Scheme

Upon vesting, the Selected Employees will have an unconditional right to obtain the Awarded Shares. There are no performance targets for the grant of Awarded Shares as the objective of the Awards is to recognize contributions by the Selected Employees while serving the purpose of staff retention. As such, the Company's remuneration committee holds the view that it is not necessary to have performance targets, and the vesting periods are fair and reasonable and consistent with the purposes of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the new Shares to be allotted and issued to satisfy the Conditional Grant shall be held on trust by the Trustee for the Conditional Grantees until such Awarded Shares are vested with the relevant Conditional Grantees in accordance with the rules of the Share Award Scheme and the Trust Deed. As such, no funds will be raised by the Company as a result of the allotment and issue of the new Shares. Pursuant to the rules of the Share Award Scheme, the Trustee shall not exercise any voting rights attached to the Awarded Shares held by it. None of the Directors is the Trustee, nor do they have any direct or indirect interest in the Trustee.

LETTER FROM THE BOARD

Pursuant to Rule 17.04(1) of the Amended Rules, the grant of Awards by the Company to a Director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Directors who are the grantees of the Awards). On 23 December 2022, the independent non-executive Directors approved the Conditional Grant.

The Awarded Shares

The new Shares to be allotted and issued by the Company to the Trustee to satisfy the Conditional Grant of 1,200,000 Awarded Shares represent approximately 0.55% and 0.55% of the total issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) as enlarged by the allotment and issue of such new Shares (assuming that there is no Share Option being exercised and there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the proposed date for allotment and issue of such new Shares), respectively.

Based on the closing price of HK\$1.60 per Share of the Company as quoted on the Stock Exchange as at the date of the Announcement, the market value of the Conditional Grant of 1,200,000 Awarded Shares is HK\$1,920,000. Based on the closing price of HK\$1.54 per Share of the Company as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of the Conditional Grant of 1,200,000 Awarded Shares is HK\$1,848,000.

Conditions precedent

The proposed allotment and issue of new Shares to the Trustee to satisfy the Conditional Grant shall be conditional upon the following: (i) the Independent Shareholders having passed all necessary resolutions at the EGM approving the Conditional Grant; and (ii) the fulfilment of the conditions set out in the Share Award Scheme.

Scheme Limit

Pursuant to the Scheme Limit approved by the Shareholders at the extraordinary general meeting of the Company held on 19 December 2022, the Company is authorized to allot and issue up to 21,682,500 Shares for the purpose of the Share Award Scheme and the Share Option Scheme. As at the Latest Practicable Date, 1,700,000 Shares have been allotted and issued under the Scheme Limit. The Scheme Limit is sufficient for the allotment and issue of new Shares to the Trustee to satisfy the Conditional Grant. After the grant of 2,900,000 Awarded Shares to 12 Selected Employees under the Share Award Scheme (inclusive of the Conditional Grant), the number of Shares available for future allotment and issue for the purpose of the Share Award Scheme and the Share Option Scheme is 18,782,500 Shares, representing approximately 8.60% of the total issued Shares as at the Latest Practicable Date.

REASONS FOR THE CONDITIONAL GRANT

The Company is an investment holding company. The Group is principally engaged in the design, manufacture and sales of high-quality Light-Emitting Diode (“LED”) backlight and LED lighting products and provision of packaging and testing services for semiconductor memory chip and related products sourcing. Both Mr. Chen Chung Po and Ms. Yong Jian Hui have performed essential duties and responsibilities in the Group.

LETTER FROM THE BOARD

Mr. Chen Chung Po has been an executive Director and the chief executive officer of the Company since 16 August 2013 and was appointed as chairman of the Company on 28 January 2022. He received his Bachelor of Arts in Business Studies degree from Hong Kong Polytechnic University in November 2000. Prior to his joining the Group, he has more than 10 years of working experience in banking and finance fields. He is responsible for the day-to-day management of our Group including administration, procurement, production as well as financial management.

