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KA SHUI INTERNATIONAL HOLDINGS LIMITED

嘉瑞國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 822)

POSITIVE PROFIT ALERT

This announcement is made pursuant to rule 13.09 of the Listing Rules.

The Board is pleased to announce that the Group's unaudited consolidated net profit for the financial year ending 31 December 2012 is expected to record a significant increase as compared with that for the same period in 2011.

The above expected significant increase in relation to the unaudited consolidated net profit is based on the unaudited financial information currently available which is subject to final review by the Company's auditors.

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

This announcement is made pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of Ka Shui International Holdings Limited (the "Company") is pleased to announce that, based on a preliminary review of the unaudited management accounts of the Company and its subsidiaries (collectively the "Group"), it is expected that the Group's unaudited consolidated net profit for the financial year ending 31 December 2012 would record a significant increase as compared with the audited results for the financial year ending 31 December 2011.

The significant boost in the Group's annual results was primarily attributable to the following reasons:

- (1) Benefiting from the buoyant demand for magnesium alloy's notebook computer components because of its unique characteristic of combining ultra-thinness and light weight as well as the continuously rising demand for plastic protective cases driven by a fast growing smart phone market, the Group has experienced a strong surge in sales orders for both business segments; and
- (2) Gross profit margin of the Group for the year ended 31 December 2012 is also expected to enhance significantly resulting from the enjoyment of economies of scale in production caused by the increase in turnover coupled with a favourable change in product mix.

This positive profit alert announcement is made after the Company's preliminary assessment of its unaudited management accounts for the year ended 31 December 2012, which is subject to final detailed review or adjustment by the Company's auditors.

Since the Company is still in the process of finalizing its unaudited financial statements for the year ended 31 December 2012, shareholders of the Company and potential investors are advised to review in detail the Company's final results announcement for the year ended 31 December 2012, which is expected to be released in March 2013.

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

By Order of the Board
Ka Shui International Holdings Limited
Lee Yuen Fat
Chairman

Hong Kong, 22 January 2013

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lee Yuen Fat, Dr. Keung Wing Ching, Mr. Wong Wing Chuen and Mr. Chan Tat Cheong, Alan, and four independent non-executive directors, namely Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann John and Mr. Andrew Look.