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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)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS	For the year ended 31 December		+ / (-)
	2025 HK\$'000	2024 HK\$'000 (Restated)	
<b>RESULTS</b>			
Revenue	1,463,562	1,481,802	(1.2%)
Gross profit	225,355	217,024	3.8%
Loss attributable to owners of the Company	(27,907)	(61,306)	(54.5%)
EBITDA	91,142	69,079	31.9%
<b>PER SHARE DATA</b>			
Loss per share for loss attributable to owners of the Company			
— Basic (HK cents)	(3.12)	(6.86)	(54.5%)
— Diluted (HK cents)	N/A	N/A	N/A

## FINANCIAL RESULTS

The Board of directors (the “**Board**”) of Ka Shui International Holdings Limited (the “**Company**” or “**Ka Shui**”) wish to report the audited final results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 December	
	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> <i>(Restated)</i>
<b>Revenue</b>	4	<b>1,463,562</b>	1,481,802
Cost of sales		<u>(1,238,207)</u>	<u>(1,264,778)</u>
<b>Gross profit</b>		<b>225,355</b>	217,024
Other income	5	<b>22,893</b>	23,198
Impairment losses for trade receivables		(167)	(412)
Selling and distribution expenses		<b>(50,150)</b>	(54,296)
General and administrative expenses		<b>(197,541)</b>	(221,912)
Other operating expenses and income		<u>(11,278)</u>	<u>(2,868)</u>
<b>Loss from operations</b>		<b>(10,888)</b>	(39,266)
Finance costs	6	<b>(12,242)</b>	(12,866)
Share of (losses)/profits of associates		<u>(433)</u>	<u>523</u>
<b>Loss before tax</b>		<b>(23,563)</b>	(51,609)
Income tax expense	7	<u>(7,027)</u>	<u>(15,465)</u>
<b>Loss for the year</b>		<b><u>(30,590)</u></b>	<b><u>(67,074)</u></b>
<b>Attributable to:</b>			
Owners of the Company		<b>(27,907)</b>	(61,306)
Non-controlling interests		<u>(2,683)</u>	<u>(5,768)</u>
		<b><u>(30,590)</u></b>	<b><u>(67,074)</u></b>
Loss per share	8		
— Basic ( <i>HK cents</i> )		<b>(3.12)</b>	(6.86)
— Diluted ( <i>HK cents</i> )		<u>N/A</u>	<u>N/A</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<i><b>HK\$'000</b></i>	<i><b>HK\$'000</b></i>
		(Restated)
<b>Loss for the year</b>	<u><b>(30,590)</b></u>	<u>(67,074)</u>
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Fair value changes of equity investment at fair value through other comprehensive income (“FVTOCI”)	<b>2,983</b>	—
Surplus on revaluation of leasehold lands	<b>4,515</b>	24,819
Income tax on items that will not be reclassified to profit or loss	<u><b>(1,138)</b></u>	<u>(24,431)</u>
	<u><b>6,360</b></u>	<u>388</u>
<i>Items that reclassified or may be reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	<b>15,465</b>	(13,865)
Exchange differences reclassified to profit or loss on deregistration of foreign operations	<u>—</u>	<u>2,704</u>
	<u><b>15,465</b></u>	<u>(11,161)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>21,825</b></u>	<u>(10,773)</u>
<b>Total comprehensive income for the year</b>	<u><u><b>(8,765)</b></u></u>	<u><u>(77,847)</u></u>
<b>Attributable to:</b>		
Owners of the Company	<b>(6,739)</b>	(71,895)
Non-controlling interests	<u><b>(2,026)</b></u>	<u>(5,952)</u>
	<u><u><b>(8,765)</b></u></u>	<u><u>(77,847)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>502,581</b>	511,706
Right-of-use assets		<b>283,923</b>	266,595
Goodwill		—	—
Other intangible assets		<b>21,813</b>	24,702
Club membership		<b>718</b>	718
Investments in associates		<b>11,495</b>	11,643
Equity investment at FVTOCI		<b>49,157</b>	44,976
Non-current deposits		<b>10,198</b>	2,763
Deferred tax assets		<b>90</b>	88
		<hr/> <b>879,975</b>	<hr/> 863,191
<b>Current assets</b>			
Inventories		<b>224,581</b>	220,007
Right of return assets		<b>54</b>	54
Trade and bills receivables	<i>9</i>	<b>433,073</b>	504,510
Contract assets		<b>5,049</b>	7,480
Prepayments, deposits and other receivables		<b>48,935</b>	43,326
Due from an associate		<b>6,662</b>	6,479
Current tax assets		<b>3,430</b>	3,351
Restricted bank balances		<b>1,894</b>	2,045
Bank and cash balances		<b>274,910</b>	237,854
		<hr/> <b>998,588</b>	<hr/> 1,025,106
<b>Current liabilities</b>			
Trade payables	<i>10</i>	<b>242,426</b>	286,419
Contract liabilities		<b>14,093</b>	6,651
Refund liabilities		<b>241</b>	240
Other payables and accruals		<b>125,062</b>	112,698
Bank borrowings		<b>201,456</b>	202,396
Loan from non-controlling interest		<b>1,500</b>	1,500
Lease liabilities		<b>14,851</b>	8,318
Current tax liabilities		<b>3,622</b>	5,009
		<hr/> <b>603,251</b>	<hr/> 623,231
<b>Net current assets</b>		<hr/> <b>395,337</b>	<hr/> 401,875
<b>Total assets less current liabilities</b>		<hr/> <b>1,275,312</b>	<hr/> 1,265,066