Serving as an executive Director and chief executive officer of the Company, Mr. Chen continues to guide the Group in overall strategic planning and business development as well as lead the management in implementing various business strategies and achieving different corporate objectives of the Group. Apart from managing the Group's traditional lines of LED backlights and LED lighting products, Mr. Chen also devoted in identifying new business and investment opportunities which are in line with the Group's strategic directions with a view to diversifying the Group's revenue streams. In 2020, the Group expanded its business into the semiconductor memory chips with a view to capturing the growing demand under the rapid development of 5G connections and breakthroughs in modern consumer products. Mr. Chen has been actively involved in the development of the semiconductor memory chip business of the Group. Since the launch of packaging and testing facilities in October 2021, the Group has been engaging in (i) sourcing memory chip-related products; and (ii) provision of packaging and testing of semiconductor memory chip products. For the six months ended 30 June 2022, the revenue from the Group's semiconductor memory chips business amounted to approximately HK\$283.5 million, which included approximately HK\$14.6 million (six months ended 30 June 2021: nil) from the newly launched line of packaging and testing business, and approximately HK\$268.9 million (six months ended 30 June 2021: approximately HK\$178.0 million) from the sourcing of memory chip-related products. The Board and the Company's remuneration committee are of the view that the continual development of the semiconductor memory chip business segment is attributable to the persistent devotion and leadership of Mr. Chen. Having considered that (i) Mr. Chen's pivotal role as the Company's chairman and chief executive officer as well as his critical responsibility for the Group's corporate strategy formulation and overall management are crucial to the future development of the Group; and (ii) Mr. Chen has made substantial contribution to the development of the semiconductor memory chip business, the Board and the Company's remuneration committee consider that the Conditional Grant to Mr. Chen is the proper and appropriate way to recognize his contribution to the Group and to further motivate him to continue leading the Group.

Ms. Yong Jian Hui joined the Group since 2003 and has been an executive Director since 11 March 2014. She graduated from the Hunan Radio & TV University of Financial Accounting Profession in 1999 and obtained her Master of Business Administration degree from the Southwest Jiaotong University in June 2012. She has more than 10 years of working experience in sales and marketing of backlight products. She is currently the deputy general manager and the head of sales department of Wai Chi Opto Technology (Shenzhen) Company Limited, a subsidiary of the Company. She is responsible for the sales and marketing of our LED backlight products.

LETTER FROM THE BOARD

Ms. Yong Jian Hui has devoted her services to the Group for nearly 19 years, and made a treasured contribution to the growth of business of the Group. Now serving as an executive Director, she continues to lead the sales and marketing department of the Group, especially the LED backlight products. Owing to the continuous effort and contributions of Ms. Yong, the LED backlight business has recovered from a highly disrupted year in 2019 due to the COVID-19 pandemic. For the year ended 31 December 2021, revenue from sales of LED backlight products amounted to approximately HK\$1.5 billion, representing an increase of approximately 47.2% from approximately HK\$1.0 billion for the year ended 31 December 2020. For the six months ended 30 June 2022, revenue attributable to the sales of LED backlight product were approximately HK\$780.1 million, representing an increase of approximately 20.0% from approximately HK\$650.1 million for the six months ended 30 June 2021. Such increase in sales of LED backlight product was mainly attributable to the effort of the sales and marketing department to increase the sales of all products lines, especially the increasing amount of automotive display LED backlight products. The Board and the Company's remuneration committee are of the view that Ms. Yong is one of the main contributors for the Company's quick recovery while the global economy suffered a severe blow from COVID-19 pandemic. Having considered that (i) Ms. Yong has been serving the Group with dedication and commitment for over 19 years; and (ii) Ms. Yong has made significant contribution to the sales and marketing of the Group's LED backlight products during the COVID-19 pandemic, the Board and the Company's remuneration committee are of the view that the Conditional Grant to Ms. Yong is the proper and appropriate way to recognize her contributions to the Group and to motivate her further in applying her experience to the growth of the Group.

The purposes and objectives of the Share Award Scheme are to recognize the contributions by the Selected Employees and give incentives thereto in order to retain them for the continual operation and development of the Group. The Board and the Company's remuneration committee are of the view that the Conditional Grant serves as an incentive for recognition of the Conditional Grantees' past contributions in driving the continual business operation and development of the Group and to encourage them to further apply their expertise, experience and leadership to the development of the Group in the future.

