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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(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\$65.0 million for the year ended 31 December 2024, as compared with a net loss attributable to the owners of the Company for the corresponding period in 2023 of approximately HK\$28.4 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 “**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 of not exceeding HK\$65.0 million for the year ended 31 December 2024 (“**Year 2024**”), as compared with a net loss attributable

to the owners of the Company for the corresponding period in 2023 (“**Year 2023**”), of approximately HK\$28.4 million. While the Group is expected to achieve an increase in turnover in Year 2024 when compared with Year 2023, the increase in net loss was mainly attributable to the following factors:

- (i) more resources were allocated in the infrastructure enhancements, process improvement and manpower optimization in Year 2024 to achieve optimal operational efficiency of the Group’s Mexico plant. Since production has stabilized, it is believed that cost efficiencies would materialize in the near future;
- (ii) increase in overall costs and expenses including but not limited to the costs in the development and exploration of new markets and new businesses and the impairment of certain non-core assets of the Group’s other businesses in Year 2024, which was non-recurring in nature; 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 had lower gross profit margins than plastic products during Year 2024.

The Company has proactively placed more resources and investments on emerging markets with great potential in the past decade, which has allowed the Company to successfully become a leading manufacturing solutions provider in some of the rapidly developing industries in the new AI era. Although this repositioning has modified our client and product mix and reduced profitability in the short term, the Company has started seeing the return of these investments through its growth in revenue. We anticipate that the above strategy has established a strong foundation for future’s sustainable growth of the Company.

We will continue to concentrate on materials innovative research and development and providing advanced lightweight component solutions to clients in different industries, in the hope to deepen our penetration in fast-growing markets to elevate our position.

The Company is still in the process of finalizing the results of the Group for the year ended 31 December 2024, 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 2024, which have not been reviewed by the Company’s auditors or the Company’s audit committee. The results of the Group for the year ended 31 December 2024 is expected to be published in late March 2025.

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 and Chief Executive Officer

Hong Kong, 17 March 2025

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lee Yuen Fat, Mr. Wong Wing Chuen and 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.