# 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(2) 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 of not exceeding HK$53.0 million for the six months ended 30 June 2024, as compared with a net loss attributable to the owners of the Company for the corresponding period in 2023 of approximately HK$21.7 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(2) 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 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 of not exceeding HK$53.0 million for the six months ended 30 June 2024 ("**1H2024**"), as compared with a net loss attributable to the owners of the Company for the corresponding period in 2023 of approximately HK$21.7 million ("**1H2023**"). While the Group has achieved an increase in turnover in 1H2024 when compared with 1H2023, the increase in net loss was mainly attributable to the following factors:

(i) higher cost of production involved in the overseas operation, in particular, the Group's Mexico plant that was acquired in July 2023. The Group had implemented measures to increase the production efficiency of the new production facilities during 1H2024 and the Directors anticipate that cost efficiency improvements would be achieved in the second half of 2024;

(ii) increase in selling and administrative expenses incurred by the Group for business development and recent exploration of new markets and new businesses, which has contributed to the Group's revenue growth during 1H2024; and

(iii) volume-driven pricing strategy and change of product mix leading to a reduction in the Group's overall gross profit margin, in particular, new energy vehicle related products which normally have lower gross profit margins than plastic products.

Market diversification remains the Group's top priority in view of the ever-changing business environment. Leveraging its "China Plus One " multi-location manufacturing strategy, the Group now offers comprehensive multi-location solutions to its customers, effectively capitalizing on both domestic and international markets. Through successful diversified market strategy, it is anticipated that the Group would be able to obtain more orders from a wider portfolio of customers, while at the same time achieving reduction in logistics costs and reducing exposure of the Group to geopolitical risks.

The Company is still in the process of finalizing the interim results of the Group for 1H2024, 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 1H2024, 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 2024 is expected to be published in late August 2024.

**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, 16 August 2024

*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. Kong Kai Chuen, Frankie and Mr. Tang Koon Yiu, Thomas.*