



Water **Oasis** Group Limited

奧思集團有限公司

Stock Code 股份代號 : 1161

蓬勃發展 欣欣向榮

A Flourishing Prosperous Oasis

2015

INTERIM REPORT  
中期報告

# 2015

INTERIM REPORT  
中期報告

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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, 2015.

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

## Results and Dividend

For the six months ended 31st March, 2015, the Group’s turnover rose by 7.2% by comparison with the same period last year, to approximately HK\$354.7 million (six months ended 31st March, 2014: HK\$330.9 million). The gross profit margin rose to around 90.6% from 89.8% for the same period last year, on the back of a greater contribution from the Group’s services sector in which profit margins are typically higher. Profit for the period rose by 603.1% compared with the same period last year, to HK\$33.6 million (six months ended 31st March, 2014: HK\$4.8 million). This large rise in profit reflected the effectiveness of the Group’s strategy of “strengthening the core”, as well as the fact that the figures for the comparable period last year were unrepresentative due to a number of special one-off factors as mentioned in previous periods. Excluding these one-off factors, the Group’s profit for the period increased by approximately 40.4% when compared with the same period last year. However, by comparison with the six-month period immediately preceding the period under review, the Group’s turnover was relatively stable. This stability was achieved despite exceptional external pressures in the Hong Kong environment during the period, discussed below, which impacted negatively on many Hong Kong retailers.

The Group retained a strong cash position of approximately HK\$250.9 million as at 31st March, 2015, which represents an increase of HK\$46.4 million over its cash in hand 12 months earlier.

The Board has resolved to declare an interim dividend of 4.0 HK cents per share for the six months ended 31st March, 2015 (six months ended 31st March, 2014: 1.0 HK cent per share).

## Management Discussion and Analysis

In the six-month period from 1st October, 2014 to 31st March, 2015, the Group continued with the consistent implementation of the latest phase of its development programme, summarized in its slogan “Strengthen the Momentum: Transform and Innovate”. It has been a challenging time for all retailers in Hong Kong, with a number of significant shocks affecting the retail environment. The ‘Occupy Central’ movement created severe disruption for many businesses, and since then, conflicts and challenges regarding Mainland visitors involved in ‘parallel trading’ have raised controversy in Hong Kong and led most recently (April 2015) to restrictions being placed on the frequency of visits by Mainland residents. Other developments have also taken some of the gloss off Hong Kong as a retail destination for Mainland tourists, and falls have been recorded in the number of arrivals. Furthermore, the steady appreciation of the US dollar, to which the Hong Kong dollar is pegged, also contributed to making Hong Kong less attractive as a holiday destination. Despite all this, the Group was able to achieve successful overall results and a steady momentum of growth across its business sectors.

As at 31st March, 2015, the sales mix of the Group's beauty services sales and retail sales stood at approximately 73% to 27%, up from around 70% to 30% at the same point last year. The change reflects the ongoing shift towards a focus on beauty services that has continued to take place over the year. A drop in retail sales of h<sub>2</sub>O+ also contributed to the greater weighting of the beauty services segment for the period; this was also partly due to the fact that, in last year's interim results, the Group was still recording results for Glycel outlets in the PRC and Taiwan, since closed.

It is worth recapping the strategies introduced by the Group over the past 18 months or so that have contributed to its steady performance and continuing momentum. Its activities have been based on five key pillars for growth, as follows:

- 1) Innovation: there has been a constant rethinking and innovating across the board in terms of products and services offered, hardware used, and so forth.
- 2) Customer experience: the focus has been on upgrading customers' experience and providing them with the highest service quality during their visits to both beauty centres and retail stores.
- 3) Flagship business model: the establishment of flagship operations in Central Hong Kong has brought greater brand awareness coupled with improved cost efficiencies and effectiveness.
- 4) Multi-brand marketing: from last August, the Group has brought many of its diverse brands together under the 'Oasis' brand umbrella, making for more effective brand recognition and streamlined marketing effectiveness.
- 5) Channels: the Group has been constantly exploring new business opportunities and channels, including boosting online e-commerce and developing new wholesale channels.

As mentioned in last year's annual report, one of the Group's strategies over the past two years has been to focus its attention primarily on Hong Kong, and particularly on the beauty services sector. This has involved it pouring significant resources into the Hong Kong local market, rather than catering for the Mainland tourist market. This strategic focus on Hong Kong has proved to be a good move, especially in the light of the recent external business environment and government policy affecting relations between China and Hong Kong, mentioned above, which have reduced Mainland visitor retail spending in Hong Kong.

## BEAUTY SERVICES BUSINESS

The Group's beauty services segment includes a range of services under the 'Oasis' brand (including Oasis Beauty, Oasis Spa, Oasis Homme, Oasis Medical Centre, Oasis Health and Mini Nail by Angelababy). It also includes 'Skinspa' services under its Glycel brand.

In the period under review, the Group's services segment once again performed strongly, with Oasis Medical Centre and Glycel being the standout performers. Overall, the sector recorded an increase in sales of approximately 12.6%. Within this, the performance of Oasis Beauty remained roughly the same as in the comparable previous period, while Oasis Spa posted a decrease in sales. New initiatives for Oasis Medical Centre and Glycel, however, boosted the performance of these brands significantly, helping them achieve strong sales growth of 37.5% and 42.2% respectively.

One highlight of the period was the opening of the Group's flagship store in the Entertainment Building in Central, Hong Kong. Combining Oasis Medical Centre, Glycel and Oasis Homme service centres, the new flagship model is helping consolidate the Group's brand profile among customers as well as streamlining running costs and staffing arrangements.

The rebranding initiative undertaken last year to bring together many of the Group's services more tightly under the 'Oasis' brand name has proven very successful to date, helping create a more focused and coherent brand identity and opening up synergies between the various parts. It has also enabled the Group to invest more in the overall brand profile, rather than splitting up its investment into different parts.

One of the standout performers under the Oasis stable has been Oasis Medical Centre, which is proving a real growth engine of the Group. Further expansion of its services offers a good way of enhancing the customer base and boosting sales. To this end, during the period the Group launched a professional medical beauty product 'DermaSynergy' to supplement the medical beauty treatments on offer at the centres, thus delivering a total medical beauty solution to customers. The DermaSynergy product line has been specially designed to enhance the effects of the treatment through its four-step 28-day cycle.

As at 31st March, 2015, the Group operated 14 Oasis Beauty centres, 2 Aqua Beauty centres, 3 Oasis Spa centres, 6 Oasis Medical Centres, 2 Oasis Homme centres and an online Oasis Florist in Hong Kong, along with 1 Mini Nail by Angelababy outlet. In the PRC, 3 self-managed Oasis Beauty centres were in operation, together with 1 franchised Oasis Beauty centre.

## RETAIL BUSINESS

The Group's retail business involves the sales of products under three self-owned brands – Glycel, Eurobeauté, and Oasis Medical DermaSynergy – and two licensed brands, h<sub>2</sub>O+ and Erno Laszlo.

### Self-owned brands

The Group's Glycel brand was an outstanding performer for the period, both in terms of its service performance and in retail sales of Glycel products. The brand continued to achieve double-digit growth in sales on the back of effective advertising and increasing consumer awareness of its efficacy, and has been an important contributor to the Group's improving profit margin. Hong Kong consumers have embraced Glycel enthusiastically, and the Group will tap into this further during the year to come as it leverages on the Glycel brand's 30th anniversary. In Hong Kong at period-end there were 15 Glycel outlets in operation including a newly opened outlet at Hong Kong International Airport Terminal 2. In Macau, the Group operated its Oasis Beauty Store selling Glycel and h<sub>2</sub>O+ brands' products, and a new Glycel outlet was opened in Venetian Macao-Resort-Hotel during the period under review.

### Licensed brands

The Group's h<sub>2</sub>O+ distribution business remains stable in Hong Kong, although the brand did experience a turndown in retail sales for the period, mainly due to the closure of some stores that were underperforming. As a result, there were 14 h<sub>2</sub>O+ stores operating in Hong Kong at the end of the period, against 17 a year earlier.

Sales of Erno Laszlo were up by 12.4% for the period, reflecting strong demand for the brand and continuing the momentum of recent years which has served to establish Erno Laszlo as a well-recognized skincare brand in Hong Kong. There were 8 Erno Laszlo branches in Hong Kong as at 31st March, 2015.

## Outlook

The Group's performance over the six months under review has reinforced the effectiveness of its long-term growth strategy, especially given the way it has been able to ride out the challenges of the period. Going forward, the same five key development principles described above will continue to be applied to drive the Group's future progress. It will continue the process of innovating and transforming by utilizing new technology and new market insights, and will push on in its efforts to enhance the level of customer experience it offers across its services. Opportunities to expand its flagship store model will be explored, and new channels for product and service delivery tested, all under a multi-brand marketing approach.

Building on the strong momentum of the Glycel brand, the Group is planning to take advantage of the upcoming 30th anniversary of this brand, first developed and launched in Switzerland in 1985, to launch a major sales push for Glycel in Hong Kong. Glycel was acquired exclusively by the Group in 2010, and has been going from strength to strength in the five years since, emerging as one of its most significant contributors.

In addition, the Group will continue its efforts to enhance customers' experience in ways that will increase their satisfaction levels and hence their brand loyalty. Here the focus is on refurbishment that lifts customer experience, rather than geographical expansion, with the end result being a premium beauty services environment for customers. Included in this process of upgrading is the constant renewal of beauty machines and medical equipment for offering clients the very latest and best equipment in the field.

