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Water OASIS Group

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WATER OASIS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

DISCLOSEABLE TRANSACTION APPLICATION FOR SHARES IN THE IPO OF BLUE MOON GROUP HOLDINGS LIMITED

On 4 December 2020, the Subscriber, an indirect wholly-owned subsidiary of the Company, applied for 10,000,000 Blue Moon Shares in the IPO with an amount of approximately HK\$132,926,133.20 (including the principal amount of Blue Moon Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Application exceeds 5% but is less than 25%, the Application constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE APPLICATION

The Board hereby announces that on 4 December 2020, the Subscriber, an indirect wholly-owned subsidiary of the Company, applied for 10,000,000 Blue Moon Shares in the IPO with an amount of approximately HK\$132,926,133.20 (including the principal amount of Blue Moon Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy) via a licensed bank regulated by Hong Kong Monetary Authority. 10,000,000 Blue Moon Shares represent approximately 0.17% of the total issued shares of Blue Moon immediately following the IPO.

Offer price

The offer price of each Blue Moon Share shall be in the range of HK\$10.20 to HK\$13.16. According to the IPO timetable as disclosed in the Prospectus, the final offer price of each Blue Moon Share will be announced on 15 December 2020.

The Application is to be financed by the internal resources of the Group and the margin financing to be provided by the said licensed bank.

Allotment results of the Application

The completion of the Application is subject to the successful listing of Blue Moon Shares on the Stock Exchange and the final allocation of the Blue Moon Shares. The Group may or may not be allocated with any Blue Moon Shares in the IPO and, if any, the final number of Blue Moon Shares that the Group can be allocated is to be determined. According to the IPO timetable as disclosed in the Prospectus, Blue Moon will announce the allotment results on 15 December 2020 and the expected listing date of Blue Moon is 16 December 2020.

INFORMATION OF THE GROUP

The Company is principally engaged in the operation of beauty centers, spas and medical beauty centers as well as the distribution of skincare products in Hong Kong Macau and the PRC.

INFORMATION OF BLUE MOON

According to the Prospectus, Blue Moon is a leading consumer-centric household care company in China. It develops, manufactures and markets a wide selection of products under three categories: fabric care, personal hygiene and home care. For further details of the business of Blue Moon, please refer to the Prospectus, which has been published on the website of the Stock Exchange on 4 December 2020.

Set out below are certain consolidated financial information of Blue Moon for the financial years ended 31 December 2017, 2018 and 2019 and for the six months ended 30 June 2019 and 2020 as disclosed in the Prospectus:

	For the year ended 31 December			For the six months ended	
	2017	2018	2019	2019	2020
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Revenue	5,632,033	6,767,945	7,049,905	2,720,350	2,435,868
Net profit before tax	113,230	701,915	1,475,241	328,803	428,805
Net profit after tax	86,159	553,985	1,079,617	217,956	302,193

As at 30 June 2020, the net asset value of the Blue Moon was approximately HK\$3,079,008,000.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Blue Moon and its controlling shareholders are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE APPLICATION

According to the Prospectus, Blue Moon’s liquid laundry detergent, liquid soap and concentrated liquid laundry detergent products had the largest market shares in their respective markets in each of 2017, 2018 and 2019. In 2019, “Blue Moon (藍月亮)” ranked fourth in both the fabric care market and the personal hygiene market and ranked fifth in the home care market, all in terms of retail sales value in China. Blue Moon reported substantial growth in the past three years. Its net profit increased by approximately 543.0% from 2017 to 2018 and approximately 94.9% from 2018 to 2019.

Having considered the business prospects, financial performance and potential growth of Blue Moon as disclosed in the Prospectus and with a view to better utilizing the cash of the Group, the Directors consider that the investment in Blue Moon Shares would enable the Group to augment its return on assets.

The Directors consider that the terms of the Application are on normal commercial terms and are fair and reasonable and the Application is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Application exceeds 5% but is less than 25%, the Application constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Application”	the application to subscribe for 10,000,000 Blue Moon Shares by the Subscriber
“Blue Moon”	Blue Moon Group Holdings Limited, the shares of which is expected to be listed and traded on the Main Board of the Stock Exchange (Stock code: 6993)
“Blue Moon Shares”	ordinary share(s) in the share capital of Blue Moon with a par value of HK\$0.01 each to be listed on the Main Board of the Stock Exchange
“Board”	the board of directors of the Company
“Company”	Water Oasis Group Limited, a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1161)

“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO”	initial public offering of Blue Moon Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of Blue Moon regarding the IPO dated 4 December 2020
“SFC”	the Securities and Futures Commission
“Shareholder(s)”	holder(s) of Share(s)
“Shares”	ordinary shares of par value of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Water Oasis Company Limited, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of the Company
“%”	per cent.

On behalf of the Board
Water Oasis Group Limited
Tam Siu Kei

Executive Director and Chief Executive Officer

Hong Kong, 4 December 2020

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. 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. and Dr. Wong Chi Keung.