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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)

PROFIT WARNING

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, the Group is expected to record a net loss attributable to the owners of the Company in the range of approximately HK\$20.5 million to HK\$23.5 million for the six months ended 30 June 2023, as compared with a net profit attributable to the owners of the Company for the corresponding period in 2022 of approximately HK\$18.5 million.

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 of the 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, the Group is expected to record a net loss attributable to the owners of the Company in the range of approximately HK\$ 20.5 million to HK\$23.5 million for the six months ended 30 June 2023, as compared

with a net profit attributable to the owners of the Company for the corresponding period in 2022 of approximately HK\$18.5 million. The net loss was mainly attributable to the following factors:

- (i) the elevated inflation rate, interest rate hike and geopolitical turmoil slowed global economic recovery. The weakening growth of both local and global consumption markets affected the Group's sales, which led to a decrease in the Group's sales revenue during the period in the range of approximately 21% to 25% as compared with the same period last year; and
- (ii) change of orders from customers and product mix leading to a reduction in the Group's gross profit margin.

Amid the ever-changing business environment, the Group will place high priority on implementation of stringent cost control measures, developing new business and new markets as well as new products and technology to expedite its horizontal businesses expansion and elevate its position as a leading material solution supplier. The Group will also closely monitor the market situation and make necessary adjustments to its strategies and operations on vertical upstream integration.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2023, 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 six months ended 30 June 2023, which have not been reviewed by the Company's auditors and the Company's audit committee. The interim results of the Group for the six months ended 30 June 2023 is expected to be published in late August 2023.

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, 14 August 2023

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lee Yuen Fat, Mr. Wong Wing Chuen, Mr. Chu Weiman, Ms. Chan So Wah, and four independent non-executive directors, namely Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok GBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie.