



Water **Oasis** Group Limited

奧思集團有限公司

Stock Code 股份代號 : 1161

# 奧思展新貌 煥發勃勃生機

A Brand New and Refreshing Oasis

INTERIM REPORT 中期報告 2013



Interim  
Report **13**

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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 31st March, 2013.

The unaudited consolidated results have been reviewed by the Company’s Audit Committee and the Company’s auditor, Deloitte Touche Tohmatsu, 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 auditor, on the basis of their review, concluded that nothing has come to their attention that causes them to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

## Results and Dividend

For the six months ended 31st March, 2013, the Group’s turnover fell by 36.9% by comparison with the same period last year, to approximately HK\$314.3 million (six months ended 31st March, 2012: HK\$497.7 million). Gross profit margin increased from 79.8% to 87.4%, and profit for the period fell by 49.3% compared with the same period last year, to HK\$18.6 million (six months ended 31st March, 2012: HK\$36.7 million) after including the gain on fair value change of approximately HK\$32.3 million of an investment property held by the Group.

The Board has resolved to declare an interim dividend of 2.5 HK cents per share (2012: 4.5 HK cents per share).

## Management Discussion and Analysis

For the six months from 1st October, 2012 to 31st March, 2013, the Group recorded an inevitable year-on-year fall in sales mainly due to the termination of its h<sub>2</sub>o+ distributorship rights, and all related operations, in the People’s Republic of China (the “PRC”) and Taiwan in 2012. This, combined with a one-off cost for additional payment obligations in respect of the remuneration and entitlements of certain employees for prior periods (as announced by the Company on 22nd January, 2013), led to a significant fall in profitability by comparison with the same period last year. However, the Group has worked hard over the past six months to counterbalance these factors, being proactively involved in pushing forward its development as a brand owner and successful beauty services operator in Hong Kong and the PRC.

Positively speaking, the Group engaged a strong half in terms of its beauty services segment, such that for the period under review, the Group’s sale mix stood at 35.4% retail sales and 64.6% beauty services. The period saw increasing demand for the Group’s beauty services segment, a satisfactory performance from its Hong Kong-based brand portfolio, and generally good potential for new developments in China. Cash reserves remain robust, and plans are in place to aggressively expand the number of retail outlets in Hong Kong. In addition, the introduction of a new Enterprise Resource Planning (ERP) system looks set to improve efficiencies across the board.

### Glycel

The Group's self-owned Glycel brand continued to go from strength to strength, enjoying a double-digit increase in sales for the period over the previous one. There were 11 Glycel outlets in Hong Kong at period-end and another 4 in Taiwan. A further 5 are planned for opening in Hong Kong, comprising 3 that are to be opened after 31st March, 2013 within this financial year and 2 will be expected to open in the first half of next financial year, as part of the Group's positive expansion plans for this fast-developing brand. The increasing flood of influential mid- to high-end Mainland tourists and shoppers has made Hong Kong an important style-setting location for China, so the Group is concentrating on ensuring that Glycel remains high on the radar for these important buyers. By building up a Hong Kong momentum for the brand, it is confident that further Mainland success will follow in due course. Glycel has also been successfully launched in the PRC, and the Group currently has 7 outlets there, 6 that are self-managed and 1 that is operating under a franchise arrangement. Momentum is building gradually, and this should be boosted when the Group's flagship Glycel store opens in Shanghai IAPM, a prime shopping location in the city. The strong positive public perception of the brand in Hong Kong is also being given an extra boost by recent charity work initiatives associated with the Glycel name. For example, Glycel was the Title Sponsor of the Wai Yin Association Charity Ball 2013, held in May 2013.

### h<sub>2</sub>O+

Overall sales of h<sub>2</sub>O+ products by the Group were down by comparison with the previous interim period, because results for the current period reflected the loss of h<sub>2</sub>O+ products distributorship rights in the PRC and Taiwan. However, in Hong Kong, Macau and Singapore where the Group retains rights, h<sub>2</sub>O+ sales remained reasonable. Besides, the Group also adopts the strategy of switching store locations to more cost-effective ones as leases expired to counteract the increasing rental pressure in Hong Kong.

In Hong Kong, sales of h<sub>2</sub>O+ were down due to the lower number of stores opened in the period, but this shortfall will be made up as a number of new stores are opened in the months to come. Leveraging its excellent relations with most of the large property developers in Hong Kong, the Group is planning to open new stores in new districts to increase its penetration and accessibility for new customers. There were 14 h<sub>2</sub>O+ outlets in operation as at period end. An additional 5 new h<sub>2</sub>O+ outlets are expected to be up and running after 31st March, 2013 within 2013, including 3 in popular New Territories shopping malls in Tai Po (Mega Mall), Tuen Mun (V City) and Tseung Kwan O (The Edge) all of which attract a strong and enthusiastic middle class clientele, and 2 in major Kowloon malls (Langham Place and Olympic City).

### Erno Laszlo

The Group's Erno Laszlo brand has enjoyed an exceptionally strong first half, based on sales from 7 branches throughout Hong Kong. One further branch is planned for later in the year. In addition, the application of the Health Permit Product Registrations in Mainland China is still in progress and we have planned to commence our operation once the Health Permit Product Registrations are ready.

### Oasis Spa, Oasis Beauty/Aqua Beauty/Oasis Homme and Oasis Medical Centre

Sales performances were up for Oasis Spa and Oasis Medical Centre, and cash receipts from Oasis Beauty, including Aqua Beauty and Oasis Homme, have risen too. The Group had opened a new Oasis Beauty centre in Legend Tower, Kwun Tong in November 2012, which add up to 18 outlets of Oasis Beauty, including Aqua Beauty and Oasis Homme, as at 31st March, 2013. Besides, a new Oasis Medical Centre was also opened in Mongkok in November 2012. As at 31st March, 2013, the Group operated 3 Oasis Spa centres and 5 Oasis Medical Centres in Hong Kong.

In the PRC, the Group's 3 Oasis Beauty outlets in Beijing performed steadily, with small increases in sales. In addition, the Group also opened a new flagship beauty outlet in the prime location of Super Brand Mall in Shanghai Pudong in February 2013, which expands its presence to a second major Mainland city. Despite only having been operating for a few months, the Shanghai performance is encouraging, although it will take some time for its full effect to be recognised. We expect the Shanghai performance to be further boosted by the opening of our flagship Glycel store in the city in the summer.

The Group will continue to proceed cautiously with its PRC expansion of beauty services, including its plans for establishing an Oasis Beauty franchise network.

### Other

During the period, the Group sold its two residential investment properties to focus more on developing its core businesses of brand ownership and beauty services. The cash proceeds from their sale have helped to maintain the Group's abundant cash reserves.

### Outlook

With a strong foundation in place and a clear plan of development for the second half of the year and beyond, the Group is confident about its directions and potential for future growth. Given its plans to open a significant number of new stores in coming months, and its increased focus on the service sector (where the system of cash advance payments offers extra benefits for the Group), it may still take time for our Group to make up the shortfall in sales as a result of the termination of the h<sub>2</sub>O+ distributorship in the PRC and Taiwan. Spiralling rental costs continue to be a challenge, the Group will manage these by being long proactive in reviewing shop locations, closing outlets where rentals are not cost effective and often relocating them to more economical venues in vicinity. In addition to this, we shall explore and open more new stores that will be located in areas in which the Group has not had previous exposure, opening up significant potential new markets.

Glycel will continue to commission new products from its Swiss laboratory to expand the Glycel product range. Besides, the Group is also planning a revamp of the brand's packaging in order to add an even stronger sense of elegance and sophistication to its brand 'feel'. At the same time, the Group will be working to expand the presence of its other popular brands, h<sub>2</sub>O+ and Erno Laszlo, by expanding their store networks and continuing to explore new product development options.

More generally, the Group is planning to implement a new ERP system which should be in place by the end of the year. This will make for greater cost-effectiveness and better levels of management input. In addition, all the Group's various websites will undergo a revamp to create a fresh look and greater cohesiveness across the different sites. Some of these are already in progress.

The Group expects to fund the above development and expansion plans mainly through the internal financial resources.

As always, the Group remains alert to the possibilities of acquiring new brands and services that will complement its current portfolio, through merger or acquisition as appropriate.

## Liquidity and Financial Resources

As at 31st March, 2013, the Group had net current liabilities of approximately HK\$81.2 million (as at 30th September, 2012: HK\$44.9 million).

The Group generally finances its operations with internally generated resources. As at 31st March, 2013, the Group had cash reserves of approximately HK\$243.0 million (as at 30th September, 2012: HK\$255.2 million).

As at 31st March, 2013, the gearing ratio, expressed as a percentage of the secured mortgage loan secured by an investment property owned by the Group and the convertible bond over total equity of approximately HK\$280.5 million (as at 30th September, 2012: HK\$292.4 million) was approximately 29.0% (as at 30th September, 2012: 27.6%). Details of the convertible bond as set out in notes 14 & 20 as well as the maturity profile of the secured mortgage loan as set out in note 15 are disclosed in the condensed consolidated financial statements. All borrowings are denominated in Hong Kong dollars. The bank balances and cash are mainly denominated in Hong Kong dollars and Renminbi.

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 31st March, 2013.

## Capital Commitments

The Group had no significant capital commitments as at 31st March, 2013.

## Human Resources

As at 31st March, 2013, the Group employed 869 staff (as at 30th September, 2012: 930 staff). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options will also be granted to eligible staff based on individual's and Group's performances. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

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.



## Report on Review of Condensed Consolidated Financial Statements To the Board of Directors of Water Oasis Group Limited

*(incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the condensed consolidated financial statements of Water Oasis Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 7 to 22, which comprises the Condensed Consolidated Statement of Financial Position as of 31st March, 2013 and the related Condensed Consolidated Statement of Profit or Loss, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### Deloitte Touche Tohmatsu

*Certified Public Accountants*

Hong Kong, 28th May, 2013

# Condensed Consolidated Statement of Profit or Loss

Unaudited  
Six months ended  
31st March,

	Notes	2013 HK\$'000	2012 HK\$'000
Turnover	4	314,259	497,711
Purchases and changes in inventories of finished goods		(39,550)	(100,770)
Other income		4,219	4,507
Other gains or losses		29,567	10,586
Staff costs	5	(155,573)	(161,803)
Depreciation of property and equipment		(11,943)	(16,455)
Finance costs		(3,367)	(3,153)
Other expenses		(122,546)	(187,517)
Profit before taxation		15,066	43,106
Taxation	6	3,564	(6,371)
Profit for the period	7	18,630	36,735
Profit for the period attributable to:			
Owners of the Company		20,157	37,903
Non-controlling interests		(1,527)	(1,168)
		18,630	36,735
Earnings per share			
Basic	8	2.6 HK cents	5.0 HK cents
Diluted	8	2.6 HK cents	5.0 HK cents



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Unaudited Six months ended 31st March,	
	2013 HK\$'000	2012 HK\$'000
Profit for the period	18,630	36,735
<b>Other comprehensive (expense) income:</b> <i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation and other comprehensive (expense) income for the period	(13)	58
Total comprehensive income for the period	18,617	36,793
Total comprehensive income for the period attributable to:		
Owners of the Company	20,131	37,961
Non-controlling interests	(1,514)	(1,168)
	18,617	36,793

# Condensed Consolidated Statement of Financial Position

	Notes	Unaudited As at 31st March, 2013 HK\$'000	Audited As at 30th September, 2012 HK\$'000
<b>Non-current assets</b>			
Intangible assets		59,695	59,786
Goodwill		3,012	3,012
Investment properties	10	222,474	205,180
Property and equipment	10	44,138	43,500
Rental deposits		31,610	31,600
Deferred tax assets		17,695	12,493
		<b>378,624</b>	<b>355,571</b>
<b>Current assets</b>			
Inventories		37,630	32,696
Trade receivables	11	40,513	35,635
Prepayments		51,203	48,554
Other deposits and receivables		11,111	19,093
Tax recoverable		253	1,777
Bank balances and cash		243,035	255,170
		<b>383,745</b>	<b>392,925</b>
<b>Asset classified as held for sale</b>	12	-	25,000
		<b>383,745</b>	<b>417,925</b>
<b>Current liabilities</b>			
Trade payables	13	4,049	4,942
Accruals and other payables		80,078	94,572
Receipts in advance		293,253	262,965
Convertible bond	14	48,429	46,407
Secured mortgage loan	15	32,992	34,385
Tax payable		6,183	19,057
		<b>464,984</b>	<b>462,328</b>
<b>Liabilities associated with asset classified as held for sale</b>		-	490
		<b>464,984</b>	<b>462,818</b>
<b>Net current liabilities</b>		<b>(81,239)</b>	<b>(44,893)</b>
<b>Total assets less current liabilities</b>		<b>297,385</b>	<b>310,678</b>
<b>Capital and reserves</b>			
Share capital	16	76,395	76,395
Reserves		194,009	204,436
<b>Equity attributable to owners of the Company</b>		<b>270,404</b>	<b>280,831</b>
<b>Non-controlling interests</b>		<b>10,077</b>	<b>11,591</b>
<b>Total equity</b>		<b>280,481</b>	<b>292,422</b>
<b>Non-current liabilities</b>			
Pension obligations		172	172
Deferred tax liabilities		16,732	18,084
		<b>16,904</b>	<b>18,256</b>
		<b>297,385</b>	<b>310,678</b>

# Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Share options reserve HK\$'000	Convertible bond equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2011 (audited)	76,395	38,879	22,108	(1,766)	450	1,797	31,533	1,347	133,938	304,681	16,336	321,017
Profit for the period	-	-	-	-	-	-	-	-	37,903	37,903	(1,168)	36,735
Other comprehensive income for the period	-	-	58	-	-	-	-	-	-	58	-	58
Total comprehensive income for the period	-	-	58	-	-	-	-	-	37,903	37,961	(1,168)	36,793
2011 final dividend paid	-	-	-	-	-	-	-	-	(61,116)	(61,116)	-	(61,116)
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	3,772	-	-	3,772	-	3,772
At 31st March, 2012 (unaudited)	76,395	38,879	22,166	(1,766)	450	1,797	35,305	1,347	110,725	285,298	15,168	300,466

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Share options reserve HK\$'000	Convertible bond equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2012 (audited)	76,395	38,879	21,999	(1,766)	450	1,797	35,305	1,347	106,425	280,831	11,591	292,422
Profit for the period	-	-	-	-	-	-	-	-	20,157	20,157	(1,527)	18,630
Other comprehensive (expense) income for the period	-	-	(26)	-	-	-	-	-	-	(26)	13	(13)
Total comprehensive (expense) income for the period	-	-	(26)	-	-	-	-	-	20,157	20,131	(1,514)	18,617
2012 final dividend paid	-	-	-	-	-	-	-	-	(30,558)	(30,558)	-	(30,558)
Transfer to retained profits upon expiry of share options	-	-	-	-	-	-	(35,305)	-	35,305	-	-	-
At 31st March, 2013 (unaudited)	76,395	38,879	21,973	(1,766)	450	1,797	-	1,347	131,329	270,404	10,077	280,481

# Condensed Consolidated Statement of Cash Flows

Unaudited  
Six months ended  
31st March,

	2013 HK\$'000	2012 HK\$'000
Net cash (used in) from operating activities	(5,828)	8,038
Net cash from (used in) investing activities:		
Proceeds on disposal of an investment property	14,000	–
Proceeds on disposal of asset classified as held for sale	25,000	–
Purchase of property and equipment	(13,592)	(18,356)
Other investing cash flows	1,571	1,021
	26,979	(17,335)
Net cash used in financing activities:		
Dividends paid	(30,558)	(61,116)
Other financing cash flows	(2,745)	(2,964)
	(33,303)	(64,080)
Net decrease in cash and cash equivalents	(12,152)	(73,377)
Cash and cash equivalents at beginning of the period	255,170	324,982
Effect of foreign exchange rate changes	17	64
Cash and cash equivalents at end of the period, represented by bank balances and cash	243,035	251,669

# Notes to the Condensed Consolidated Financial Statements

## 1. General Information

Water Oasis Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 27th September, 2001 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the Interim Report. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11th March, 2002.

The Company is an investment holding company. Its subsidiaries are principally engaged in the distribution of skincare products in Hong Kong, Macau, Taiwan, Singapore and the People’s Republic of China (the “PRC”) and the operation of beauty salons, spa and medical beauty centres in Hong Kong and the PRC.

The condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) which is the functional currency of the Company. The condensed consolidated financial statements were approved for issue by the Board of Directors on 28th May, 2013.

## 2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements have been prepared on a going concern basis as at 31st March, 2013, 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.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 30th September, 2012.

## 3. Principal Accounting Policies

The 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 condensed consolidated financial statements for the six months ended 31st March, 2013 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 30th September, 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKAS 1

Presentation of Items of Other Comprehensive Income

#### Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

#### 4. Turnover and Segment Information

Information reported to the Company's Executive Directors, being the chief operating decision maker, in respect of the Group's business is focused on operation mode. The Group's operating segments based on the said information for the purposes of resources allocation and performance assessment, under HKFRS 8 are therefore as follows:

- (i) Retail segment – the retail sales of skincare products
- (ii) Services segment – provision of services in beauty salons, spa, medical beauty centres and other businesses

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

	Retail segment Six months ended 31st March,		Services segment Six months ended 31st March,		Elimination Six months ended 31st March,		Consolidation Six months ended 31st March,	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Sales to external customers	111,305	282,819	202,954	214,892	-	-	314,259	497,711
Inter-segment sales	12,802	11,654	-	-	(12,802)	(11,654)	-	-
<b>Total</b>	<b>124,107</b>	<b>294,473</b>	<b>202,954</b>	<b>214,892</b>	<b>(12,802)</b>	<b>(11,654)</b>	<b>314,259</b>	<b>497,711</b>
Segment results	116	12,752	18,210	61,470	-	-	18,326	74,222
Other income							4,219	4,507
Other gains or losses							29,567	10,586
Finance costs							(3,367)	(3,153)
Central administrative costs							(33,679)	(43,056)
<b>Profit before taxation</b>							<b>15,066</b>	<b>43,106</b>

Segment results represent the profit earned by each segment without allocation of income, gains or losses of the corporation function, 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.

#### 5. Staff Costs

During the period, the Group recognised an additional staff cost of approximately HK\$21.9 million, being one-off remuneration and entitlement of certain of its employees in respect of prior years up to 31st December, 2012.

#### 6. Taxation

	Six months ended 31st March,	
	2013 HK\$'000	2012 HK\$'000
Current taxation		
Current period	2,990	5,335
Deferred taxation		
Current period	(6,554)	1,036
	<b>(3,564)</b>	6,371

Hong Kong Profits Tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward from prior years.

The PRC Enterprise Income Tax was calculated at the statutory income tax rate of 25% (2012: 25%) on the assessable profits.

Withholding tax has been imposed on dividends payable to foreign shareholders out of profits generated by companies established in the PRC. Deferred taxation has been provided for in respect of the undistributed profits from the Group's PRC subsidiaries accordingly.

Taxation on profits generated outside Hong Kong has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries/places in which the Group operates.

7. Profit for the Period

	Six months ended 31st March,	
	2013 HK\$'000	2012 HK\$'000
Profit for the period after charging:		
Amortisation of intangible assets	130	167
Interest expenses on secured mortgage loan	357	389
Effective interest expenses on convertible bond	3,010	2,764
Equity-settled share-based payment expenses	-	3,772
Loss on fair value change of an investment property	960	-
Loss on disposal/write-off of property and equipment	886	94
Net exchange losses	841	-
and after crediting:		
Gain on fair value change of investment properties	32,254	10,590
Interest income on bank deposits	1,515	1,733
Rental income from investment properties	2,245	2,580
Net exchange gains	-	516

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:

	Six months ended 31st March,	
	2013 HK\$'000	2012 HK\$'000
Earnings for the calculation of basic and diluted earnings per share	20,157	37,903

	Number of shares	
	2013	2012
Number of ordinary shares for the calculation of basic and diluted earnings per share	763,952,764	763,952,764



The computation of diluted earnings per share had not assumed:

- (i) the exercise of the Company's outstanding share options for both periods since the exercise price of those options was higher than the average price during that period and hence the share options were not dilutive (such share options expired during current interim period);
- (ii) the conversion of the Company's outstanding convertible bond for both periods since the exercise would result in an increase in earnings per share and hence was anti-dilutive.

## 9. Dividends

	Six months ended 31st March, 2013 HK\$'000	2012 HK\$'000
Interim dividend proposed of 2.5 HK cents (2012: 4.5 HK cents) per share	<b>19,099</b>	34,378

During the six months ended 31st March, 2013, a final dividend of 4.0 HK cents (2012: 8.0 HK cents) per share totalled approximately HK\$30,558,000 was paid to shareholders of the Company in respect of the year ended 30th September, 2012 (2012: HK\$61,116,000 was paid in respect of the year ended 30th September, 2011).

At the Board meeting held on 28th May, 2013, the directors declared an interim dividend of 2.5 HK cents (2012: 4.5 HK cents) per share. This proposed interim dividend is not reflected as dividend payable in the condensed consolidated financial statements as it was declared after the end of the reporting period.

## 10. Capital Expenditures

During the six months ended 31st March, 2013, the Group incurred capital expenditure of approximately HK\$13,592,000 for property and equipment (six months ended 31st March, 2012: HK\$18,356,000).

The Group's investment properties were revalued based on a valuation as at 31st March, 2013 carried out by Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, an independent qualified professional valuer not connected with the Group. The resulting increase in fair value of investment properties of HK\$32,254,000 (six months ended 31st March, 2012: HK\$10,590,000) has been recognised in the profit or loss.

#### 11. Trade Receivables

The Group generally allows its trade debtors credit terms of 30 days to 90 days. The following is an aging analysis of trade receivables, presented based on the payment due date, net of allowance for bad and doubtful debts, at the end of the reporting period:

	<b>As at 31st March, 2013 HK\$'000</b>	As at 30th September, 2012 HK\$'000
0 to 30 days	<b>36,969</b>	28,332
31 days to 60 days	<b>2,018</b>	1,476
61 days to 90 days	<b>100</b>	46
Over 90 days	<b>1,426</b>	5,781
	<b>40,513</b>	35,635

#### 12. Asset Classified as Held for Sale

On 24th September, 2012, a sales agreement was signed relating to the sale of an investment property in which the sales was completed during the current period.

#### 13. Trade Payables

The following is an aging analysis of trade payables, presented based on the payment due date, at the end of the reporting period:

	<b>As at 31st March, 2013 HK\$'000</b>	As at 30th September, 2012 HK\$'000
0 to 30 days	<b>4,049</b>	4,942

#### 14. Convertible Bond

On 4th May, 2010, the Company issued a 5% unsecured convertible bond with a principal sum of HK\$39,000,000 to an independent subscriber pursuant to the Subscription Agreement. The convertible bond entitles the holder to convert in whole or in part of the principal amount into ordinary shares of the Company at any time prior to seven business days preceding the maturity date on 3rd May, 2013, at a conversion price of HK\$2.21 per share, subject to anti-dilutive adjustments.

The convertible bond will be redeemed upon maturity at a price that shall provide the bondholder with an internal rate of return of 12% per annum on the principal amount.

The convertible bond contains two components, liability and equity elements amounting to HK\$37,390,000 and HK\$1,610,000 respectively. The effective interest rate of the liability component of the convertible bond is 13.68% per annum.

The liability component of the convertible bond as at 31st March, 2013 is approximately HK\$48,429,000 (as at 30th September, 2012: HK\$46,407,000).

#### 15. Secured Mortgage Loan

	<b>As at 31st March, 2013 HK\$'000</b>	As at 30th September, 2012 HK\$'000
Analysed for reporting purpose as current liabilities	<b>32,992</b>	34,385

The Group's secured mortgage loan contains a repayment on demand clause and is accordingly classified as current liability.

The scheduled principal repayment dates of the loan with reference to the mortgage loan agreement are as follows:

	<b>As at 31st March, 2013 HK\$'000</b>	As at 30th September, 2012 HK\$'000
Within 1 year	<b>3,073</b>	3,038
1 year to less than 2 years	<b>2,898</b>	2,867
2 years to less than 3 years	<b>2,960</b>	2,930
3 years to less than 4 years	<b>3,026</b>	2,993
4 years to less than 5 years	<b>3,091</b>	3,058
5 years or more	<b>17,944</b>	19,499
	<b>32,992</b>	34,385

As at 31st March, 2013, the mortgage loan is secured by the Group's investment property with a carrying amount of HK\$222,474,000 (as at 30th September, 2012: HK\$190,220,000). It bears interest at 2.85% below the bank's Best Lending Rate per annum. The effective interest rate is approximately 2.15% (as at 30th September, 2012: 2.15%) per annum.

#### 16. Share Capital

	<b>As at 31st March, 2013 HK\$'000</b>	As at 30th September, 2012 HK\$'000
Authorised: 2,000,000,000 (2012: 2,000,000,000) ordinary shares of HK\$0.1 each	<b>200,000</b>	200,000
Issued and fully paid: 763,952,764 (2012: 763,952,764) ordinary shares of HK\$0.1 each	<b>76,395</b>	76,395

## 17. Share Options

- (i) On 24th February, 2012, the Company adopted a new share option scheme (the “Share Option Scheme”), which replaced an old share option scheme that expired on 22nd January, 2012. The purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Pursuant to the Share Option Scheme, the Board of Directors may, on or before 23rd February, 2022, at its discretion, offer to grant options at an option price of HK\$1.00 to any executives and full-time employees, part time employees with weekly working hours of 10 hours and above, executive or non-executive directors of the Company or any of its subsidiaries, any advisors (professional or otherwise), consultants, distributors, suppliers, agents, customers, partners, joint venture partners, promoters, service providers to subscribe for shares of the Company, representing (when aggregated with options granted under any other scheme) initially not more than 10% of the shares in issue as at the date on which the Share Option Scheme was conditionally adopted pursuant to the resolution of the shareholders of the Company in general meeting held on 24th February, 2012. The subscription price shall be the highest of (i) the closing price of the shares of the Company on the Stock Exchange on the date of the grant of options; (ii) the average closing price of the shares of the Company on the Stock Exchange for the five business days immediately preceding the date of the grant of options; and (iii) the nominal value of the shares. The maximum aggregate number of shares issued and to be issued on the exercise of options and in respect of which options may be granted under the Share Option Scheme must not exceed 30% of the total number of shares in issue from time to time.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 24th February, 2012. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) within any twelve-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries must not exceed 1% of the number of shares in issue.

No share options under the Share Option Scheme were granted or exercised during the current interim period nor outstanding as at 31st March, 2013.

- (ii) On 18th December, 2009, the Company entered into a consultancy agreement with independent third parties, Luminary Capital Limited (the “Advisor”) and Mr. Leung Pak To, Francis, whereby an option was granted by the Company to the Advisor in return for its general consultancy and financial advisory services provided to the Group (the “Option”) for a period of 24 months. The Option entitles the Advisor the right to require the Company to issue up to 36,955,600 option shares at an option price of HK\$2.26 per option share during a 36 months’ period from 18th December, 2009 to 17th December, 2012.

The closing price of the Company’s shares immediately preceding 18th December, 2009 (the date the option was granted) was HK\$2.45.

The fair value of the Option at the date of grant determined using the Binomial Option Pricing Model was approximately HK\$35,305,000. An option expense of approximately HK\$3,772,000 was recognised and charged to the condensed consolidated statement of profit or loss for the six months ended 31st March, 2012.

Following the Company's issue of bonus shares on 30th March, 2010, the number of option shares and the option price were adjusted to 73,911,200 option shares and HK\$1.13 per option share respectively.

The option has never been exercised and it expired during the current period.

## 18. Commitments and Arrangements

### (a) Capital commitments

	As at 31st March, 2013 HK\$'000	As at 30th September, 2012 HK\$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the condensed consolidated financial statements	1,320	334

### (b) Commitments and arrangements under operating leases

As at 31st March, 2013 and 30th September, 2012, the Group had total future aggregate minimum lease receipts and payments under non-cancellable operating leases in respect of investment properties and land and buildings as follows:

As lessors Rental receipts	As at 31st March, 2013 HK\$'000	As at 30th September, 2012 HK\$'000
Not later than 1 year	941	3,067

There was no contingent lease arrangement for the Group's rental receipts.

As lessees Rental payments	As at 31st March, 2013 HK\$'000	As at 30th September, 2012 HK\$'000
Not later than 1 year	104,250	101,392
More than 1 year and not later than 5 years	113,412	93,304
	<b>217,662</b>	194,696

Operating lease payments represent rentals payable by the Group for certain of its leased properties. Lease terms are negotiated and fixed for an average term of two to three years.

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payable, if any, where the amounts are determined by applying predetermined percentages to turnover less the basic rentals of the respective leases as it is not possible to determine in advance the amount of such additional rentals.

#### 19. Related Party Transaction

Key management personnel compensation

	Six months ended 31st March, 2013 HK\$'000	2012 HK\$'000
Basic salaries	1,932	6,527
Bonuses	3,909	6,772
Retirement benefit costs	30	30
	<b>5,871</b>	13,329

#### 20. Event after the Reporting Period

On 3rd May, 2013, the Company's convertible bond had been redeemed upon maturity by the Company in full at its carrying value. No gain or loss is recognised in profit or loss upon redemption of the convertible bond.

## Interim Dividend and Closure of Register of Members

The Board has declared an interim dividend of 2.5 HK cents per share for the six months ended 31st March, 2013 payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 17th June, 2013. The Register of Members will be closed from Thursday, 13th June, 2013 to Monday, 17th June, 2013, 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 Company's branch share registrar in Hong Kong, Tricor Standard Limited, whose share registration public offices are located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11th June, 2013. The relevant dividend warrants will be dispatched to shareholders on Thursday, 27th June, 2013.

## Audit Committee

The Company's Audit Committee comprises Prof. Wong Lung Tak, Patrick, B.B.S., J.P., Mr. Wong Chun Nam, Duffy, J.P. and Dr. Wong Chi Keung who are the independent non-executive directors of the Company. The Audit Committee is chaired by Prof. Wong Lung Tak, Patrick, B.B.S., J.P. It is responsible for the appointment of the external auditor, review of the Group's financial information and overseeing the Group's financial reporting system and internal control procedures. It is also responsible for reviewing the interim and annual results of the Group prior to recommending them to the Board for approval. The Board has delegated its responsibilities to the Audit Committee to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to the directors and employees; to review and monitor the training and continuous professional development of directors and senior management and to review the Company's compliance with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and disclosures in the corporate governance report.

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 31st March, 2013 with management and discussed with the independent auditor on reviewing internal control and financial reporting matters in respect of the condensed consolidated financial statements.

## Remuneration Committee

The Company established a Remuneration Committee on 26th June, 2006. The Remuneration Committee comprises all the independent non-executive directors of the Company and is chaired by Mr. Wong Chun Nam, Duffy, J.P.

The primary objectives of the Remuneration Committee include making recommendations on the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. It shall also make recommendations to the Board on the remuneration of non-executive directors.



## Investment Advisory Committee

To establish better control on the Group's investment portfolio, an Investment Advisory Committee was established on 15th November, 2007. The Investment Advisory Committee comprises all the independent non-executive directors of the Company and Mr. Yu Kam Shui, Erastus, executive director and Acting Chief Executive Officer of the Company, and is chaired by Dr. Wong Chi Keung.

The objectives of this Committee are to set guidelines on the portfolio mix of the Group's investments for the daily execution of investment decisions and monitoring of the investment portfolio. The Committee members meet and review the investment directions and the portfolio mix as well as evaluating the performance of the investment portfolio.

## Nomination Committee

To comply with the CG Code, a Nomination Committee was established on 22nd March, 2012. The Nomination Committee comprises all the independent non-executive directors of the Company and is chaired by Dr. Wong Chi Keung.

The Nomination Committee is responsible for making recommendations to the Board on nominations, appointment or re-appointment of directors and Board succession. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive directors.

## Disclosure Committee

In order to enhance timely disclosure of inside information (the "Inside Information") as defined under the Securities and Futures Ordinance ("SFO"), a Disclosure Committee was established on 10th January, 2013. The Disclosure Committee comprises Mr. Yu Kam Shui, Erastus, executive director and Acting Chief Executive Officer of the Company and all the independent non-executive directors of the Company, and is chaired by Mr. Yu Kam Shui, Erastus.

The objectives of the Disclosure Committee are to consider and make recommendations to the Board in relation to the Company's disclosure policy and guidelines regarding the Inside Information of the Company and to make recommendations to the Board on the disclosure of Inside Information in compliance with the established disclosure policy and guidelines adopted by the Board, the applicable laws and regulations, including but not limited to the Listing Rules and the SFO.

## Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures

As at 31st March, 2013, the interests or short positions of the directors and chief executive of the Company in the shares or underlying shares or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO (Chapter 571)), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Long position in the shares of the Company and its associated corporations

Name of director	Name of company in which interests are held	Capacity in which interests are held	Number and class of shares			Total	Percentage of issued share capital
			Personal interests	Family interests	Corporate interests		
Yu Kam Shui, Erastus	Company	Beneficial owner	8,000,000 ordinary	–	–	8,000,000 ordinary	1.0%
Tam Chie Sang	Company	Interest of a controlled corporation and interest of spouse	–	5,960,000 ordinary <sup>(1)</sup>	155,333,760 ordinary <sup>(2)</sup>	161,293,760 ordinary	21.1%
	Water Oasis Company Limited	Beneficial owner and interest of spouse	165,000 non-voting deferred	165,000 non-voting deferred <sup>(1)</sup>	–	330,000 non-voting deferred	–
Yu Lai Chu, Eileen	Company	Beneficial owner and interest of a controlled corporation	5,960,000 ordinary	–	155,333,760 ordinary <sup>(2)</sup>	161,293,760 ordinary	21.1%
	Water Oasis Company Limited	Beneficial owner and interest of spouse	165,000 non-voting deferred	165,000 non-voting deferred <sup>(3)</sup>	–	330,000 non-voting deferred	–
Lai Yin Ping	Company	Interest of spouse	–	8,000,000 ordinary <sup>(4)</sup>	–	8,000,000 ordinary	1.0%
Wong Chun Nam, Duffy, J.P.	Company	Beneficial owner	600,000 ordinary	–	–	600,000 ordinary	0.1%

Notes:

- (1) These shares are registered in the name of Ms. Yu Lai Chu, Eileen, the wife of Mr. Tam Chie Sang.
- (2) These shares are registered in the name of Zinna Group Limited, a company incorporated in Hong Kong. All voting rights over Zinna Group Limited are held by Royalion Worldwide Limited, a British Virgin Islands company which is 51% owned by Mr. Tam Chie Sang and 49% owned by his spouse Ms. Yu Lai Chu, Eileen, both of which are directors of the Company.
- (3) These shares are registered in the name of Mr. Tam Chie Sang, the husband of Ms. Yu Lai Chu, Eileen.
- (4) These shares are registered in the name of Mr. Yu Kam Shui, Erastus, the husband of Ms. Lai Yin Ping.

