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Water OASIS Group

奧 思 集 團

WATER OASIS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

Financial adviser



YU MING INVESTMENT MANAGEMENT LIMITED
禹 銘 投 資 管 理 有 限 公 司

PROFIT WARNING

This announcement is made by Water Oasis Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 30 September 2024 (the “**Reporting Year**”), the Group expects to record a net profit attributable to the Shareholders of approximately HK\$65.0 million to HK\$69.0 million as compared to approximately HK\$110.2 million for the year ended 30 September 2023. Such decrease in net profit was mainly due to the following factors:

- 1) a slight increase in gross profit for the Reporting Year;
- 2) higher staff costs resulting from initiatives attributable to high-performing staff;
- 3) increased marketing expenses attributable to investments in high-profile, high-impact advertising campaigns designed to enhance the Group’s brand image;

- 4) recognition of non-cash goodwill impairment of approximately HK\$11.4 million. To enhance the Group profitability, the Group will focus on providing reliable and top quality beauty services and products in Hong Kong, where the Group has a strong presence and promising growth prospects, and not to extend the distributor rights of HABA products in Mainland China due to underwhelming performances; and
- 5) a loss of approximately HK\$33.0 million due to changes in the fair value of investment properties.

The Group wishes to emphasise that the abovementioned goodwill impairment and loss from fair value change of investment properties will not have any cash flow impact to the operations of the Group.

The Company has yet to finalise the results of the Group for the Reporting Year. Information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited management accounts of the Group and the information currently available, which have not been audited or reviewed by the Company's auditor and/or the audit committee of the Company and are subject to possible adjustments after further review. The annual results for the Reporting Year are scheduled to be published in December 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Water Oasis Group Limited
Tam Siu Kei
Executive Director and Chief Executive Officer

Hong Kong, 4 December 2024

As at the date of this announcement, the executive directors of the Company are Mr. Yu Kam Shui, Erastus, Mr. Tam Siu Kei, Ms. Yu Lai Chu, Eileen and Ms. Lai Yin Ping; and the independent non-executive directors of the Company are Prof. Wong Lung Tak, Patrick, B.B.S., J.P., Mr. Wong Chun Nam, Duffy, B.B.S., J.P., Dr. Wong Chi Keung and Dr. Chan Chi Kau Johnnie Casire, S.B.S., B.B.S., J.P..