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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).

Based on the preliminary review on the latest available financial information of the Group, while the revenue of the Group for the year ended 30 September 2022 (the “**Reporting Year**”) remains in line with that for the year ended 30 September 2021 (“**Last Financial Year**”), the board of directors of the Company (the “**Board**”) expects that the Group will record profit for the year in the range of approximately HK\$60 million to HK\$70 million for the Reporting Year as compared to approximately HK\$170 million for the Last Financial Year. Such decrease in profit for the year was mainly due to:

- 1) a fall in revenue from the beauty service segment as a result of the compulsory closure of beauty centers in Hong Kong imposed by the Hong Kong government for 104 days during the Reporting Year compared with only 70 days in the Last Financial Year;

- 2) a decrease in gross profit margin from approximately 92% of the Last Financial Year to approximately 88% as a result of decrease in revenue contribution from the beauty service segment with higher gross profit margin;
- 3) an increase in depreciation by approximately HK\$31 million mainly caused by the setting up of new beauty stores in Hong Kong during the Reporting Year and an increase in staff cost of approximately HK\$21 million; and
- 4) an one-off financial impact charge to profit or loss of approximately HK\$33 million resulting from the settlement with the vendor of Millistrong Holdings Limited on 23 June 2022 (a wholly-owned subsidiary acquired by the Company on 28 June 2021) according to the relevant Hong Kong Financial Reporting Standards. The settlement and the reasons for it were disclosed in the announcements of the Company dated 23 June 2022 and 28 July 2022.

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 for the Reporting Year 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 2022.

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, 23 November 2022

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., Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire, S.B.S., B.B.S., J.P.