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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 consolidated profit attributable to owners of the Company for the year ended 31 December 2022 is expected to record a decrease in the range of approximately 35% to 50% when compared with the same period 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 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 consolidated profit attributable to owners of the Company for the year ended 31 December 2022 is expected to record a decrease in the range of approximately 35% to 50% when compared with the same

period last year. Such expected decline was mainly attributable to the following factors:

- (i) The emergence of COVID-19 new variants weakening global economic growth as well as both local and global consumption market and the sales of the Group;
- (ii) Interruptions in business activities due to COVID-19 pandemic in the first half year of 2022 while the business activities in the second half year of 2022 were not yet fully recovered, which brought severe impacts on domestic and global supply chains, resulting in higher cost of production of the Group; and
- (iii) Change of orders from customers and product mix leading to a reduction in the Group's gross profit margin.

Amid the increasingly unpredictable business environment, the Group will place high priority on implementation of stringent cost control measures, increasing operational efficiency and development of new products and technology to expedite its horizontal business expansion, as well as closely monitoring the market situation and making necessary adjustments to its strategies and operations on vertical upstream integration.

The Company is still in the process of finalizing the results of the Group for the year ended 31 December 2022, 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 ended 31 December 2022, which is subject to final detailed review or adjustment by the Company's auditors and the Company's audit committee. The results of the Group for the year ended 31 December 2022 is expected to be published in late March 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, 17 March 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.