In determining the number of the Award Shares to be granted to each of the Conditional Grantees, the Board has considered various factors including but not limited to, (i) the historical contributions of the Conditional Grantees; (ii) the functions, job responsibilities, duty importance and personnel seniorities of the Conditional Grantees; (iii) the recent price of the Share and the annual salary of the Conditional Grantees, and (iv) in respect of the aforesaid, whether the Conditional Grant is sufficient to retain them for the continual operation and development of the Group. The remuneration committee of the Company is of the view that the number of the Award Shares to be granted to each of the Conditional Grantees is fair and reasonable as the number of the Award Shares was determined with reference to, among other things, (i) the past contributions of Mr. Chen and Ms. Yong as mentioned above; (ii) Mr. Chen's essential duties and responsibilities in the Group of being the chairman, executive Director and the chief executive officer of the Company; (iii) Ms. Yong's essential duties and responsibilities in the Group of being the executive Director and deputy general manager; and (iv) the estimated value of the Conditional Grant, which was based on the recent price of the Share.

Having considered the above, the Board (including all the independent non-executive Directors, and excluding Mr. Chen Chung Po, Ms. Luk Fong, Ms. Yiu Kwan Yu and Ms. Yong Jian Hui, who abstained from voting on the Board resolutions to approve the Conditional Grant) consider that the Conditional Grant and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had issued 218,525,000 Shares in issue and granted 4,710,000 Share Options. Save for the aforesaid, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Awarded Shares, assuming that there is no Share Option being exercised and there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the proposed date for allotment and issue of such new Shares:

Name of Shareholders	As at the Latest Practicable Date ⁽¹⁾		Immediately after the allotment, issue and full vesting of the Awarded Shares ⁽¹⁾	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Substantial Shareholders</i>				
Rexell Technology Company Limited ⁽²⁾	128,120,000	58.63	128,120,000	58.31
<i>Directors</i>				
Mr. Chen Chung Po ⁽³⁾	–	–	800,000	0.36
Ms. Yong Jian Hui	–	–	400,000	0.18
Ms. Yiu Kwan Yu ⁽³⁾	–	–	200,000	0.09
Mr. Chen Wei Wu	–	–	200,000	0.09
<i>Other Selected Employees</i>				
Other employees	–	–	1,300,000	0.60
Trustee	1,700,000	0.78	–	–
Other public Shareholders	88,705,000	40.59	88,705,000	40.37
Total	<u>218,525,000</u>	<u>100.00</u>	<u>219,725,000</u>	<u>100.00</u>

Notes:

- All interests stated are long positions.
- Rexell Technology Company Limited (“**Rexell**”) directly holds 128,120,000 Shares. Mr. Yiu Chi To (deceased) is the legal and beneficial owner of all the issued shares of Rexell and is therefore deemed to be interested in all the Shares held by Rexell under the SFO. Ms. Luk Fong, an executive Director, as the spouse of Mr. Yiu Chi To, is deemed to be interested in the Shares held by Rexell by virtue of the SFO.
- Mr. Chen Chung Po and Ms. Yiu Kwan Yu are spouses. Thus, they are deemed to be interested in the Shares held by each other.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Amended Rules, any grant of Awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, under the Share Award Scheme must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the Awards). On 23 December 2022, the Conditional Grant was approved by all the independent non-executive Directors.

Pursuant to Rule 17.04(2) of the Amended Rules, where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive director) or chief executive of the issuer, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Awards must be approved by Shareholders in general meeting whereby such grantee and his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

As each of the total number of Shares issued and to be issued in respect of all Awards conditionally granted to Mr. Chen Chung Po and Ms. Yong Jian Hui would, in each case, in a 12-month period up to and including the date of such grant, represent over 0.1% of the Shares in issue, the Conditional Grant is subject to the approval by the Independent Shareholders, where Mr. Chen Chung Po and Ms. Yong Jian Hui, their associates and all core connected persons of the Company shall abstain from voting in favour on the relevant resolution(s) at the EGM pursuant to the Listing Rules and the Amended Rules.