In order to provide customers with an even more comprehensive stable of services, the Group's new Oasis Health service was launched as recently as April 2015, to strong positive market response. The customers are able to receive tailored nutritional advice from a registered dietitian in tandem with beauty and body treatments delivered under beauty services brands. A series of Oasis Health healthcare products is planned for launch later.

In summary, despite many uncertainties remaining in the economic outlook for Hong Kong as a whole, as it wrestles with political issues and issues relating to the influx of Mainland visitors, the Group remains cautiously optimistic about its performance prospects for the coming period. Unlike a number of competitors have built their business growth on sales to Mainland visitors, the Group has all along retained a firm focus on retaining and developing a local Hong Kong clientele. In short, the Group has performed steadily in line with its strategies and expectations over the past six months, and is continuing to work on initiatives that it expects to maintain the upward momentum throughout the period to come.

## Liquidity and Financial Resources

As at 31st March, 2015, the Group had net current liabilities of approximately HK\$38.9 million (as at 30th September, 2014: HK\$31.1 million).

The Group generally finances its operations with internally generated resources. As at 31st March, 2015, the Group had cash reserves of approximately HK\$250.9 million (as at 30th September, 2014: HK\$243.4 million).

As at 31st March, 2015, the gearing ratio, expressed as a percentage of the secured mortgage loan over total equity of approximately HK\$296.8 million (as at 30th September, 2014: HK\$302.7 million) was approximately 9.1% (as at 30th September, 2014: 9.4%). Details of the maturity profile of the secured mortgage loan as set out in note 12 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, 2015.

## Capital Commitments

The Group had no significant capital commitments as at 31st March, 2015.

## Human Resources

As at 31st March, 2015, the Group employed 789 staff (as at 30th September, 2014: 809 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 8 to 23, which comprises the Condensed Consolidated Statement of Financial Position as of 31st March, 2015 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, 27th May, 2015



# Condensed Consolidated Statement of Profit or Loss

Unaudited  
Six months ended  
31st March,

	Notes	2015 HK\$'000	2014 HK\$'000
Turnover	4	354,673	330,888
Purchases and changes in inventories of finished goods		(33,455)	(33,588)
Other income		3,112	3,434
Other gains or losses		518	350
Staff costs		(150,286)	(143,782)
Depreciation of property and equipment		(12,232)	(12,312)
Finance costs		(297)	(328)
Other expenses		(120,472)	(127,584)
Profit before taxation		41,561	17,078
Taxation	5	(7,987)	(12,303)
Profit for the period	6	33,574	4,775
Profit for the period attributable to:			
Owners of the Company		31,604	6,736
Non-controlling interests		1,970	(1,961)
		33,574	4,775
Earnings per share			
Basic and diluted	7	4.1 HK cents	0.9 HK cent

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

	Unaudited Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Profit for the period	33,574	4,775
<b>Other comprehensive (expense) income:</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(83)	76
Total comprehensive income for the period	33,491	4,851
Total comprehensive income for the period attributable to:		
Owners of the Company	31,532	6,786
Non-controlling interests	1,959	(1,935)
	33,491	4,851

## Condensed Consolidated Statement of Financial Position

	Notes	Unaudited As at 31st March, 2015 HK\$'000	Audited As at 30th September, 2014 HK\$'000
<b>Non-current assets</b>			
Intangible assets		59,260	59,389
Goodwill		3,012	3,012
Investment properties	9	230,027	229,478
Property and equipment	9	40,283	38,482
Rental deposits		32,700	34,745
Deferred tax assets		5,596	5,380
		<b>370,878</b>	370,486
<b>Current assets</b>			
Inventories		37,967	34,143
Trade receivables	10	37,113	25,662
Prepayments		51,411	47,348
Tax recoverable		2,010	287
Other deposits and receivables		8,539	12,766
Bank balances and cash		250,924	243,367
		<b>387,964</b>	363,573
<b>Current liabilities</b>			
Trade payables	11	6,029	8,473
Accruals and other payables		74,786	79,836
Receipts in advance		328,781	287,407
Secured mortgage loan – due within one year	12	2,960	2,930
Tax payable		14,339	16,057
		<b>426,895</b>	394,703
<b>Net current liabilities</b>		<b>(38,931)</b>	(31,130)
<b>Total assets less current liabilities</b>		<b>331,947</b>	339,356
<b>Capital and reserves</b>			
Share capital	13	76,395	76,395
Reserves		213,112	220,366
<b>Equity attributable to owners of the Company</b>		<b>289,507</b>	296,761
<b>Non-controlling interests</b>		<b>7,279</b>	5,983
<b>Total equity</b>		<b>296,786</b>	302,744
<b>Non-current liabilities</b>			
Secured mortgage loan – due after one year	12	24,061	25,551
Deferred tax liabilities		11,100	11,061
		<b>35,161</b>	36,612
		<b>331,947</b>	339,356

