

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 the 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 six months period ended 31 March 2024 (“**Reporting Period**”), the Group expects to record a lower net profit attributable to the Shareholders of not less than HK\$40.0 million as compared to approximately HK\$57.1 million for the six months period ended 31 March 2023. Such decrease was mainly due to:

- 1) increase in staff costs attributable to high-performing staff retention initiatives;
- 2) increase in marketing expenses attributable to investments in high-profile, high-impact advertising campaigns designed to enhance the Group’s brand image;
and

- 3) the recognition of non-cash goodwill impairment of approximately HK\$11.4 million. To enhance the Group profitability, the Group will focus on retail selling of HABA products, a line of high quality skincare and beauty products originating from Japan, in Hong Kong and not to extend the distributor rights of HABA products in Mainland China attributable to underwhelming performances. The Group wishes to emphasise that the abovementioned goodwill impairment 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 Period. Information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated 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 interim results for the Reporting Period are scheduled to be published by the end of May 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, 17 May 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.