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## **WEIli Holdings Limited**

### **偉立控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2372)**

### **PROFIT WARNING**

This announcement is made by WEIli Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s interim report for the six months ended 30 June 2022 (the “**Interim Report**”) and the voluntary announcement of the Company dated 14 October 2022 (the “**Voluntary Announcement**”). As disclosed in the Interim Report and the Voluntary Announcement, the operating conditions of the Group have become more and more challenging since July 2022 and continued throughout the three months ended 30 September 2022 (“**Q3 2022**”), while also being expected that some of the adverse impacts would be continued in the fourth quarter ended 31 December 2022 (“**Q4 2022**”). The board (“**Board**”) of directors (“**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (“**FY2022**”), it is expected that the Group would record a net profit no more than RMB26.0 million for FY2022 as compared to a net profit of approximately RMB35.7 million for the year ended 31 December 2021.

Based on the relevant information currently available to the Company, the decrease in net profit was mainly due to (i) the power shortage in the PRC due to the heatwave and record-breaking high temperatures since mid-July 2022; (ii) COVID-19 cases found in different regions of the PRC, including Hubei Province and several other regions where the Group’s customers are located since mid-July 2022; and (iii) some of the Group’s major customers have lost tenders or were awarded tenders with less volume from their customers.

## **POWER SHORTAGE**

Since mid-July 2022, several provinces, including Hubei Province where the Group's headquarter is located, have been facing a heatwave with record-breaking high temperature. Driven by the need for air conditioning, the power demand has increased significantly, which put pressure on the electricity supply. On 16 August 2022, the Group received a letter from the local government and electricity supplier, stating that Hubei Province and Huanggang City were facing a power deficit in their power-grid. The letter also required enterprises to cooperate with the local government to secure the power needs of local residents and important users. To cooperate with the government, the Group has voluntarily adjusted its operating hours to avoid the demand spike of electricity, which has posed challenges to the Group to maintain optimal productivity and outputs.

## **COVID-19 OUTBREAK**

Since mid-July 2022, COVID-19 cases were found in different regions in the PRC which were previously relatively unaffected by the outbreak in the first half of 2022, such as Hubei Province, Henan Province, Heilongjiang Province and Chongqing. Logistics restrictions were therefore imposed as countermeasures by the local governments. Several districts in Hubei Province, Henan Province, Heilongjiang Province and Chongqing, where the Group's customers are located, were affected, resulting in decreased orders from these customers. Since the beginning of December 2022, the PRC government has announced nationwide loosening of COVID-19 restrictions. The Directors consider the impact brought by the COVID-19 outbreak to the PRC as well as the Group would be reduced in the year of 2023 benefited by the loosened COVID-19 policy.

## **MAJOR CUSTOMERS LOSING TENDERS**

Since the second half of 2022, some of the Group's major customers have lost their tenders or were awarded tenders with less volume in respect of certain cigarette brands from their customers, which are mainly cigarette manufacturers. It resulted in reduced orders from such customers to the Group in respect of such affected cigarette brands. The Directors consider that the adverse impact brought by the loss of tenders of these major customers will continue in the year of 2023.

The Company is still in the process of finalising the annual results of the Group for FY2022. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the management for FY2022, which are still subject to review by the audit committee of the Company and audit by the auditor of the Company, and shall be subject to adjustments. The actual financial information of the Group for FY2022 may be different from the information disclosed in

this announcement. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for FY2022, which is expected to be published by the end of March 2023.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board  
**WEIli Holdings Limited**  
**Chen Weizhuang**  
*Chairman and Executive Director*

Hong Kong, 7 March 2023

*As at the date of this announcement, the Board comprises Mr. Chen Weizhuang and Mr. Yu Tianbing as executive Directors, Mr. Hu Haoran as a non-executive Director, and Mr. Liu Yimin, Mr. Chen Yeung Tak and Ms. Feng Yuan as independent non-executive Directors.*