As at 31st March, 2013, save as disclosed above, none of the directors, chief executive or any of their associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Share Options

Particulars of the Share Option Scheme are set out in note 17 to the condensed consolidated financial statements. No share options under the Share Option Scheme were granted or exercised during the current interim period nor outstanding as at 31st March, 2013.

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, the chief executive, their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the period.

## Substantial Shareholders' Interests

As at 31st March, 2013, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or, who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

### Long position in the shares and underlying shares

Name of Shareholder	Capacity	Number of ordinary shares	Approximate percentage of voting power
Yu Lai Si	Beneficial owner	166,113,760	21.7%
Zinna Group Limited <sup>(1)</sup>	Interest of a controlled corporation	155,333,760	20.3%
Advance Favour Holdings Limited <sup>(2)</sup>	Interest of a controlled corporation	77,666,880	10.2%
Billion Well Holdings Limited <sup>(3)</sup>	Interest of a controlled corporation	77,666,880	10.2%
Darby Overseas Investments, Ltd. <sup>(4)</sup>	Investment manager	42,487,822	5.6%

Notes:

- (1) Zinna Group Limited is a company incorporated in Hong Kong. All of its voting rights are held by Royalion Worldwide Limited, a British Virgin Islands company which is 51% owned by Mr. Tam Chie Sang and 49% owned by his spouse, Ms. Yu Lai Chu, Eileen, both of which are directors of the Company.
- (2) Advance Favour Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, sister of Ms. Lai Yin Ping, a director of the Company.
- (3) Billion Well Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, sister of Ms. Lai Yin Ping, a director of the Company.
- (4) Darby Overseas Investments, Ltd. is a company incorporated in Delaware, United States of America and is beneficially owned by Franklin Resources, Inc.. Pursuant to the Subscription Agreement dated on 27th April, 2010, those shares include i) 24,840,764 shares issued and allotted at a price of HK\$1.57 per share; and ii) the convertible bond in an aggregate principal amount of HK\$39,000,000, in which, upon full conversion, a total of 17,647,058 conversion shares will be issued.

## Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## Corporate Governance

In the opinion of the directors, save as disclosed below, the Company has complied with the code provisions (the "Code Provisions") set out in the CG Code contained in Appendix 14 of the Listing Rules during the period under review.

### Code Provision A.2.1

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same person. Presently, the Board does not have any director with the title "Chairman", whereas Mr. Yu Kam Shui, Erastus, the Acting Chief Executive Officer of the Group, is carrying out the duties of both the Chairman and Chief Executive Officer. The Chief Executive Officer is responsible to ensure all directors have received adequate, complete and reliable information in a timely manner. The Board considers that the current structure facilitates the execution of the Group's business strategies and maximises the effectiveness of its operation. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

### Code Provision A.4.1

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the independent non-executive directors of the Company were not appointed for a specific term because they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's articles of association.

## Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Following a specific enquiry by the Company, all directors confirmed that they complied with the Model Code for transactions in the Company's securities throughout the review period.

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

## Update of Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report 2012 are set out as follows:

- 1) Mr. Yu Kam Shui, Erastus was appointed as the chairman of the Disclosure Committee of the Company on 10th January, 2013.
- 2) Prof. Wong Lung Tak, Patrick, B.B.S., J.P. was appointed as a member of the Disclosure Committee of the Company on 10th January, 2013.
- 3) Mr. Wong Chun Nam, Duffy, J.P. was appointed as a member of the Disclosure Committee of the Company on 10th January, 2013.
- 4) Dr. Wong Chi Keung was appointed as a member of the Disclosure Committee of the Company on 10th January, 2013 and became a member of the Royal Institute of Chartered Surveyors on 22nd January, 2013.

By Order of the Board

**Yu Kam Shui, Erastus**

*Executive Director and Acting Chief Executive Officer*

Hong Kong, 28th May, 2013

# Corporate Information

## Directors

### Executive Directors

Yu Kam Shui, Erastus  
Tam Chie Sang  
Yu Lai Chu, Eileen  
Lai Yin Ping

### Independent Non-Executive Directors

Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.  
Wong Chi Keung

## Audit Committee

Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.  
Wong Chi Keung

## Remuneration Committee

Wong Chun Nam, Duffy, J.P.  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chi Keung

## Investment Advisory Committee

Wong Chi Keung  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.  
Yu Kam Shui, Erastus

## Nomination Committee

Wong Chi Keung  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.

## Disclosure Committee

Yu Kam Shui, Erastus  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.  
Wong Chi Keung

## Company Secretary

Kwong Yee Man

## Auditor

Deloitte Touche Tohmatsu

## Legal Advisors

Deacons  
Reed Smith Richards Butler

## Principal Bankers

The Hongkong and Shanghai Banking  
Corporation Limited  
Hang Seng Bank Limited

## Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman  
KY1-1110  
Cayman Islands

## Hong Kong Branch Transfer Office

Tricor Standard Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## Head Office and Principal Place of Business

18th Floor, World Trade Centre  
280 Gloucester Road  
Causeway Bay  
Hong Kong

## Stock Code

1161

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