	<b>As at 31 December</b>	
	<b>2025</b>	2024
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	<b>32,056</b>	17,254
Deferred tax liabilities	<b>55,865</b>	58,556
	<u><b>87,921</b></u>	<u>75,810</u>
<b>NET ASSETS</b>	<u><b>1,187,391</b></u>	<u>1,189,256</u>
<b>Capital and reserves</b>		
Share capital	<b>89,376</b>	89,376
Reserves	<b>1,079,974</b>	1,086,713
	<u><b>1,169,350</b></u>	<u>1,176,089</u>
Equity attributable to owners of the Company	<b>1,169,350</b>	1,176,089
Non-controlling interests	<b>18,041</b>	13,167
	<u><b>1,187,391</b></u>	<u>1,189,256</u>
<b>TOTAL EQUITY</b>	<u><b>1,187,391</b></u>	<u>1,189,256</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicles power systems and production of other products which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and precision components.

In the opinion of the directors of the Company (the "**Directors**"), as at 31 December 2025, Precisefull Limited, a company incorporated in the British Virgin Islands ("**BVI**"), is the ultimate parent and Mr. Lee Yuen Fat ("**Mr. Lee**") is the ultimate controlling party of the Company.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and with the disclosure requirements of the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations as issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

**(b) Revised HKFRS Accounting Standards in issue but not yet effective**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Company's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Company, are set out below:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Directors are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except the following:

***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's statement of profit or loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group may need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

#### **4. REVENUE AND SEGMENT INFORMATION**

For management purposes, the Group's operation is currently categorised into nine (2024: nine) operating divisions — zinc, magnesium, aluminium alloy, plastic products and components, trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicles power systems and production of other products. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

Operating divisions including provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicles power systems are aggregated into motor vehicle power systems segment as they have similar economic characteristics including sharing similar type of customers for their products and services.

The Group's other operating segments include production of other products. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the "Others" column.

Segment profits or losses do not include interest income, government grants, share of profits/(losses) of associates, gain on step-up acquisition of an associate, loss on deregistration of subsidiaries, finance costs, corporate expenses and income tax expense.

Segment assets and liabilities are not reported or used by the chief operating decision maker.

**Information about reportable segment profit or loss:**

	Zinc alloy	Magnesium alloy	Aluminium alloy	Plastic	Lighting products	Motor vehicle power systems	Others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Year ended 31 December 2025								
Revenue from external customers	61,376	621,416	199,202	559,525	18,404	499	3,140	1,463,562
Segment profit/(loss)	4,707	(6,232)	4,773	25,185	(9,153)	(4,619)	(2,377)	12,284
Depreciation and amortisation	1,516	31,031	10,948	45,428	5,263	196	226	94,608
(Reversal of allowance)/allowance for inventories, net	(129)	1,574	1,184	1,291	(279)	(1,272)	(209)	2,160
Other material items of income and expense:								
Cost of inventories sold	31,295	404,049	97,602	374,342	6,760	1,451	2,521	918,020
Staff costs	18,530	168,477	72,910	165,277	8,594	2,380	820	436,988
Impairment losses for property, plant and equipment	—	—	—	—	461	—	—	461
Impairment loss for right-of-use assets	—	—	—	—	2,539	—	—	2,539
Year ended 31 December 2024								
Revenue from external customers	48,917	462,578	242,569	680,556	26,580	17,290	3,312	1,481,802
Segment (loss)/profit	(4,034)	1,831	677	5,607	(4,210)	(16,433)	(2,500)	(19,062)
Depreciation and amortisation	2,393	21,723	15,727	53,952	5,175	628	1,137	100,735
(Reversal of allowance)/allowance for inventories, net	(2,568)	(652)	(1,498)	(4,000)	(1,706)	1,200	(158)	(9,382)
Other material items of income and expense:								
Cost of inventories sold	31,712	393,609	180,646	519,132	10,672	19,361	1,992	1,157,124
Staff costs	18,834	128,199	124,791	217,219	9,659	5,130	850	504,682
Impairment losses for property, plant and equipment	—	—	—	—	—	462	305	767
Impairment loss for goodwill	—	—	—	—	—	2,654	—	2,654
Impairment loss for intangible assets	—	—	—	—	—	2,499	—	2,499

**Reconciliation of reportable segment revenue, profit or loss:**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>		
Total revenue of reportable segments	1,463,562	1,481,802
Unallocated amounts	—	—
	<hr/>	<hr/>
Consolidated revenue	<u>1,463,562</u>	<u>1,481,802</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit or loss</b>		
Total profit/(loss) of reportable segments	12,284	(19,062)
Unallocated amounts:		
Interest income	3,478	3,299
Government grants	2,666	3,615
Share of (losses)/profits of associates	(433)	523
Gain on step-up acquisition of an associate	—	438
Loss on deregistration of subsidiaries	—	(2,628)
Finance costs	(12,242)	(12,866)
Corporate expenses	(29,316)	(24,928)
	<hr/>	<hr/>
Consolidated loss before tax	<u>(23,563)</u>	<u>(51,609)</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other material items — depreciation and amortisation</b>		
Total depreciation and amortisation of reportable segments	94,608	100,735
Unallocated amounts:		
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets for corporate use	7,855	7,087
	<hr/>	<hr/>
Consolidated depreciation and amortisation	<u>102,463</u>	<u>107,822</u>

**Geographical information:**

	Revenue	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	46,725	114,623
People's Republic of China (the "PRC"), except Hong Kong	881,567	744,297
USA	427,875	543,491
Others	107,395	79,391
	<u>1,463,562</u>	<u>1,481,802</u>
Consolidated total	<u>1,463,562</u>	<u>1,481,802</u>

In presenting the geographical information, revenue is based on the locations of the customers.

The Group's non-current assets by geographical areas are not presented as the aggregate amount of the geographical segments other than the PRC is less than 8% (2024: less than 11%) of the aggregate amount of all segments.

**Revenue from major customers:**

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Plastic segment		
Customer a	346,830	469,177
Magnesium alloy segment		
Customer b	<u>209,750</u>	<u>161,878</u>

## 5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on bank deposits	3,478	3,299
Rental income	449	518
Reimbursement from customers	4,657	5,994
Sales of scrap materials	7,353	6,390
Government grants ( <i>note</i> )	2,666	3,615
Others	4,290	3,382
	<u>22,893</u>	<u>23,198</u>

*Note:* Government grants recognised during the years ended 31 December 2025 and 2024 are mainly related to government incentives policies for investments in equipment that increase productivity, export and/or environmental friendly. The Group has complied with all attached conditions before 31 December 2025.

## 6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	2,371	2,095
Interest expenses on bank borrowings	9,871	10,771
	<u>12,242</u>	<u>12,866</u>

## 7. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	7,370	7,173
(Over)/under-provision in prior years	(124)	1,006
	<u>7,246</u>	<u>8,179</u>
Current tax — Income tax outside Hong Kong		
Provision for the year	4,491	6,105
(Over)/under-provision in prior years	(859)	2,561
	<u>3,632</u>	<u>8,666</u>
Deferred tax	(3,851)	(1,380)
Income tax expense	<u>7,027</u>	<u>15,465</u>

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2024: 16.5%). The profits of the group entities not qualifying for the two-tiered Profits Tax regime will continue to be taxed at a rate of 16.5%.

Under the PRC Enterprise Income Tax (the “EIT”) Law, the statutory tax rate for the Group’s subsidiaries established and operating in Mainland China is 25% (2024: 25%).

Four (2024: Four) of the Group’s subsidiaries registered in the PRC are recognised as High and New Technology Enterprises which have been granted tax concessions by local tax bureau and are entitled to PRC EIT at concessionary rate of 15% during the reporting period.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

According to the PRC EIT Law, withholding tax at a rate of 10% would be imposed on dividend payment relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such tax rate may be further reduced by applicable tax treaties or arrangements. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% (2024: 5%) if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

## 8. LOSS PER SHARE

The calculation of the basic loss per share is based on the following:

	<b>2025</b> <i>HK\$’000</i>	2024 <i>HK\$’000</i>
<b>Loss</b>		
Loss attributable to owners of the Company, used in the loss per share calculation	<u>(27,907)</u>	<u>(61,306)</u>
	<b>2025</b>	2024
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>893,761,400</u>	<u>893,761,400</u>

No diluted loss per share are presented as the effect of all potential ordinary shares are anti-dilutive for the years ended 31 December 2025 and 2024.

