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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)

SUPPLEMENTAL ANNOUNCEMENT
TO
THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the Annual Report of Wai Chi Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**2022 Annual Report**”) published by the Company on 20 April 2023 and the interim report for the six months ended 30 June 2023 published by the Company on 15 September 2023 (the “**Interim Report**”). Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the announcements of the Company dated 28 June 2022 and 23 December 2022, the circular of the Company dated 17 January 2023 and the 2022 Annual Report.

According to the 2022 Annual Report and the Interim Report, the Company adopted (i) a share option scheme on 27 October 2014 (the “**2014 Share Option Scheme**”), (ii) a share option scheme on 19 December 2022 (the “**2022 Share Option Scheme**”), and (iii) a share award scheme on 19 December 2022 (the “**Share Award Scheme**”, together with the 2014 Share Option Scheme and the 2022 Share Option Scheme, being collectively referred to hereinafter as the “**Share Schemes**”).

Regarding the 2022 Annual Report, the Board hereby would like to provide the following supplemental information regarding the Share Schemes (the “**Supplemental Information**”) in accordance with the relevant disclosure requirements in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

A. 2014 SHARE OPTION SCHEME

It has been disclosed in the 2022 Annual Report that, as announced by the Board on 28 June 2022 (being the Grant Date), the Company had granted a total of 4,710,000 Share Options to a number of eligible participants (the “**Grantees**”) under the 2014 Share Option Scheme. The exercise price of the Share Options granted was HK\$1.49 per Share, with a 10-year validity period from the Grant Date, and the exercise period will commence on the date immediately following the expiry of twelve months from the Grant Date up to and inclusive of 27 June 2032. The estimated fair value of the Share Options granted on the Grant Date is approximately HK\$3,816,000 (as stated at page 209 of the 2022 Annual Report). In any case, the relevant Supplemental Information is set out below:

A1. The Closing price of the Shares immediately before the Grant Date is HK\$1.5 per Share.

A2. The estimated fair value of the Share Options granted on the Grant Date of approximately HK\$3,816,000 comprises a fair value of (i) approximately HK\$1,458,344 for the 1,800,000 Share Options granted to 4 Directors, and (ii) approximately HK\$2,357,656 for the 2,910,000 Share Options granted to the other 24 Grantees (being Employees of the Company), as calculated using the Black-Scholes pricing model. The relevant fair value of the Share Options granted to each Director is shown below:

Director	Amount of Share Options granted	Fair Value of the Share Options granted (HK\$) (approximately)
Mr. Chen Chung Po	800,000	648,153
Ms. Yiu Kwan Yu	400,000	324,076
Ms. Yong Jian Hui	400,000	324,076
Mr. Chen Wei Wu	200,000	162,039

A3a. 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.

A3b. 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.

B. 2022 SHARE OPTION SCHEME

It has been disclosed in the 2022 Annual Report that at 31 December 2022, no Share Option had been granted and remained outstanding under the 2022 Share Option Scheme. Share Options may be exercised at any time from 12 months from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the Company's share. In this respect, the relevant Supplemental Information is set out below:

B1. An amount of HK\$1.00 is payable to the Company by an eligible participant (being a grantee) on acceptance of an offer to grant share option(s) (the “**Offer**”) within 28 days from the date of Offer.

C. SHARE AWARD SCHEME

It has been disclosed in the 2022 Annual Report that the Share Award Scheme was adopted pursuant to a resolution passed on 19 December 2022 by independent shareholders of the Company, whereby the Company issued 2,900,000 shares to certain directors and employees of the Company under the Share Award Scheme, the details of which were set out in the announcement of the Company dated 23 December 2022, the circular of the Company dated 17 January 2023 and the announcement of the Company dated 9 February 2023. In this respect, the relevant Supplemental Information is set out below:

C1. The closing price of the shares immediately before the date on which the Awards were granted is HK\$1.6 per Share.

- C2. The estimated fair value of the Awards granted on the date of grant is approximately HK\$4,640,000, comprising an estimated fair value of (i) approximately HK\$2,560,000 for the grant to 4 Directors of 1,600,000 Awarded Shares, and (ii) approximately HK\$2,080,000 for the grant to the other 8 Selected Employees of the Company of 1,300,000 Awarded Shares, both grant of Awarded Shares being at the closing price of HK\$1.60 per Share on the date of grant as quoted on the Stock Exchange. The relevant fair value of the Awarded Shares granted to each Director is shown below:

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

- C3. As at the date of the 2022 Annual Report, the total number of Shares available for issue under the 2022 Share Option Scheme and the Share Award Scheme was 18,782,500 Shares which represents 8.6% of the issued Shares.
- C4. The number of options and awards available for grant under the scheme mandate at the beginning of the financial year ended 31 December 2022 was a total of 21,682,500 Shares.
- C5. The number of options and awards available for grant under the scheme mandate at the end of the financial year ended 31 December 2022 was a total of 19,982,500 Shares.
- C6. The number of Shares that may be issued in respect of the Share Options and the Awards granted under all the Share Schemes of the Company during the financial year ended 31 December 2022 divided by the weighted average number of Shares in issue for the financial year ended 31 December 2022 was 9.1%.