To the extent that the Company is aware having made all reasonable enquiries as at the Latest Practicable Date, Rexell Technology Company Limited and Ms. Luk Fong are the core connected persons of the Company. Ms. Yiu Kwan Yu, being an executive Director and the spouse of Mr. Chen Chung Po and therefore an associate and a core connected person, Mr. Chen Chung Po, Ms. Yong Jian Hui, their associates, Rexell Technology Company Limited and Ms. Luk Fong who is entitled to exercise control over the voting right in respect of an aggregate of 128,120,000 Shares and representing approximately 58.63% of the total number of Shares in issue as at the Latest Practicable Date, are thus required to abstain from voting in favour on the resolution in respect of the Conditional Grant as set out in the notice of the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed above, no other Shareholders will be required to abstain from voting in favour on the resolution in respect of the Conditional Grant as set out in the notice of the EGM.

As at the Latest Practicable Date, none of the Shareholders who are required to abstain from voting in favour of the resolutions approving the Conditional Grant have given the Company notice of their intention to vote against the resolutions at the EGM.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Conditional Grant.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 15 to 16 of this circular. All resolutions to be proposed at the EGM will be voted on by poll. Only the Shareholders are entitled to attend and vote at the EGM.

A proxy form for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the proxy form and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a proxy form will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish, and in such case, the form of proxy submitted by you shall be deemed to be revoked.

To the best of the knowledge, belief and information of the Directors having made all reasonable enquiries, save as disclosed above, as none of the Shareholders or their associates would have any interest in the Conditional Grant, no Shareholder would be required to abstain from voting in favour of the resolutions relating to the Conditional Grant at the EGM.

For determination of the entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from Monday, 6 February 2023 to Thursday, 9 February 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 3 February 2023.

An announcement will be made by the Company following the conclusion of the EGM to inform you of the results of the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board (including all the independent non-executive Directors, and excluding Mr. Chen Chung Po, Ms. Luk Fong, Ms. Yiu Kwan Yu and Ms. Yong Jian Hui, who abstained from voting on the Board resolutions to approve the Conditional Grant) consider that the terms of the Conditional Grant are fair and reasonable so far as the Independent Shareholders are concerned, and that the Conditional Grant is in the interests of the Company and the Shareholders as a whole, and therefore recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM, to approve the Conditional Grant.

For and on behalf of the Board of
Wai Chi Holdings Company Limited
Chen Chung Po
Chairman

NOTICE OF EGM



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1305)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting (the “**EGM**”) of Wai Chi Holdings Company Limited (the “**Company**”) will be held at 11th Floor, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 9 February 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company. Capitalised terms used in this notice of EGM shall have the same meaning as those defined in the circular of the Company dated 17 January 2023 (the “**Circular**”) unless the content requires otherwise.

ORDINARY RESOLUTIONS

1. “**THAT** the grant of 800,000 Awarded Shares to Mr. Chen Chung Po be and is hereby approved, confirmed and ratified and any Director be and is hereby authorised to do all such acts and things as may be necessary, desirable or expedient in order to give effect to the allotment and issue of 800,000 Shares to First Shanghai Securities Limited to hold on trust for Mr. Chen Chung Po.”
2. “**THAT** the grant of 400,000 Awarded Shares to Ms. Yong Jian Hui be and is hereby approved, confirmed and ratified and any Director be and is hereby authorised to do all such acts and things as may be necessary, desirable or expedient in order to give effect to the allotment and issue of 400,000 Shares to First Shanghai Securities Limited to hold on trust for Ms. Yong Jian Hui.”

For and on behalf of the Board of
Wai Chi Holdings Company Limited
Chen Chung Po
Chairman

17 January 2023

NOTICE OF EGM

Notes:

1. All resolutions at the extraordinary general meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.waichiholdings.com in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy can vote on a poll. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. Where there are joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the extraordinary general meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the extraordinary general meeting or any adjournment thereof, and in such event, the authority of the member's proxy shall be deemed to be revoked.
6. For the purpose of determining members who are qualified for attending the extraordinary general meeting, the register of members of the Company will be closed from Monday, 6 February 2023 to Thursday, 9 February 2023, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending the extraordinary general meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 3 February 2023.
7. As at the date of this notice, the executive Directors of the Company are Mr. Chen Chung Po (chairman and chief executive officer), Ms. Luk Fong, Ms. Yiu Kwan Yu, Mr. Chen Wei Wu and Ms. Yong Jian Hui; and the independent non-executive Directors are Mr. Au Yeung Tin Wah, Mr. Chen Kwok Wang and Mr. Ho Chi Wai.