## 9. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	429,918	490,529
Bills receivables	<u>3,155</u>	<u>13,981</u>
	<u><b>433,073</b></u>	<u><b>504,510</b></u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (2024: 30 to 120 days) after the end of the month in which the invoices are issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	150,892	181,460
31 to 60 days	107,791	117,985
61 to 90 days	80,894	102,163
91 to 180 days	87,068	81,693
Over 180 days	<u>5,438</u>	<u>9,466</u>
	432,083	492,767
Less: Allowance for bad and doubtful debts	<u>(2,165)</u>	<u>(2,238)</u>
	<u><b>429,918</b></u>	<u><b>490,529</b></u>

As at 31 December 2025, total bills received amounted to approximately HK\$3,155,000 (2024: HK\$13,981,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Transferred receivables	<b>8,003</b>	—
Associated secured borrowing	<b>13,792</b>	—
	<u><u>          </u></u>	<u><u>          </u></u>

Management considers that in substance the factor collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

## 10. TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	<b>68,205</b>	69,558
31 to 60 days	<b>53,200</b>	65,502
61 to 90 days	<b>39,230</b>	45,512
91 to 180 days	<b>62,622</b>	85,938
Over 180 days	<b>19,169</b>	19,909
	<u><u>          </u></u>	<u><u>          </u></u>
	<b>242,426</b>	286,419

## 11. DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025. (2024: Nil).

## 12. COMPARATIVE FIGURES

Certain administrative expenses previously presented in the consolidated statement of profit or loss have been reclassified to cost of sales and selling and distribution costs as the Directors consider that the revised presentation is more relevant and appropriate to the current year's presentation of financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (A) Financial Review

During the year under review, amid the accelerating trade tensions and the implementation of unilateral tariffs policy by the United States, the macroeconomic environment in 2025 remained difficult. It dampened business confidence and economic activity and weakened consumer sentiment. Owing to the strong resilience of the Group, its overall revenue for the year ended 31 December 2025 (the “Year”) recorded a slight year-on-year decrease of approximately 1.2% to HK\$1,463,562,000 (2024: HK\$1,481,802,000). Since the magnesium alloy segment delivered a strong performance with an impressive 34.3% year-on-year revenue increase from HK\$462,578,000 in 2024 to HK\$621,416,000 in 2025 and at the same time the Group navigated softer revenue performances in the plastic, aluminium alloys, and other business segments, the overall revenue of the Group experienced a slight contraction compared to the previous year.

The consolidated net loss attributable to owners of the Company was narrowed to HK\$27,907,000 (2024: HK\$61,306,000). The Group’s gross profit for the Year also grew to approximately HK\$225,355,000 (2024: HK\$217,024,000) and gross profit margin was improved to approximately 15.4% (2024: 14.6%). The increase in the Group’s gross profit is mainly attributable to the implementation of effective cost control measures. The Group’s EBITDA, computed as profit before tax, depreciation, amortisation and finance costs, amounted to approximately HK\$91,142,000 (2024: HK\$69,079,000).

### (B) Business Review

#### *Magnesium alloy business*

In 2025, China’s automotive market maintained moderate growth, with overall vehicle sales recording mid-to high-single-digit and year-on-year expansion, primarily supported by continued penetration of new energy vehicles. In contrast, the Group’s magnesium alloy business delivered year-on-year growth of over 30%, significantly outperforming the broader automotive industry. This remarkable performance reflected strong structural demand from vehicle lightweighting, rather than reliance on overall vehicle sales growth. As such, the revenue of the magnesium alloy business for the Year increased substantially by approximately 34.3% to HK\$621,416,000 (2024: HK\$462,578,000), accounting for approximately 42.5% of the Group’s overall revenue (2024: 31.2%). While the magnesium alloy segment recorded an increase in top-line revenue, it reported a segment loss of HK\$6,232,000 (2024: profit of HK\$1,831,000). This shift in profitability was mainly due to competitive pricing strategy and rising manufacturing costs such as processing fees, wage expenses, and depreciation charges. The confluence of favorable macro trends, including decarbonizing transportation, AI driven computation expansion, low

altitude aviation and the rise of intelligent robotics, creates a substantial and growing market for the use of magnesium alloy material, the lightweight and corrosion performance of which is superior to that of aluminium under the Group's technological advancement in semi-solid forming technology. The Group is well positioned to capitalize on these structural opportunities so as to deliver sustainable and long-term growth in magnesium alloy business.

