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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\$24.9 million to HK\$31.9 million for the year ended 31 December 2023, as compared with a net profit attributable to the owners of the Company for the corresponding period in 2022 of approximately HK\$74.8 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\$24.9 million to HK\$31.9 million for the year ended 31 December 2023, as compared

with a net profit attributable to the owners of the Company for the corresponding period in 2022 of approximately HK\$74.8 million. The net loss was mainly attributable to the following factors:

- (i) substantial costs and expenses incurred by the Group for the initial setup of production facilities in Mexico after the acquisition in July 2023 of the Global Plastic Solutions, S. de R.L. de C.V. and Avery Plastics Consulting Group Inc., the group of which owns a manufacturing and assembling base of plastic products in Mexico; and
- (ii) the substantial economic pressures faced by Western countries due to inflation and interest rate hikes by the US Federal Reserve which weakened consumer sentiment. This caused a notable downturn in demand across the Group's key markets and thus led to a decrease in the Group's sales revenue of approximately 14.8% as compared with the corresponding period in 2022.

Amid the ongoing geopolitical tensions and reshaping of the global supply chain landscape, the Group will take a proactive stance to develop new business and new markets as well as new products and technology to strategically diversify our business ventures across multiple fronts to navigate the increasingly complex landscape of global trade and logistics and continue to place high priority on implementation of stringent cost control measures.

The Company is still in the process of finalizing the results of the Group for the year ended 31 December 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 year ended 31 December 2023, which have not been reviewed by the Company's auditors and the Company's audit committee. The results of the Group for the year ended 31 December 2023 is expected to be published in late March 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, 18 March 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. Andrew Look and Mr. Kong Kai Chuen, Frankie.*