C7. The Grant of Awarded Shares in the financial year ended 31 December 2022 (the “year”)

Director/ Employees	Date of Grant	Vesting Date	Purchase Price	Unvested as at 1 January 2022	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Unvested as at 31 December 2022
Ms. Yiu Kwan Yu (being an executive Director)	23 December 2022	The first anniversary of the date of grant	N/A	-	200,000	-	-	-	200,000
Mr. Chen Wei Wu (being an executive Director)	23 December 2022	The first anniversary of the date of grant	N/A	-	200,000	-	-	-	200,000
8 Employees other than the Directors	23 December 2022	The first anniversary of the date of grant	N/A	-	1,300,000	-	-	-	1,300,000

C8. The Grant of Awarded Shares for the period from 1 January 2023 to 30 June 2023 (the “period”)

Director/ Employees	Date of Grant	Vesting Date	Purchase Price	Unvested as at 1 January 2023	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Unvested as at 30 June 2023	Approval of Conditional Grant during the period
Mr. Chen Chung Po (“Mr. Chen”) (being an executive Director and the chief executive officer)	9 February 2023	The first anniversary of the date of grant	N/A	-	800,000	-	-	-	800,000	EGM held on 9 February 2023 approved the Conditional Grant of 800,000 Awarded Shares to Mr. Chen
Ms. Yong Jian Hui (“Ms. Yong”) (being an executive Director)	9 February 2023	The first anniversary of the date of grant	N/A	-	400,000	-	-	-	400,000	EGM held on 9 February 2023 approved the Conditional Grant of 400,000 Awarded Shares to Ms. Yong
Ms. Yiu Kwan Yu (being an executive Director)	23 December 2022	The first anniversary of the date of grant	N/A	200,000	-	-	-	-	200,000	-
Mr. Chen Wei Wu (being an executive Director)	23 December 2022	The first anniversary of the date of grant	N/A	200,000	-	-	-	-	200,000	-
8 Employees other than the Directors	23 December 2022	The first anniversary of the date of grant	N/A	130,000	-	-	-	-	130,000	-

D. CLARIFICATION ON CERTAIN DISCLOSURE IN THE 2022 ANNUAL REPORT

The 2022 Annual Report disclosed on page 47 that “During the period from the Adoption Date and up to the date of this Annual Report, no Award was granted under the Share Award Scheme.”

The Board hereby would like to clarify that during the period from the Adoption Date and up to the date of the 2022 Annual Report, 2,900,000 Awarded Shares were granted under the Share Award Scheme.

E. REASONS FOR THE REMUNERATION COMMITTEE OF THE BOARD TO APPROVE AND RECOMMEND TO THE BOARD FOR APPROVAL OF THE 2022 SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME (TOGETHER, THE “SCHEMES”)

The Remuneration Committee noted the “Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment” and the amended rules stated therein (the “**Amended Rules**”) published by the Stock Exchange in July 2022, that the Company would like to adopt such Amended Rules, and that the Existing Share Option Scheme would expire on 27 October 2024. In light of the aforesaid, the Remuneration Committee considered it appropriate to terminate the Existing Share Option Scheme and adopt the new 2022 Share Option Scheme in order to continue and maintain the incentive arrangement for the Eligible Participants. Having reviewed in detail and carefully considered the 2022 Share Option Scheme and the rules set out therein, the Remuneration Committee was of the view that the 2022 Share Option Scheme and the rules set out therein were fair and reasonable and should be approved for recommendation to the Board for approval and consideration of recommendation to the Company for adoption.

With regard to the Share Award Scheme, the Remuneration Committee noted that the Share Award Scheme was to be established for the purpose of recognizing the contributions by certain employees of the Company or any of its subsidiaries (the “**employees**”) and giving incentives to the employees 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 Remuneration Committee, having reviewed in detail and considered carefully the Share Award Scheme and the rules set out therein, was of the view that the Share Award Scheme and the rules set out therein were fair and reasonable and should be approved for recommendation to the Board for approval and consideration of recommendation to the Company for adoption.

Save as disclosed above, all the information in respect of the Share Schemes contained in the 2022 Annual Report remains unchanged. This announcement is supplemental to and should be read in conjunction with the 2022 Annual Report.

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

Hong Kong, 13 October 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Chen Chung Po (Chairman and Chief Executive Officer), Ms. Luk Fong, Ms. Yiu Kwan Yu, 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, Mr. Ho Chi Wai and Mr. Yu Zhenyu.