### ***Plastic business***

In 2025, the plastic business of the Group demonstrated significant operational improvements in terms of segment profit despite navigating a highly competitive smartphone protective case market. Intense market competition and shifting dynamics resulted in a revenue decrease of approximately 17.8% to HK\$559,525,000 (2024: HK\$680,556,000), which accounted for approximately 38.2% (2024: 45.9%) of the Group's overall revenue. Despite this top-line adjustment, the Group successfully maximized its operational efficiency to drive bottom-line growth. Most notably, segment profit experienced a remarkable increase, surging from HK\$5,607,000 in 2024 to HK\$25,185,000 in 2025. This impressive profitability was primarily driven by enhanced production efficiency and the successful implementation of stringent cost control measures. Looking ahead, with our operations in North America now mature, the Group is highly confident in its regional strategy. By leveraging Mexico as a strategic manufacturing base, we will continue to optimize costs while actively expanding our customer base and further developing our presence in the North American market. This proactive approach perfectly positions the plastic segment to capture new opportunities and achieve sustained expansion.

### ***Aluminium alloy business***

With the growing emphasis on lightweighting in new energy and high-end vehicles industries, magnesium alloys — being approximately 30–35% lighter than aluminium — were progressively substituting aluminium in key structural and functional automotive components. While aluminium alloy remained a mature material with growth largely tracking vehicle production volumes, magnesium alloy benefited from rising material penetration rate, resulting in superior structural growth momentum. Due to the ongoing customer shift toward magnesium alloys driven by lightweighting requirement, demand for aluminium components had correspondingly declined. This substitution reflected a structural change in material selection rather than a cyclical slowdown, resulting in the revenue of the aluminium alloy business for the Year reduced by approximately 17.9% to HK\$199,202,000 (2024: HK\$242,569,000) when compared with that of the previous year. Accordingly, the segment's contribution to the Group's overall revenue had declined from approximately 16.4% in 2024 to approximately 13.6% in 2025.

### ***Zinc alloy business***

In 2025, the gradual return to regular procurement activities among key household and consumer-products clients supported a recovery in the sales of zinc alloy business of the Group. The improvement was driven by demand normalization across household and consumer product applications, which was not attributable to short-term pricing effects. As such, the revenue of the zinc alloy business for the Year was approximately HK\$61,376,000 (2024: HK\$48,917,000), representing a rise of approximately 25.5% when compared with that of 2024. This business segment accounted for approximately 4.2% of the Group's overall revenue (2024: 3.3%).

### ***Others***

The revenue of other businesses (including trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicle power systems and production of other products) slumped by approximately 53.3% to HK\$22,043,000 (2024: HK\$47,182,000) when compared with that of the previous year.

## **(C) Prospects**

The macroeconomic environment in 2026 is expected to remain uncertain, with tariff shifts and geopolitical tensions sustaining near term volatility. Nevertheless, global growth is projected to moderate to a stable pace at 3.3% as the International Monetary Fund (“IMF”) forecasts for 2026, and China has set a robust GDP target of 4.5%–5.0% for the year. With the prospect of easing interest rates and stabilizing trade policies, the Group takes a cautiously optimistic view on the operating backdrop.

Building on more than 45 years of materials research and development, Ka Shui has developed a strong industry reputation in metal alloy die casting and plastic injection molding, with lightweight magnesium alloys becoming its signature solution. Global decarbonization and energy efficiency trends are accelerating demand for lighter materials across automotive, consumer electronics, aerospace and humanoid robotics, creating a sizable market for integrated magnesium solutions. Recent declines in the magnesium to aluminium price ratio have materially improved magnesium's competitiveness, and breakthroughs in semi-solid forming technology have mitigated previous corrosion and performance constraints, bringing magnesium alloys, superior to, aluminium solutions and hastening substitution across applications. The Group's upstream investment in magnesium processing in Shaanxi Province, China, has formed a vertically integrated supply chain that ensures reliable access to quality raw materials and supports magnesium alloys sales to original equipment manufacturers (“OEMs”) in northeast China and exports of pure magnesium to European markets. This positions the Group to capture the growing global demand for magnesium.

