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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 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 Board, while the Group is expected to report a mild decrease in revenue for the Year when compared with last year, the Group is expected to record an increase of approximately 35% to 45% in the consolidated profit attributable to owners of the Company for the Year when compared with approximately HK\$88.7 million for last year.

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 Board, while the Group is expected to report a mild decrease in revenue for the year ended 31 December 2020 (the “**Year**”) when compared with last year, the Group is expected to record an increase of approximately 35% to 45% in the consolidated profit attributable to owners of the Company for the Year when compared with approximately HK\$88.7 million for last year.

Such expected increase was mainly attributable to the following factors:

- (i) an increase in operational efficiency and gross profit margin as a result of continuous integration of the Group’s resources and optimisation of information systems, from which the Group achieved reduction in manufacturing overhead;
- (ii) a decrease in the Group’s operating cost due to process improvement and enhancement in product mix, which has led to a drop in cost of sales; and
- (iii) an one-off utility and government subsidies received by the Group in China and Hong Kong during the Year as a result of COVID-19 pandemic.

The Company is still in the process of finalising the consolidated annual results of the Group for the Year, and the information contained in this announcement is only based on the Board’s preliminary assessment of the Group’s latest unaudited consolidated management accounts for the Year, which is subject to final detailed review or adjustment by the Company’s auditors and the Company’s audit committee. The consolidated annual results of the Group for the Year is expected to be published in late March 2021.

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, 10 March 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lee Yuen Fat, Mr. Wong Wing Chuen and Ms. Chan So Wah, 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.