Water OASIS Group
奧 思 集 團

WATER OASIS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1161)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2025

FINANCIAL HIGHLIGHTS

- The Group's revenue for the year ended 30 September 2025 remained stable at approximately HK$981.3 million (2024: HK$983.2 million).
- Despite a challenging Hong Kong retail and economic environment, the Group delivered an increase in both core operating profit and net profit for the year ended 30 September 2025, making it one of the few listed beauty services companies that has been able to deliver consistently strong financial performance and year-on-year growth.
- This performance was supported by prudent financial management and cost optimisation wherever possible, the application of economies of scale, coupled with an unflagging commitment to service quality and to delivering premium beauty experiences to customers.
- The increase in the beauty service contribution translated into larger gross profit as well as a rise in the gross profit margin.
- The Group's net profit for the year ended 30 September 2025 increased to approximately HK$80.9 million (2024: HK$68.1 million).
- The Group remained debt-free and held bank balances and cash of approximately HK$746.5 million in total as at 30 September 2025.
- The Board has recommended the payment of a final dividend of 2.5 HK cents per share, bringing the full-year dividend to 6.0 HK cents per share (2024: 5.5 HK cents).

OPERATION HIGHLIGHTS

Beauty Services Business

- As of 30 September 2025, the Group's operational footprint included 14 Oasis Beauty centres, 3 high-end Oasis Spas, 4 Oasis Hair Spas, 2 Oasis Homme outlets for men, and 1 Oasis Dental. Its Glycel brand maintained 14 outlets in Hong Kong and 1 in Macau, while it has 4 phMedic+ beauty service centres in Hong Kong. The period also saw the launch of a new brand, InMedic.
- All the Oasis brands performed satisfactorily over the year with various products and treatments rolled out and widely advertised to keep customers coming back.
- In the year, the number of Oasis Medical Centres in Hong Kong remained steady year-on-year at 9.
- In May 2025, the Group set up a new brand named InMedic to serve demand for beauty services based on traditional Chinese medicine.

Product Sales Business

- The Group's product sales fell slightly this year, reflecting the further swing of its business towards beauty services. However, its skincare products remain an important element of the Group's portfolio, with these products easily available for sale online.
- The Group also operates one Erno Laszlo store in Hong Kong selling a range of exclusive skincare products.

OUTLOOK

- Looking ahead, the challenges in the Hong Kong market, which are not expected to alleviate in the near future, are likely to see lesser beauty players exiting the market in the months ahead. For the Group, this represents an opportunity for capturing further business, consolidating its leading position and reputation in the market.
- For 2026, the Group expects to increase its capital expenditure considerably, with several store renovations being planned as well as substantial purchases of new equipment on the cards.
- Given the changing landscape of the beauty industry in Hong Kong and beyond, the Group will be looking closely at merger and acquisition opportunities going forward to grow its core business.
- Its new InMedic brand will be another growth driver.
- The Group will maintain its prudent dividend policy and will continue to exercise a highly disciplined approach to expenditure, with the aim of preserving its solid cash reserves and consequent high liquidity.

AUDITED FINANCIAL RESULTS

The board of directors (the "Board") of Water Oasis Group Limited (the "Company" or "Water Oasis") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively known as the "Group" or "Water Oasis Group") for the year ended 30 September 2025 (the "Consolidated Financial Statements") as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		For the year ended 30 September	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**981,334**	983,215
Purchases and changes in inventories of finished goods		**(71,076)**	(83,022)
Other income		**20,701**	17,053
Impairment loss on goodwill		**–**	(11,429)
Loss on fair value change of investment properties		**(42,341)**	(32,992)
Other gains or losses		**(1,130)**	(464)
Staff costs		**(451,218)**	(448,617)
Depreciation		**(138,190)**	(155,445)
Finance costs	*4*	**(7,943)**	(9,174)
Other expenses	*5*	**(174,396)**	(161,323)
Profit before taxation		**115,741**	97,802
Taxation	*6*	**(34,854)**	(29,715)
Profit for the year	*7*	**80,887**	68,087
Profit for the year attributable to:			
Owners of the Company		**81,258**	68,285
Non-controlling interests		**(371)**	(198)
		80,887	68,087

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

		For the year ended 30 September	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Profit for the year		**80,887**	68,087
Other comprehensive income (expenses):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,150)**	2,049
Total comprehensive income for the year		**79,737**	70,136
Total comprehensive income for the year attributable to:			
Owners of the Company		**80,108**	70,334
Non-controlling interests		**(371)**	(198)
		79,737	70,136
Earnings per share			
Basic	*8*	**11.9 HK cents**	10.0 HK cents
Diluted	*8*	**11.9 HK cents**	10.0 HK cents

Consolidated Statement of Financial Position

		As at 30 September	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Non-current assets			
Intangible assets		**73,545**	74,240
Goodwill		**18,244**	18,244
Investment properties		**175,938**	192,041
Property and equipment		**58,781**	82,460
Right-of-use assets		**193,814**	222,175
Rental deposits		**27,084**	31,815
Deferred tax assets		**4,448**	5,027
		551,854	626,002
Current assets			
Inventories		**35,547**	44,992
Trade receivables	*10*	**18,148**	16,535
Contract costs		**50,465**	47,953
Prepayments		**8,492**	8,212
Other deposits and receivables		**20,014**	16,670
Current tax assets		**98**	555
Bank balances and cash		**746,480**	485,156
		879,244	620,073
Current liabilities			
Trade payables	*11*	**3,371**	2,045
Accruals and other payables		**154,082**	95,283
Provisions for reinstatement costs		**34,043**	34,640
Contract liabilities		**669,168**	579,856
Lease liabilities		**84,325**	83,812
Current tax liabilities		**29,098**	35,096
		974,087	830,732
Net current liabilities		**(94,843)**	(210,659)
Total assets less current liabilities		**457,011**	415,343

Consolidated Statement of Financial Position (Continued)

	As at 30 September	
	2025	2024
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**68,055**	68,055
Reserves	**285,577**	242,899
Equity attributable to owners of the Company	**353,632**	310,954
Non-controlling interests	**231**	602
Total equity	**353,863**	311,556
Non-current liabilities		
Lease liabilities	**85,892**	87,995
Deferred tax liabilities	**17,256**	15,792
	103,148	103,787
	457,011	415,343

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis as at 30 September 2025, as the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration the ability to generate funds internally.

2. CHANGES IN ACCOUNTING POLICIES

(a) Amendments to standards and interpretations that are mandatorily effective for the current year

The Group has applied the following amendments to standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants and related amendments to Hong Kong Interpretation 5 (Revised) — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards and interpretations does not have any significant impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to standards issued but not yet effective

The Group has not early applied the following new and amendments to standards that have been issued but are not yet effective.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Lease Subsidiaries without Public Accountability Disclosures[3]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
Amendments to HK Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clauses[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.
4 Effective for annual periods beginning on or after date to be determined.

The directors of the Company are in the process of making an assessment of the impact of these new and amendments to standards upon initial application but is not yet in the position to state whether and/how these would impact the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	Sales of skincare products		Provision of treatment services		Total	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Time of revenue recognition						
At a point of time	**94,714**	130,071	**–**	–	**94,714**	130,071
Over time	**–**	–	**886,620**	853,144	**886,620**	853,144
	94,714	130,071	**886,620**	853,144	**981,334**	983,215

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 year:

	Product segment		Service segment		Elimination		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales to external customers	**94,714**	130,071	**886,620**	853,144	**–**	–	**981,334**	983,215
Inter-segment sales	**17,279**	21,894	**–**	–	**(17,279)**	(21,894)	**–**	–
Total	**111,993**	151,965	**886,620**	853,144	**(17,279)**	(21,894)	**981,334**	983,215
Segment results	**6,229**	11,868	**241,707**	219,562	**–**	–	**247,936**	231,430
Other income							**20,701**	17,053
Impairment loss on goodwill *(note)*							**–**	(11,429)
Loss on fair value change of investment properties							**(42,341)**	(32,992)
Other gains or losses							**(1,130)**	(464)
Finance costs							**(7,943)**	(9,174)
Central administrative costs							**(101,482)**	(96,622)
Profit before taxation							**115,741**	97,802

Note: During the year ended 30 September 2024, impairment loss on goodwill of HK$11,429,000 is related to product segment.

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

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

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

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

	2025	2024
	HK$'000	*HK$'000*
Hong Kong and Macau	**931,538**	922,614
Mainland China	**49,796**	60,601
	981,334	983,215

4. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest expenses on lease liabilities	**7,927**	9,098
Other interest expenses	**16**	76
	7,943	9,174

5. OTHER EXPENSES

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration	**1,853**	1,719
Amortisation of intangible assets	**690**	695
Bank charges	**44,163**	41,855
Marketing expenses	**26,475**	22,365
Expenses relating to		
— Short-term lease	**3,538**	3,078
— Variable lease payments not included in the measurement of lease liabilities	**734**	4,324
Building management fees, government rent and rates	**30,154**	32,893
Cleaning and laundry	**8,725**	8,338
Transportation, storage and delivery	**7,395**	6,326
Printing, stationery and administration	**10,808**	10,503
Utilities and telecommunications	**5,340**	5,084
Others	**34,521**	24,143
	174,396	161,323

6. TAXATION

	2025	2024
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**28,057**	23,706
The People's Republic of China (the "PRC")		
Enterprise Income Tax ("EIT")	**5,406**	5,050
(Over)/under provision in prior years	**(640)**	208
	32,823	28,964
Deferred tax	**2,031**	751
	34,854	29,715

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year 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-tier 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 PRC EIT was calculated at the statutory income tax rate of 25% (2024: 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.

7. PROFIT FOR THE YEAR

	2025	2024
	HK$'000	*HK$'000*
Profit for the year is stated at after charging:		
Impairment loss on:		
— Property and equipment	**–**	10
— Right-of-use assets	**–**	567
Depreciation:		
— Property and equipment	**37,435**	44,779
— Right-of-use assets	**100,755**	110,666
and after crediting:		
Interest income on bank deposits	**15,574**	12,068
Interest income on rental deposits	**1,116**	1,090
Rental income from investment properties net of negligible direct operating expenses	**3,911**	3,677

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**81,258**	68,285

	Number of shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**680,552,764**	680,552,764

9. DIVIDENDS

	2025	2024
	HK$'000	*HK$'000*
Interim dividend declared and paid of 3.5 HK cents (2024: 3.5 HK cents) per share	**23,819**	23,819
Final dividend proposed after the end of the reporting period of 2.5 HK cents (2024: 2.0 HK cents) per share	**17,014**	13,611
	40,833	37,430

The 2025 final dividend of 2.5 HK cents (2024: 2.0 HK cents) per share, amounting to approximately HK$17,014,000 (2024: HK$13,611,000), has been proposed by the directors of the Company after the end of the reporting period and is subject to approval by the shareholders in the annual general meeting. This proposed dividend has not been recognised as a distribution during the year.

The aggregate amount of the dividends paid during the year ended 30 September 2025 were approximately HK$37,430,000 (2024: HK$71,458,000).

10. TRADE RECEIVABLES

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

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**12,736**	11,276
31 to 60 days	**1,240**	1,562
61 to 90 days	**1,110**	880
91 to 120 days	**742**	1,021
121 to 150 days	**1,389**	1,259
151 to 180 days	**387**	488
Over 180 days	**544**	49
	18,148	16,535

11. TRADE PAYABLES

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

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**3,235**	2,029
31 to 60 days	**116**	3
Over 60 days	**20**	13
	3,371	2,045

The credit period on purchases of goods ranges from 30 days to 60 days. The Group has financial risk management policies in place to ensure that all these payables are within the credit time frame.

12. EVENT AFTER THE REPORTING PERIOD

There is no significant subsequent event after the reporting period.

MANAGEMENT DISCUSSION & ANALYSIS

The performance of the Water Oasis Group over the past year should be viewed within the context of a poor Hong Kong economy. Hong Kong has had to grapple with a number of long-term structural challenges in recent times, in the form of a depressed housing market, a turbulent stock market, and employment uncertainty for many. These have all impacted directly on consumer spending, bringing economic challenges to many local sectors. This has been exacerbated by the steady trend of Hong Kong people travelling north to spend on goods and services over the border in the Greater Bay Area ("GBA"), where spending power is greater.

Unlike many beauty sector players, however, the Group has bucked the trend by delivering positive results, with increases in both its core operating profit and its net profit for the year. Indeed, within the beauty services industry in Hong Kong, the Group is one of the few listed companies that has been able to deliver consistently strong financial performance and year-on-year growth. Achieving this has been the result of prudent financial management and cost optimisation wherever possible, the application of economies of scale, coupled with an unflagging commitment to service quality and to delivering premium beauty experiences to customers.

The Group's product/service mix continued to adjust in the direction of services over the year. At year-end, the product/service mix balance stood at 9.7% to 90.3%, by comparison with 13.2% to 86.8% a year earlier. This change resulted in a slight increase in the Group's beauty services revenue for the year, balanced by a dip in its product revenue. Overall, the outcome was a slight decrease in total revenue year-on-year. However, the increase in the beauty service contribution translated into larger gross profit as well as a rise in the gross profit margin, due to the higher margins available on beauty services as opposed to products.

Alongside this, key costs were kept well under control or reduced. Rental expenses for the year were down from 16.2% of total revenue to 14.5%, reflecting the muted retail climate and the greater ability of the Group to negotiate with landlords. The lower rental expenses also reflect the significant restructuring of 2023-24, during which the Group closed some 14 stores. The full impact of the reduction of rental costs associated with these closures was fully realised in the year under review.

Capital expenditure remained stable year on year, with the Group continuing its policy of regularly upgrading equipment and purchasing new equipment, while at the same time renovating its brand outlets.

Staff costs rose in the year despite a reduction in staff numbers from 914 to 899, with staff costs as a percentage of revenue lifting to 46.0% from 45.6% previously. This reflected both the challenging labour market in Hong Kong, where extra expenditure is a necessity for retaining high calibre staff, and the increase in the Group's beauty services revenue, which generated higher commissions for staff. Although higher commissions do impact staff costs, they are at the same time a very positive sign of the Group's success in generating and retaining business.

The Group's advertising and marketing expenses also rose in the year to 2.7% of total revenue from 2.1% previously, reflecting a focused strategy of expanding its online marketing presence and impact. Social media platforms such as Facebook and Youtube have become primary outlets for marketing, and over the past year the Group has been working with a large percentage of Hong Kong's most influential KOLs to promote its various brands, products and treatments, in a clear sign of management's commitment to maintaining a strong growth momentum.

As a result of these initiatives, the Group's core operating profit rose over the year. Offsetting this was an investment property revaluation loss which, like that recorded for the previous year, was necessary in the face of the ongoing downturn in Hong Kong's property market. Last year, the Group also recorded a goodwill impairment loss relating to the ending of its Mainland distributorship for the HABA brand, but this year no comparable loss was recorded. Overall, however, net profit showed a healthy increase, making it clear that the Group is able to deliver steady financial results even in difficult times.

As at 30 September 2025, the Group held bank balances and cash of approximately HK$746.5 million in total. The Group is currently debt-free. The Board has recommended the payment of a final dividend of 2.5 HK cents per share, bringing the full-year dividend to 6.0 HK cents (2024: 5.5 HK cents) per share.

BUSINESS REVIEW

Beauty Services

OASIS Portfolio

The Group operates an extensive ‘Oasis’ portfolio of beauty brands and related wellness and lifestyle services. The most significant of these are its flagship Oasis Beauty and Oasis Spa brands, which provide high quality full-service beauty treatment services at locations across Hong Kong. Alongside these are its Oasis Medical Centres, offering specialist medical beauty treatments under the supervision of registered doctors. Other Oasis brands, operating on a smaller scale, include Oasis Homme, Oasis Hair Spa and Oasis Dental.

All the Oasis brands performed satisfactorily over the year. Various products and treatments were rolled out and widely advertised to keep customers coming back. These products and treatments included SKINVIVE, which delivers hyaluronic acid to the skin to provide hydration from the base and smooth out fine lines, and Ultherapy PRIME®, which utilises ultrasound technology together with real-time imaging to stimulate the skin’s natural collagen production. Another highlight rolled out was SYLFIRM X Silicon Valley Radiofrequency, the world’s first FDA-approved microneedling device that combines pulsed and continuous wave radiofrequency technology, providing deep treatment for various skin concerns such as wrinkles, pigmentation, and skin sensitivity. Meanwhile, the new Coolfase with advanced Monopolar RF technology and a patented cooling system offered superior skin tightening effects and long-lasting wrinkle reduction.

In the year, the number of Oasis Beauty centres in Hong Kong reduced by one to 14 with the closure of an outlet in Yuen Long. The Group continued to operate 1 Oasis Beauty outlet in Macau, along with 3 self-managed Oasis Beauty centres in Beijing in the PRC. Meanwhile, the number of Oasis Medical Centres in Hong Kong remained steady at 9.

Other Oasis brands in operation in the year included 3 high-end Oasis Spas, 4 Oasis Hair Spas, which operate inside Oasis Beauty premises and offer premium hair and scalp treatments, 2 Oasis Homme outlets for men, and 1 Oasis Dental.

Glycel

The Group's Glycel brand generates revenue primarily from its Skinspa treatment operations and sales of Glycel-branded products.

The year 2025 marked the 40th anniversary of the Glycel brand. To celebrate the occasion, the Group worked with two members of Hong Kong's mega-band Mirror, Jeremy and Stanley, on a major promotional event in October held at Festival Walk to launch the new Glycel product Pure Collagen, capsules that deliver an instant Freeze & Rebirth effect to restore firmness, elasticity and smoothness to the skin.

As at 30 September 2025, the Group was operating 14 Glycel outlets in Hong Kong and a further 1 in Macau, representing no change from a year earlier.

phMedic+ and InMedic

The Group has 4 phMedic+ beauty service centres in Hong Kong.

In May 2025, the Group set up a new brand named InMedic, to serve demand for beauty services based on traditional Chinese medicine (such as acupuncture-based treatment) rather than the Western-based treatments typically associated with those supplied by the Group's Oasis Medical Centres. All the centres draw on the services of professionally accredited Chinese medical practitioners, and treatments have developed based on a close partnership with PuraPharm, a reputed supplier of Chinese medicine in Hong Kong.

Product sales

The Group's product sales fell slightly this year, reflecting the further swing of its business towards beauty services. However, its skincare products remain an important element of the Group's portfolio, with these products easily available for sale online. Sales of product for home skincare are also a valuable route by which some customers make the step into using beauty services, since many of the skincare brands available for sale online are also used as part of the Group's beauty treatments.

Key brands retailed by the Group include Glycel and Eurobeauté. Glycel products are primarily sold online and in Glycel Skinspas, as part of or as extensions to the spa treatments available there. Similarly, Eurobeauté products are also sold online and as part of Oasis Beauty centre treatments. The Group also operates one Erno Laszlo store in Hong Kong selling a range of exclusive skincare products.

PROSPECTS

Looking ahead, the Group remains committed to delivering a high quality of service and providing a premium experience to customers, while leveraging economies of scale to achieve cost efficiencies. The challenges in the Hong Kong market, which are not expected to alleviate in the near future, are likely to see lesser beauty players exiting the market in the months ahead. For the Group, this represents an opportunity for capturing further business, consolidating its leading position and reputation in the market.

In the six months ahead, the Group will continue to invest in people, solutions and equipment. It will ensure its flagship stores remain best in class, showcasing what the Group excels in. For 2026, the Group expects to increase its capital expenditure considerably, with several store renovations being planned as well as substantial purchases of new equipment on the cards.

Given the changing landscape of the beauty industry in Hong Kong and beyond, the Group will be looking closely at merger and acquisition opportunities going forward to grow its core business. Its new InMedic brand will be another growth driver.

From a financial management perspective, the Group will maintain its prudent dividend policy and will continue to exercise a highly disciplined approach to expenditure, with the aim of preserving its solid cash reserves and consequent high liquidity. This approach is not simply to ensure stable returns for shareholders, but also to ensure the Group is in a position to respond rapidly and effectively to acquisition opportunities as they arise.

In 2025, Water Oasis finds itself one of the leaders in beauty services in Hong Kong. This status is a testament to a reputation built up over many years, aligned with sharp pricing, and an excellent range of products and solutions. From a financial perspective, the Group occupies a strong position, being debt-free and cash rich. Its goal going forward is to maintain this elevated status by continuing to deliver a premium performance across its range of well-established brands.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity and financial resources position continues to remain strong. Its cash and bank deposits as at 30 September 2025 mainly denominated in Hong Kong dollars amounted to approximately HK$746.5 million (2024: HK$485.2 million). The Group generally finances its operation with internally generated resources.

As at 30 September 2025, the gearing ratio, expressed as a percentage of outstanding loan over total equity was nil (2024: 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.

PLEDGE OF ASSET

There was no pledge of asset of the Group as at 30 September 2025 (2024: nil).

CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 30 September 2025.

CAPITAL COMMITMENTS

The Group had capital commitments of approximately HK$0.7 million as at 30 September 2025 (2024: HK$3.9 million).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group employed 899 staff (2024: 914 staff). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options (if any) may 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 of employees for the year ended 30 September 2025 was approximately HK$451.2 million (2024: HK$448.6 million).

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 work force.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 30 September 2025. 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 30 September 2025.

SIGNIFICANT INVESTMENTS

As at 30 September 2025, the Group did not hold any significant investments.

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 30 September 2025.

FINAL DIVIDEND

The Board has proposed a final dividend of 2.5 HK cents per share for the year ended 30 September 2025. The proposed final dividend, if approved at the forthcoming annual general meeting on Tuesday, 20 January 2026 (the "AGM"), will be dispatched to the shareholders whose names appear on the register of members of the Company (the "Register of Members") at the close of business on Tuesday, 10 February 2026, being the record date for determining shareholders' entitlement to the final dividend.

CLOSURE OF REGISTER OF MEMBERS

(i) For determining the entitlement to attend and vote at the AGM, the Register of Members will be closed from Wednesday, 14 January 2026 to Tuesday, 20 January 2026, both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 13 January 2026.

(ii) For determining the entitlement of the proposed final dividend, the Register of Members will be closed on Wednesday, 4 February 2026 to Tuesday, 10 February 2026, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the proposed final 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 3 February 2026. The relevant dividend warrants will be dispatched to shareholders on Monday, 2 March 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 audited Consolidated Financial Statements with management and discussed with the independent auditor on auditing, internal control and financial reporting matters in respect of the Consolidated Financial Statements.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 30 September 2025 as set out in this announcement have been agreed by the Group's auditors, BDO Limited, to the amounts set out in the audited Consolidated Financial Statements. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on this announcement.

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

During the year ended 30 September 2025, the Company did not redeem any of the listed securities of the Company nor did the Company or its subsidiaries purchase or sell any such securities (including treasury shares). As at 30 September 2025, the Company did not hold any treasury shares.

Neither the Company nor its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercised any rights in relation to convertible securities, options, warrants or similar rights during the year ended 30 September 2025.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions as 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") throughout the year ended 30 September 2025.

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, each of the directors confirmed that he/she complied with the Model Code for transactions in the Company's securities throughout the year ended 30 September 2025.

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 annual report of the Company for the year ended 30 September 2025 will be available on the HKEx's and the Company's websites in due course.

By Order of the Board
WATER OASIS GROUP LIMITED
Tam Siu Kei
Executive Director and Chief Executive Officer

Hong Kong, 15 December 2025

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..