As a supplier to major global electronics brands, Ka Shui delivers magnesium alloy components for notebook computers and the rapidly growing AI personal computer (“AI PC”) segment. In response to rising AI compute requirements, the Group has developed a next generation magnesium alloy with enhanced thermal conductivity, already validated on Lenovo’s ThinkPad X1 Carbon Aura AI and several other AI PC models. When combined with advanced anodizing, this solution enhances heat dissipation, offers superior corrosion resistance, and delivers an eco friendly surface finish that outperforms conventional treatments in both durability and appearance. The product offers better thermal management and device stability while enabling ultra thin, high performance component designs. Recognizing the thermal-management challenge in AI data centers, where modern, high-power GPUs and accelerators can generate large amounts of heat on server boards and in racks, the Group is exploring solutions for high-density compute environments. Effective thermal management is essential to prevent hardware degradation, avoid performance throttling, and reduce cooling energy consumption. The Group is evaluating the suitability of its thermally conductive magnesium alloys and other materials for inclusion in integrated thermal solutions for AI infrastructure.

Lightweighting in new energy vehicles remains a core strategic priority. According to data from the China Association of Automobile Manufacturers (“CAAM”), China’s new energy vehicle market achieved 16.49 million sales in 2025, or 50.8% market share and is forecast to reach approximately 19 million units in 2026. Magnesium alloys are among the most promising materials for vehicle lightweighting, with applications ranging from seat frames and instrument panels to valve covers, yielding weight reductions of 30–70% for specific components. With major OEMs accelerating magnesium adoption across body and chassis systems, automotive demand is expected to scale rapidly. Some industry estimates project automotive magnesium demand could reach 5.12 million tons by 2030 representing a compound annual growth rate of 32% from current levels. The Group will continue to prioritize development of high strength, high toughness and high flow magnesium alloys for critical vehicle components and is already seeing growing order flow from leading new energy vehicle manufacturers.

China's low altitude economy is expanding rapidly under supportive policy and capital investment, with an industry scale estimated at RMB1.5 trillion by the end of 2025 and forecasts exceeding RMB3.5 trillion by 2035, according to Civil Aviation Administration of China. The Group, together with research and development partners, developed lightweight materials meeting USA Federal Aviation Administration flammability standards in 2024 and has started supplying components to XPeng, a leading Chinese aerial vehicle manufacturer, in the second half of 2025. Beyond flying cars, low altitude logistics and drone delivery are growing fast with newly opened routes and surging order volumes. This points to a strong future demand for lightweight and high strength components for drones and electric vertical take-off and landing ("eVTOL") aircraft. The Group is collaborating with leading drone technology companies and on demand delivery platforms to refine material designs for improved aerodynamics, payload capacity and durability.

The global humanoid robotics market is undergoing accelerated commercialization. In 2025, China emerged as the largest producer of humanoid robots, launching hundreds of models for industrial and specialized uses. Lightweight materials are critical for robotics as reductions in weight can lower energy consumption and extend operational endurance. A single humanoid unit may use about 12 kg of magnesium alloy. As production scales, the total addressable demand will expand substantially and the Group is expected to begin scaled production for humanoid robots in the second half of 2026. The Group is developing materials that balance energy efficiency, structural rigidity, thermal stability and electrical conductivity to meet the precise needs of robotics manufacturers.

The confluence of favorable macro trends, including decarbonizing transportation, AI driven compute expansion, low altitude aviation and the rise of intelligent robotics, creates a substantial and growing market for the Group's lightweight material solutions. With its vertically integrated model, proven technical breakthroughs and expanding commercial traction with leading industry brands and OEMs, the Group is well positioned to capitalize on these structural opportunities so as to deliver sustainable and long term growth.

#### **(D) Liquidity and Financial Resources**

The Group has adopted a prudent policy in financial resources management, maintaining an appropriate level of cash and cash equivalents as well as adequate facilities to meet the requirements of day-to-day operations and business development, at the same time controlling borrowings at a healthy level.

The principal sources of working capital of the Group during the Year were from cash flows generated from operating activities and bank borrowings. As at 31 December 2025, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$276,804,000 (2024: HK\$239,899,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

The interest-bearing borrowings of the Group as at 31 December 2025 were bank borrowings and loan from non-controlling interest with an aggregate amount of approximately HK\$202,956,000 (2024: HK\$203,896,000). All of these borrowings were denominated in Hong Kong dollars, Renminbi and United States Dollar (2024: Hong Kong dollars and Renminbi) and which were primarily subject to floating interest rates. The borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to fifth year without repayment on demand clause amounted to HK\$197,956,000, HK\$5,000,000 and nil respectively (2024: HK\$188,896,000, HK\$15,000,000 and nil respectively).

As at 31 December 2025, the net gearing ratio (a ratio of the sum of the total bank borrowings and loan from non-controlling interest less restricted bank balances and bank and cash balances divided by the total equity) of the Group was not applicable since the Group had net cash (restricted bank balances and bank and cash balances less total bank borrowings and loan from non-controlling interest) of HK\$73,848,000 (2024: net cash of HK\$36,003,000).

As at 31 December 2025, the net current assets of the Group were approximately HK\$395,337,000 (2024: HK\$401,875,000), which consisted of current assets of approximately HK\$998,588,000 (2024: HK\$1,025,106,000) and current liabilities of approximately HK\$603,251,000 (2024: HK\$623,231,000), representing a current ratio of approximately 1.7 (2024: 1.6).

#### **(E) Exposure to Foreign Exchange Risk**

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars, Renminbi or Mexican Peso. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi, Mexican Peso and Hong Kong dollars. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

#### **(F) Contingent Liabilities**

As at 31 December 2025, the Group had no material contingent liabilities.

#### **(G) Charge on Assets**

As at 31 December 2025, trade receivables with a carrying amount of approximately HK\$8,003,000 were assigned to secure the Group's banking facility of approximately HK\$13,792,000, with a charge over the related proceeds under certain factoring agreements.

## **(H) Significant Investments, Acquisitions or Disposal**

For the year ended 31 December 2025, the Group did not have any significant investments, acquisitions or disposals.

## **(I) Human Resources**

As at 31 December 2025, the Group had approximately 4,288 full-time employees (31 December 2024: 4,550). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme as an incentive and reward for those qualifying staff who have made contributions to the Group.

The Group provides regular training courses for different levels of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organises different kinds of recreational activities, including New Year gathering, various sports competitions and interest groups. The aim is to promote interaction among staff, establish a harmonious team spirit and promote a healthy lifestyle.

## **IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF THE YEAR**

On 17 March 2026, Ka Shui Metal Company Limited, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into the sale and purchase agreement with Jiaxian Zhongtuo Huixin Technology Co., Ltd.\* (佳縣眾拓匯鑫科技有限公司) (the “**Vendor**”), pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, 40% of the equity interest in Kamay New Material Technology (Yulin) Company Limited\* (嘉鎂新材料科技(榆林)有限公司) (the “**Target**”) at a total cash consideration of RMB14.3 million (the “**Acquisition**”). The Target is a company incorporated under the laws of the PRC and was, immediately before the Acquisition, an indirect non-wholly owned subsidiary of the Company of which the Purchaser held 60% and the Vendor held 40% equity interest. It is principally engaged in the manufacture and sales of metallic materials in the PRC.

Although the Vendor is a substantial shareholder of the Target, the Target is an insignificant subsidiary within the meaning of Rule 14A.09 of the Listing Rules. Save for being the shareholder of the Target, to the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent third parties.

As the highest applicable percentage ratio under the Listing Rules in relation to the Acquisition exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Details of the above Acquisition are set out in the Company's announcement dated 17 March 2026.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14 of the Listing Rules in respect of the above discloseable transaction.

Saved as disclosed above, subsequent to 31 December 2025, the Group did not have any significant events occurred that require additional disclosures or adjustment.

#### **FINAL DIVIDEND**

After careful assessment of the Group's business prospects and financial position, the Board of Directors has determined that it is prudent to retain funds for investment in emerging opportunities. Accordingly, no final dividend is recommended by the Board for the year ended 31 December 2025 (2024: Nil).

#### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 25 May 2026 to Friday, 29 May 2026, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## **SCOPE OF WORK OF MESSRS. RSM HONG KONG**

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's auditor, Messrs. RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Messrs. RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. RSM Hong Kong on this announcement.

## **CORPORATE GOVERNANCE**

During the Year, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules, other than the deviation relating to Code Provision C.2.1 which is summarized below:

### **Code Provision C.2.1**

Pursuant to Code Provision C.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer ("**CEO**") should be separate and should not be performed by the same individual.

Mr. Lee Yuen Fat ("**Mr. Lee**"), the Chairman and an executive Director of the Company, has temporarily taken up the duties of CEO (after Mr. Chu Weiman ("**Mr. Chu**") resigned as the CEO) with effect from 31 December 2024 with the support from the existing senior management team of the Group until a suitable candidate is appointed. This arrangement constitutes a deviation from Code Provision C.2.1 of the CG Code. The Board believes that Mr. Lee's vision, extensive experience and knowledge, together with the support of the management, shall strengthen the solid and consistent leadership of the Group, and Mr. Lee by assuming the roles of both Chairman and the CEO would allow a smooth transition of responsibility from Mr. Chu to Mr. Lee, which the Board believes is in the best interest of the business operation and future development of the Group. The Company will, however, seek to re-comply with Code Provision C.2.1 of the CG Code by identifying and appointing a suitable and qualified candidate to fill the casual vacancy as soon as practicable.

