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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 by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO.

The Board is pleased to announce that, based on the preliminary review of the Group's consolidated management accounts for the six months ended 30 June 2013, it is expected that the net profit of the Group for the six months ending 30 June 2013 would increase significantly as compared with that of the corresponding period in 2012.

This positive profit alert announcement is only based on a preliminary assessment of the consolidated management accounts of the Group for the six months ended 30 June 2013, which have not been reviewed by the auditors of the Company.

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

This announcement is made by Ka Shui International Holdings Limited (the "**Company**") 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 in the Listing Rules) of Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the “**Board**”) is pleased to announce that, based on the preliminary review of the Group’s consolidated management accounts for the six months ended 30 June 2013, it is expected that the net profit of the Group for the six months ending 30 June 2013 would increase significantly as compared with that of the corresponding period in 2012.

The expected increase in the net profit of the Group is primarily attributable to the following reasons:

- (1) Benefitting from the continuous strong demand from the market on using magnesium alloy for Ultrabook’s casings as well as plastic protective cases driven by the smartphone boom, there is a significant increase in the Group’s turnover during the first half year of 2013; and
- (2) Gross profit margin of the Group for the six months ended 30 June 2013 is also expected to enhance further resulting from gains on a larger operating scale coupled with a more favourable change in product mix.

This positive profit alert announcement is only based on a preliminary assessment of the consolidated management accounts of the Group for the six months ended 30 June 2013, which have not been reviewed by the auditors of the Company.

The Company is currently preparing the interim results of the Group for the six months ended 30 June 2013 and formal announcement of the Company’s interim results for such period will be published in due course.

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, 5 August 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.