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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

- For the six months ended 31 March 2026, the Group's total revenue rose by 4.8% in comparison with the same period last year, to approximately HK\$515.8 million (six months ended 31 March 2025: HK\$492.2 million).
- Net profit for the period rose to HK\$70.8 million, as against HK\$55.5 million for the same period last year.
- The increased revenue from beauty services led to a rise in the Group's overall gross profit margin, to 93.4% from 92.0% for the previous period, helping the Group maintain a relatively stable gross profit, which stood at approximately HK\$481.5 million, an increase of approximately 6.3% compared to the HK\$453.1 million gross profit achieved in the same period last year.
- As at 31 March 2026, the Group held bank balances and cash of approximately HK\$917.0 million.
- The Board has resolved to declare an interim dividend of 5.0 HK cents per share for the six months ended 31 March 2026 (six months ended 31 March 2025: 3.5 HK cents).

OPERATION HIGHLIGHTS

Beauty Services

- The Group's beauty services offerings performed well in a lacklustre market and its new InMedic brand of traditional Chinese medicine-based beauty treatments performed steadily across its 5 outlets. Costs were optimised in setting up these treatment centres, as in each case the Group was able to integrate the InMedic outlets into the existing premises of another of its related brands, thus avoiding any increases in rental costs.
- As at 31 March 2026, the Group was operating 18 Oasis Beauty centres, 2 Oasis Homme centres, 4 Oasis Hair Spas, 9 Oasis Medical Centres, 3 Oasis Spas and 1 Oasis Dental. Other non-Oasis branded beauty services locations operated by the Group are 14 Glycel beauty centres and 4 phMedic+ centres. It also now operates 5 new InMedic centres offering beauty treatments based on Chinese traditional medicine principles, all of which were opened in the last 12 months.
- In total, the Group had a total of 55 beauty centre operations in Hong Kong at period-end. In Chinese Mainland, the Group maintained 3 self-managed Oasis Beauty centres in Beijing. In Macau, the Group continued to operate 1 Glycel Skinspa and 1 Oasis Beauty Store.
- At period-end, the Group operated one retail store in Hong Kong selling its premium Erno Laszlo skincare brand. Other of the Group's branded beauty product ranges include the brands Glycel, Eurobeauté, DermaSynergy and O~KO!. Glycel products in particular continued to sell well across the Group's 14 Glycel brand locations in Hong Kong and Macau.

Outlook

- The good news for the Group is that, in the extremely flat market, it has been able to grow its revenue and outperform its peers, maintaining solid profitability and consolidating its brand reputation. The strategies that have enabled it to prosper in an unpromising market are exactly the ones it will continue to apply going forward while the economic environment remains uncertain.

- The Group is very confident in the quality of its own offerings, which differentiate it positively from competitors. Its products and treatments are also highly competitive in price, another feature that keeps customers coming back again and again.
- As part of efforts to maintain the highest possible quality benchmarks, the Group will continue to foster a highly customer-friendly culture and strong public relations management practices, both of which have proved vital for building customer trust and goodwill.
- The Group will continue with its tried and tested approach, namely exercising a careful and prudent dividend policy that meets shareholder expectations for stable returns while also preserving the Group's solid cash reserves and high liquidity.
- As a cash-rich market leader, the Group is ready to explore M&A opportunities as they arise, but it will proceed with prudence, always applying a rigorous process to assess the potential 'fit' of M&A options.
- The Group's focus in the six months ahead will be to continue its strong marketing campaigns, maintain its powerful branding initiatives, and continue to roll out innovative and attractive treatments and products that meet the needs of Hong Kong consumers. Alongside all this, it will maintain its well-tested cost control initiatives and keep its expenses under careful control, with the aim of continuing to support steady profitability and stable shareholder returns.

The board of directors (the "Board") of Water Oasis Group Limited (the "Company") herein announces the unaudited consolidated results of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 31 March 2026.

The unaudited consolidated results have been reviewed by the Company's Audit Committee and the Company's independent auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The independent auditor, on the basis of their review, concluded that nothing has come to their attention that causes them to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

		Unaudited	
		Six months ended	
		31 March	
		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	515,794	492,241
Purchases and changes in inventories of finished goods		(34,250)	(39,160)
Other income		11,641	10,361
Other gains or losses		91	(1,053)
Loss on fair value change of investment properties		(5,000)	–
Staff costs		(237,394)	(227,323)
Depreciation		(61,631)	(70,751)
Finance costs		(3,979)	(3,782)
Other expenses		(92,642)	(89,298)
Profit before taxation		92,630	71,235
Taxation	3	(21,829)	(15,750)
Profit for the period	4	70,801	55,485
Profit for the period attributable to:			
Owners of the Company		70,930	55,686
Non-controlling interests		(129)	(201)
		70,801	55,485
Earnings per share			
Basic	5	10.4 HK cents	8.2 HK cents
Diluted	5	10.4 HK cents	8.2 HK cents

	Unaudited	
	Six months ended	
	31 March	
	2026	2025
	HK\$'000	HK\$'000
Profit for the period	70,801	55,485
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>2,543</u>	<u>(2,362)</u>
Total comprehensive income for the period	<u>73,344</u>	<u>53,123</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	73,473	53,324
Non-controlling interests	<u>(129)</u>	<u>(201)</u>
	<u>73,344</u>	<u>53,123</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As at 31 March 2026 <i>HK\$'000</i>	Audited As at 30 September 2025 <i>HK\$'000</i>
Non-current assets			
Intangible assets		73,208	73,545
Goodwill		18,244	18,244
Investment properties		170,938	175,938
Property and equipment		48,642	58,781
Right-of-use assets		182,011	193,814
Rental deposits		26,815	27,084
Deferred tax assets		5,358	4,448
		525,216	551,854
Current assets			
Inventories		33,334	35,547
Trade receivables	7	20,880	18,148
Contract costs		54,197	50,465
Prepayments		8,427	8,492
Other deposits and receivables		22,008	20,014
Current tax assets		98	98
Bank balances and cash		916,973	746,480
		1,055,917	879,244
Current liabilities			
Trade payables	8	2,527	3,371
Accruals and other payables		179,539	154,082
Provisions for reinstatement costs		33,981	34,043
Contract liabilities		752,178	669,168
Lease liabilities		85,730	84,325
Current tax liabilities		26,852	29,098
		1,080,807	974,087
Net current liabilities		(24,890)	(94,843)
Total assets less current liabilities		500,326	457,011

	Unaudited As at 31 March 2026 <i>HK\$'000</i>	Audited As at 30 September 2025 <i>HK\$'000</i>
Capital and reserves		
Share capital	68,055	68,055
Reserves	342,036	285,577
	<hr/>	<hr/>
Equity attributable to owners of the Company	410,091	353,632
Non-controlling interests	102	231
	<hr/>	<hr/>
Total equity	410,193	353,863
	<hr/> <hr/>	<hr/> <hr/>
Non-current liabilities		
Lease liabilities	72,321	85,892
Deferred tax liabilities	17,812	17,256
	<hr/>	<hr/>
	90,133	103,148
	<hr/>	<hr/>
	500,326	457,011
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

The interim condensed consolidated financial statements have been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 30 September 2025.

Accounting Policies

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 31 March 2026 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 30 September 2025.

Application of amendments to HKFRS Accounting Standards

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current interim period had no material impact on the amounts reported and/or disclosures set out in these interim condensed consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the period are as follows:

	Sales of		Six months ended		Total	
	skincare products		31 March			
	2026	2025	Provision of		2026	2025
	HK\$'000	HK\$'000	2026	2025	HK\$'000	HK\$'000
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
Time of revenue recognition						
At a point of time	42,164	59,939	–	–	42,164	59,939
Over time	–	–	473,630	432,302	473,630	432,302
	<u>–</u>	<u>–</u>	<u>473,630</u>	<u>432,302</u>	<u>473,630</u>	<u>432,302</u>
Total	42,164	59,939	473,630	432,302	515,794	492,241
	<u>42,164</u>	<u>59,939</u>	<u>473,630</u>	<u>432,302</u>	<u>515,794</u>	<u>492,241</u>

Information reported to the Company's executive directors, being the chief operating decision makers, in respect of the Group's business operating segments based on the information for the purposes of resources allocation and performance assessment, under HKFRS 8 are as follows:

- (i) Product segment — the sales of skincare products
- (ii) Service segment — provision of treatment services in beauty salons, spas and medical beauty centres

The following is an analysis of the Group's revenue and results by operating segments for the period under review:

	Six months ended 31 March							
	Product segment		Service segment		Elimination		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales to external customers	42,164	59,939	473,630	432,302	-	-	515,794	492,241
Inter-segment sales	8,250	10,771	-	-	(8,250)	(10,771)	-	-
Total	<u>50,414</u>	<u>70,710</u>	<u>473,630</u>	<u>432,302</u>	<u>(8,250)</u>	<u>(10,771)</u>	<u>515,794</u>	<u>492,241</u>
Segment results	<u>3,965</u>	<u>5,432</u>	<u>144,290</u>	<u>118,809</u>	<u>-</u>	<u>-</u>	<u>148,255</u>	124,241
Other income							11,641	10,361
Other gains or losses							91	(1,053)
Loss on fair value change of investment properties							(5,000)	-
Finance costs							(3,979)	(3,782)
Central administrative costs							(58,378)	(58,532)
Profit before taxation							<u>92,630</u>	<u>71,235</u>

Segment results represent the profit earned by each segment without allocation of other income, other gains or losses, loss on fair value change of investment properties, finance costs and central administrative costs (including directors' emoluments). This is the measure reported to the Company's executive directors for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates at terms determined.

Geographical information

The Group's operations are located in Hong Kong, Macau and Mainland China.

The Group's revenue by geographical location is detailed below:

	Six months ended	
	31 March	
	2026	2025
	HK\$'000	HK\$'000
Hong Kong and Macau	500,953	462,647
Mainland China	<u>14,841</u>	<u>29,594</u>
	<u>515,794</u>	<u>492,241</u>

3. TAXATION

	Six months ended	
	31 March	
	2026	2025
	HK\$'000	HK\$'000
Current tax		
Current period	22,183	14,940
Deferred tax	(354)	810
	<u>21,829</u>	<u>15,750</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward from prior years, except for one subsidiary of the Company which is a qualifying group entity under the two-tiered profits tax rate regime.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The People's Republic of China (the "PRC") Enterprise Income Tax was calculated at the statutory income tax rate of 25% (2025: 25%) on the assessable profits.

Withholding tax has been imposed on dividends declared in respect of profits generated by companies established in the PRC from 1 January 2008 onwards. Deferred taxation has been provided for in respect of the undistributed profits from the Company's PRC subsidiaries accordingly.

6. DIVIDENDS

	Six months ended	
	31 March	
	2026	2025
	HK\$'000	HK\$'000
Interim dividend declared after the end of the reporting period of 5.0 HK cents (2025: 3.5 HK cents) per share	34,028	23,819

During the six months ended 31 March 2026, a final dividend of 2.5 HK cents (2025: 2.0 HK cents) per share totalled approximately HK\$17,014,000 was declared, approved and paid to shareholders of the Company in respect of the year ended 30 September 2025 (2025: HK\$13,611,000 was declared, approved and paid to shareholders of the Company in respect of the year ended 30 September 2024).

At the Board meeting held on 26 May 2026, the directors declared an interim dividend of 5.0 HK cents (2025: 3.5 HK cents) per share payable to the shareholders whose names appear on the register of members of the Company (the "Register of Members") at the close of business on Wednesday, 17 June 2026. This interim dividend is not reflected as dividend payable in the interim condensed consolidated financial statements as it was declared after the end of the reporting period.

7. TRADE RECEIVABLES

The Group generally allows its trade debtors' credit terms of 30 days to 180 days. The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates, at the end of the reporting period:

	As at	As at
	31 March	30 September
	2026	2025
	HK\$'000	HK\$'000
0 to 30 days	14,595	12,736
31 to 60 days	1,221	1,240
61 to 90 days	1,211	1,110
91 to 120 days	1,348	742
121 to 150 days	1,061	1,389
151 to 180 days	703	387
Over 180 days	741	544
	20,880	18,148

8. TRADE PAYABLES

The following is an aging analysis of trade payables, presented based on the invoice dates, at the end of the reporting period:

	As at 31 March 2026 HK\$'000	As at 30 September 2025 HK\$'000
0 to 30 days	2,108	3,235
31 to 60 days	84	116
Over 60 days	335	20
	<u>2,527</u>	<u>3,371</u>

9. EVENT AFTER THE REPORTING PERIOD

There is no significant subsequent event after the reporting period.

RESULTS AND DIVIDEND

For the six months ended 31 March 2026, the Group's total revenue rose by 4.8% in comparison with the same period last year, to approximately HK\$515.8 million (six months ended 31 March 2025: HK\$492.2 million). Net profit for the period rose to HK\$70.8 million, as against HK\$55.5 million for the same period last year. As at 31 March 2026, the Group had approximately HK\$917.0 million in cash in hand. The Board has resolved to declare an interim dividend of 5.0 HK cents per share for the six months ended 31 March 2026 (six months ended 31 March 2025: 3.5 HK cents). Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT REVIEW

At the end of March 2026, the Hong Kong market situation remained much the same as it was six months earlier, characterised by weak consumer sentiment, the new trend of northbound consumption, and restraints continuing to be applied to discretionary and luxury spending. Many players in the beauty industry struggled in this environment, and some minor players exited the market.

Just as the Group bucked these negative trends in its end of year results last September, so now halfway through the 2025-26 year it has continued to record a strong showing in an otherwise lacklustre market. In doing so, the Group has further established itself as one of the recognised market leaders, consolidating its reputation for quality and reliability. The Group was able to maintain a stable revenue by comparison with the previous period, with revenue rising slightly, and achieved a satisfactory net profit for the period.

The Group was helped in this by the continuing shift of its sales mix towards beauty services, with their higher profit margins, and away from beauty products. Its sales mix for the period was 8.2% products and 91.8% beauty services, compared to 12.2% products and 87.8% beauty services in the same period last year. This drove an increase in beauty services revenue to HK\$473.6 million, up from HK\$432.3 million in the same period last year. Meanwhile, beauty product revenue decreased by approximately 29.5% to HK\$42.2 million, compared to product revenue of HK\$59.9 million previously.

The increased revenue from beauty services led to a rise in the Group's overall gross profit margin, to 93.4% from 92.0% for the previous period. The increase helped the Group maintain a relatively stable gross profit, which stood at approximately HK\$481.5 million, an increase of approximately 6.3% compared to the HK\$453.1 million gross profit achieved in the same period last year. This in turn translated into the healthy net profit reported above, which represented a 27.6% increase over the net profit for the same period last year.

As always, the Group has made cost controls a priority while at the same time not stinting on essential refurbishments, equipment upgrades and staff quality. Rental costs remained stable across the two periods, helped by the soft market situation and vigorous rent negotiations. As a percentage of revenue, rental costs stood at 13.4% for the period, as against 14.4% for the same period last year. The decrease in rental expenses was further helped by a few strategic shop closures in the past year, and the decision to integrate a number of new outlets into existing venues on a shared-brand basis, thus reducing the need to rent additional premises. Between May 2025 and January 2026, the Group's new InMedic Chinese beauty treatment centres opened in existing premises, benefitting from synergies with associated brands.

Depreciation costs also remained steady at 2.5% of revenue, against 4.0% last year. Depreciation costs have lowered in recent years due to the full depreciation of the Group's significant investments in store renovations in prior years, and a strategic reduction of capital expenditure since then. Capital expenditure in the current period, which has remained relatively low, was primarily directed at the purchase of new equipment, as well as necessary renovations to a few stores.

Staff costs for the period remained steady, at 46.0% of revenue, although staff numbers were reduced. As the Group has pivoted towards an ever-higher sales mix of beauty services against beauty products, the number and value of sales have also increased, generating higher commissions for staff. The positive spin on this is that higher staff commissions reflect more and higher-value sales. In addition, the good commissions and working conditions that the Group offers its staff ensure that it has the pick of high-performing personnel in Hong Kong and is able to maintain a steady, well-trained professional staff base.

The Group has continued to concentrate its resources on effective advertising strategies and campaigns to consolidate its reputation and appeal. Consequently, advertising costs as a percentage of revenue increased to 3.6% as against 2.6% for the same period last year. Management considers this money well spent, used for high-impact advertising campaigns aimed at capturing new customers, retaining existing customers and enhancing the brand image. Much of the Group's efforts were focused on digital marketing across social platforms as well as Key Opinion Leader (KOL) engagements, which have been particularly effective at capturing consumer interest and keeping its premium brands and treatments to the forefront.

This year, the Group undertook an independent review of the market valuation of its investment properties and decided to recognise a non-cash revaluation loss for the interim period to reflect the latest fair market valuation of these properties. The non-cash revaluation loss of HK\$5 million for the period did not affect the Group's ability to achieve a net profit.

BEAUTY SERVICES

The Group's beauty services offerings performed well in a lacklustre market. Much was contributed by stylish and compelling marketing campaigns — standouts included promotions for Glycel by yoga teacher and influencer Coffee Lam, and for Oasis Medical Centre by singer and celebrity Joey Yung. Awards for skin treatments offered by Oasis Medical Centre were also widely promoted online, including for its SYLFIRM X dual-wave radiofrequency (RF) microneedling treatment addressing sagging skin, pigmentation, redness, and texture issues, and for Profhilo, an injectable anti-ageing treatment made from hyaluronic acid.

The Group's new InMedic brand of traditional Chinese medicine-based beauty treatments performed steadily across its 5 outlets. Costs were optimised in setting up these treatment centres, as in each case the Group was able to integrate the InMedic outlets into the existing premises of another of its related brands, thus avoiding any increases in rental costs.

As at 31 March 2026, the Group was operating 18 Oasis Beauty centres, 2 Oasis Homme centres, 4 Oasis Hair Spas, 9 Oasis Medical Centres, 3 Oasis Spas and 1 Oasis Dental. Other non-Oasis branded beauty services locations operated by the Group are 14 Glycel beauty centres and 4 phMedic+ centres. It also now operates 5 new InMedic centres offering beauty treatments based on Chinese traditional medicine principles, all of which were opened in the last 12 months.

In total, the Group had a total of 55 beauty centre operations in Hong Kong at period-end. In Chinese Mainland, the Group maintained 3 self-managed Oasis Beauty centres in Beijing. In Macau, the Group continued to operate 1 Glycel Skinspa and 1 Oasis Beauty Store.

Most of the Group's self-owned and licenced beauty product brands are now primarily made available through its beauty centres, or via online purchasing.

At period-end, the Group operated one retail store in Hong Kong selling its premium Erno Laszlo skincare brand. Other of the Group's branded beauty product ranges include the brands Glycel, Eurobeauté, DermaSynergy and O~KO!. Glycel products in particular continued to sell well across the Group's 14 Glycel brand locations in Hong Kong and Macau.

OUTLOOK

The economic outlook for Hong Kong looks much the same as it did six months ago, with slow growth and continued market uncertainty impacting on discretionary spending. The good news for the Group is that, in the extremely flat market, it has been able to grow its revenue and outperform its peers, maintaining solid profitability and consolidating its brand reputation. The strategies that have enabled it to prosper in an unpromising market are exactly the ones it will continue to apply going forward while the economic environment remains uncertain.

Quality will remain a key attribute of the Group; indeed, it is a crucial factor in counteracting the growing tendency for Hong Kong people to spend their money in Shenzhen and elsewhere in the Greater Bay Area. The Group is very confident in the quality of its own offerings, which differentiate it positively from competitors. Its products and treatments are also highly competitive in price, another feature that keeps customers coming back again and again. The Group's relatively affluent Hong Kong customers know that its professional standards are second to none, a reassurance that is generally not available elsewhere. This same factor means that more affluent visitors to Hong Kong from the Mainland are a potential future target market for the Group.

As part of efforts to maintain the highest possible quality benchmarks, the Group will continue to foster a highly customer-friendly culture and strong public relations management practices, both of which have proved vital for building customer trust and goodwill.

In terms of ongoing financial management, the Group will continue with its tried and tested approach, namely exercising a careful and prudent dividend policy that meets shareholder expectations for stable returns while also preserving the Group's solid cash reserves and high liquidity. Alongside this, expenditure will remain focused and highly disciplined, again with the aim of ensuring its cash reserves are available should appropriate acquisition opportunities arise.

Regarding potential acquisitions, the contracting beauty market in Hong Kong has seen a number of small players exit the market in recent times. As a cash-rich market leader, the Group is ready to explore merger and acquisition ("M&A") opportunities as they arise, but it will proceed with prudence, always applying a rigorous process to assess the potential 'fit' of M&A options.