The reason for the above deviation and further information on the Company's corporate governance practices during the Year will be set out in the Corporate Governance Report to be contained in the Company's Annual Report for the financial year ended 31 December 2025 ("**2025 Annual Report**"), which will be sent to the Shareholders by the end of April 2026.

## **AUDIT COMMITTEE**

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review the Company's financial reports, make recommendations on the appointment, removal and remuneration of independent auditor, approve audit services, develop, implement and review a policy on engaging independent auditors to supply non-audit services, approve the scopes and fees for non-audit assignments, supervise the Company's internal financial reporting procedures and management policies, review the Company's risk management and internal control systems as well as the internal audit function, and other duties under the CG code. RSM Hong Kong will confirm its independence before accepting the engagement of non-audit services. The Audit Committee comprises four independent non-executive Directors, namely Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *GBS, MH, JP* and Mr. Tang Koon Yiu, Thomas and is chaired by Mr. Kong Kai Chuen, Frankie, a qualified accountant with extensive experience in financial reporting and controls.

## **NOMINATION COMMITTEE**

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board at least annually, assisting the Board in maintaining a Board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of, individuals nominated for directorship; assessing the independence of independent non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; reviewing and assessing annually the time commitment and contribution to the Board by each Director as well as the Director's ability to discharge his or her responsibilities effectively; supporting the regular evaluation of the performance of the Board; and reviewing the director nomination policy of the Company regularly and making recommendation on any proposed revisions to the Board. The Nomination Committee consists of (i) 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 (formerly known as Kong To Yeung, Frankie) and Mr. Tang Koon Yiu, Thomas, and (ii) two executive Directors, Mr. Lee Yuen Fat and Ms. Chan So Wah (who was appointed as a member of the Nomination Committee with effect from 30 June 2025). Professor Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive Director, is the Chairman of the Nomination Committee.

## **REMUNERATION COMMITTEE**

The Company established the Remuneration Committee in June 2007. The Group adopts the model of remuneration committee as set out in code provision E.1.2 (c) (i) of the CG Code. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, including the review and/or approval of matters relating to share schemes under Chapter 17 of the Listing Rules. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual Directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of (i) 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 (formerly known as Kong To Yeung, Frankie) and Mr. Tang Koon Yiu, Thomas and (ii) one executive Director, Mr. Lee Yuen Fat. The Chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive Director.

## **RISK MANAGEMENT COMMITTEE**

The Company has set up the Risk Management Committee with terms of reference in October 2020. The main responsibilities of the Risk Management Committee include monitoring and reviewing the process of the risk management and internal control, and advising the Board on the appropriateness, effectiveness of and the proposed improvements to be made to the existing risk management and internal control systems; providing recommendations to the management on risk management and internal control, and setting up procedures to unveil, assess and manage material risk factors and ensuring that management discharges its responsibility to implement effective risk management and internal control systems; and reviewing with the Group's management, external auditor and the internal audit function, the adequacy of the Group's policies and procedures regarding risk management and internal control systems and any relevant statement by the directors to be included in the annual accounts prior to their endorsement by the Board. The Risk Management Committee currently comprises (i) the Vice Chairman and Chief Operating Officer (namely Mr. Wong Wing Chuen), (ii) Vice President of Overseas Business (namely Ms. Chan So Wah), both being executive Directors, and (iii) the Chief Financial Officer (namely Mr. Yu Wai Chun), (iv) Vice President of Human Resources and Administration (namely Ms. Lee Ming Wai), and (v) Vice President of Sales and Marketing (namely Mr. Cheng Yu Hin who was appointed as a new member of Risk Management Committee with effect from 29 August 2025 in place of Mr. Wong Wai Chung, Peter, Director of Sales and Marketing, who has resigned as a member of the Risk Management Committee with effect from 29 August 2025). The Chairman of Risk Management Committee is Mr. Wong Wing Chuen.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code for the year ended 31 December 2025.

## **REVIEW OF FINANCIAL INFORMATION**

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## **ACKNOWLEDGEMENT**

On behalf of the Board, I would like to extend our sincere appreciation to our customers, suppliers and shareholders for their continuing support, and our management and staff for their dedication and contribution to the Group throughout the year.

By order of the Board  
**Ka Shui International Holdings Limited**  
**LEE YUEN FAT**  
*Chairman and Chief Executive Officer*

Hong Kong, 30 March 2026

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

\* *For identification purpose only*