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 wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group is expected to record a consolidated net profit for the financial year ended 31 December 2016, as compared to the audited consolidated net loss recorded for the year ended 31 December 2015.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the 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 (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (collectively the "**Group**") and the information currently available to the Company, the Group is expected to record a consolidated net profit for the financial year ended 31

December 2016, as compared to the audited consolidated net loss recorded for the year ended 31 December 2015.

The reasons for resuming profit were mainly attributable to the following factors:

(i) increase in sales by approximately 10% to 20% as compared to the year ended 31 December 2015; and

(ii) reversal of certain loss arising from settlements and fair value changes on forward foreign exchange contracts.

This positive profit alert announcement is made after the Group's preliminary assessment of its unaudited consolidated management accounts for the year ended 31 December 2016, which is still subject to audit by the Company's auditor.

The Company is still in the process of finalizing the results of the Group for the year ended 31 December 2016, which is expected to be published in late March 2017.

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

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

Hong Kong, 13 February 2017

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lee Yuen Fat, Mr. Wong Wing Chuen and Dr. Wong Cheong Yiu, and four independent non-executive directors, namely Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie.