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WISE ALLY

Wise Ally International Holdings Limited

麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors of Wise Ally International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The Board would like to inform the shareholders and potential investors of the Company that, based on the preliminary review and the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record a drop in profit attributable to equity holders of the Company for the year ended 31 December 2022 to not less than HK\$10.0 million, as compared with the profit amounted to approximately HK\$20.1 million attributable to equity holders of the Company for the corresponding period in 2021.

Notwithstanding that there was an increase of revenue for the year ended 31 December 2022 of not less than 25% as compared to the corresponding year in 2021 which is mainly attributable to an increase in orders from our major customers during the second half year of 2022, based on the latest information available to the management of the Company, the decrease in profit for the year ended 31 December 2022 is expected to be mainly attributable to (i) the significant fair value loss in financial asset at fair value through profit or loss; and (ii) the increase in cost of sales mainly due to increase in cost of raw materials given that the supply of some critical components was in a severe shortage throughout the year, which offset the effect of increase in revenue.

The fair value loss in financial asset at fair value through profit or loss arose from re-measurement of the Company’s investment in convertible bond at the reporting year end dates at their market value pursuant to the applicable accounting standards. As such loss is only provision for impairment nature, they do not affect the Group’s cash flow condition.

As the Company is still in the process of finalising the results of the Group for the year ended 31 December 2022, the information contained in this announcement is only a preliminary assessment by the Board according to the unaudited consolidated management accounts of the Group and is not based on any information or figures that have been audited or reviewed by auditors of the Company. Therefore, the actual results of the Group for the year ended 31 December 2022 may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2022 which is expected to be published by the end of March 2023.

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

By order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive Directors are Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.