The Group has no current plans to expand its existing brands by opening new centres, having reached what it sees as an optimum number and distribution for the existing market context. Its focus in the six months ahead will be to continue its strong marketing campaigns, maintain its powerful branding initiatives (including building up its new Chinese beauty brand InMedic), and continue to roll out innovative and attractive treatments and products that meet the needs of Hong Kong consumers. Alongside all this, it will as mentioned maintain its well-tested cost control initiatives and keep its expenses under careful control, with the aim of continuing to support steady profitability and stable shareholder returns.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity and financial resources position continues to remain strong. Its cash and bank deposits as at 31 March 2026 mainly denominated in Hong Kong dollars amounted to approximately HK\$917.0 million (as at 30 September 2025: HK\$746.5 million).

The Group generally finances its operations with internally generated resources.

As at 31 March 2026, the gearing ratio, expressed as a percentage of outstanding loan over total equity was nil (2025: nil).

The Group continues to follow the practice of prudent cash management. The Group has acceptable level of exposure on foreign currency fluctuations as most of its assets, receipts and payments are principally denominated in the functional currency of the relevant territories. The Group will continue to monitor its foreign exchange position and if necessary will hedge its foreign exchange exposure by entering forward foreign exchange contracts.

CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 31 March 2026.

CAPITAL COMMITMENTS

As at 31 March 2026, the Group had capital commitment in respect of acquisition of property and equipment of approximately HK\$3.3 million.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group employed 853 staff (as at 30 September 2025: 899 staff). The remuneration and staff costs for the period under review were approximately HK\$237.4 million (six months ended 31 March 2025: HK\$227.3 million). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options (if any) will also be granted to eligible staff based on individual and Group performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

The remuneration policy for the directors and our senior management members is based on their experience, level of responsibility, length of service and general market conditions. Any discretionary bonus and other merit payments are linked to the financial results of the Group and the individual performance of the directors and senior management members.

The Group is committed to nurturing a learning culture in the organisation. Heavy emphasis is placed on training and development, as the Group's success is dependent on the effort of a skilled and motivated workforce.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the period under review, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS

As at 31 March 2026, the Group did not hold any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group has no plan authorised by the Board for other material investments and capital assets as at 31 March 2026.

PLEDGE OF ASSETS

As at 31 March 2026 and 30 September 2025, there was no pledge of asset of the Group.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared an interim dividend of 5.0 HK cents per share for the six months ended 31 March 2026 payable to the shareholders whose names appear on the Register of Members at the close of business on Wednesday, 17 June 2026, being the record date for determining shareholders' entitlement to the interim dividend. The Register of Members will be closed on Tuesday, 16 June 2026 and Wednesday, 17 June 2026, both days inclusive, during which period no transfer of shares will be registered.

To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, whose share registration public offices are located at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 June 2026. The relevant dividend warrants will be dispatched to shareholders on Friday, 3 July 2026.

AUDIT COMMITTEE

The Company's Audit Committee comprises Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire who are the independent non-executive directors of the Company. The Audit Committee is chaired by Prof. Wong Lung Tak, Patrick.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited consolidated results of the Group for the six months ended 31 March 2026 with management and discussed with the independent auditor on reviewing internal control and financial reporting matters in respect of the interim condensed consolidated financial statements of the Group for the six months ended 31 March 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, the Company did not redeem any of its listed shares nor did the Company or its subsidiaries purchase or sell any such shares (including treasury shares, if any). As at 31 March 2026, there were no treasury shares held by the Company.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with, where applicable, the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period under review.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Following a specific enquiry by the Company, all directors confirmed that they had complied with the Model Code for transactions in the Company's securities throughout the period under review.

The Company has also adopted a code of conduct governing securities transactions by employees who may possess or have access to the inside information.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is required to be published on the website of Hong Kong Exchanges and Clearing Limited (the “HKEx”) at www.hkexnews.hk and the designated website of the Company at www.wateroasis.com.hk respectively. The interim report of the Company for the six months ended 31 March 2026 will be available on the respective websites of HKEx and the Company in due course.

By Order of the Board
WATER OASIS GROUP LIMITED
Tam Siu Kei

Executive Director and Chief Executive Officer

Hong Kong, 26 May 2026

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..