# 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	Other reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2013 (audited)	76,395	38,879	24,459	(1,766)	-	450	1,797	127,942	268,156	8,304	276,460
Profit for the period	-	-	-	-	-	-	-	6,736	6,736	(1,961)	4,775
Other comprehensive income for the period	-	-	50	-	-	-	-	-	50	26	76
Total comprehensive income for the period	-	-	50	-	-	-	-	6,736	6,786	(1,935)	4,851
2013 final dividend paid	-	-	-	-	-	-	-	(11,459)	(11,459)	-	(11,459)
At 31st March, 2014 (unaudited)	76,395	38,879	24,509	(1,766)	-	450	1,797	123,219	263,483	6,369	269,852
	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2014 (audited)	76,395	38,879	24,233	(1,766)	-	450	1,797	156,773	296,761	5,983	302,744
Profit for the period	-	-	-	-	-	-	-	31,604	31,604	1,970	33,574
Other comprehensive expense for the period	-	-	(72)	-	-	-	-	-	(72)	(11)	(83)
Total comprehensive income for the period	-	-	(72)	-	-	-	-	31,604	31,532	1,959	33,491
Acquisition of additional equity interest in a subsidiary	-	-	-	-	(589)	-	-	-	(589)	(663)	(1,252)
2014 final dividend paid	-	-	-	-	-	-	-	(38,197)	(38,197)	-	(38,197)
	-	-	-	-	(589)	-	-	(38,197)	(38,786)	(663)	(39,449)
At 31st March, 2015 (unaudited)	76,395	38,879	24,161	(1,766)	(589)	450	1,797	150,180	289,507	7,279	296,786

# Condensed Consolidated Statement of Cash Flows

Unaudited  
Six months ended  
31st March,

	2015 HK\$'000	2014 HK\$'000
Net cash from operating activities	62,138	42,964
Net cash used in investing activities:		
Purchase of property and equipment	(14,380)	(10,136)
Other investing cash flows	1,048	444
	(13,332)	(9,692)
Net cash used in financing activities:		
Dividends paid	(38,197)	(11,459)
Acquisition of additional equity interest in a subsidiary	(1,252)	–
Other financing cash flows	(1,757)	(2,050)
	(41,206)	(13,509)
Net increase in cash and cash equivalents	7,600	19,763
Cash and cash equivalents at beginning of the period	243,367	184,708
Effect of foreign exchange rate changes	(43)	79
Cash and cash equivalents at end of the period, represented by bank balances and cash	250,924	204,550

# 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 principally engage in the distribution of skincare products in Hong Kong, Macau and the People’s Republic of China (the “PRC”) and the operation of beauty centres, spas 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 27th May, 2015.

## 2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with 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 (the “Listing Rules”).

The condensed consolidated financial statements have been prepared on a going concern basis as at 31st March, 2015, 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, 2014.

## 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, 2015 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 30th September, 2014.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

### ***Amendments to HKFRS 10, HKFRS 12 and HKAS 27 “Investment Entities”***

The amendments allow a limited scope exception to consolidation for investment entities. Under the amendments, if an entity meets the definition of an investment entity, it is required to measure its interests in subsidiaries at fair value through profit or loss (rather than to consolidate the subsidiaries). For subsidiaries providing services that relate to the investment entity’s investment activities, the exception does not apply (i.e. still need to be consolidated).

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities. The adoption of amendments to HKFRS 10, HKFRS 12 and HKAS 27 has no impact on the consolidation of investment held by the Group.

### ***Amendments to HKAS 32 “Offsetting Financial Assets and Financial Liabilities”***

The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’. The amendments require retrospective application. The adoption of amendments to HKAS 32 has no impact on the financial assets and financial liabilities held by the Group.

### ***Amendments to HKAS 36 “Recoverable Amount Disclosures for Non-Financial Assets”***

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 “Fair Value Measurement”. The amendments require retrospective application. The adoption of amendments to HKAS 36 has no impact on the non-financial assets held by the Group.

Except as described above, the application of the other amendments to HKFRSs and the new interpretation in the current interim period had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### 4. Turnover and Segment Information

Information reported to the Company's executive directors, being the chief operating decision makers, 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 centres, spas, 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,	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Sales to external customers	94,616	99,829	260,057	231,059	-	-	354,673	330,888
Inter-segment sales	26,131	26,313	-	-	(26,131)	(26,313)	-	-
<b>Total</b>	<b>120,747</b>	126,142	<b>260,057</b>	231,059	<b>(26,131)</b>	(26,313)	<b>354,673</b>	330,888
Segment results	19,611	(6,165)	54,362	51,344	-	-	73,973	45,179
Other income							3,112	3,434
Other gains or losses							518	350
Finance costs							(297)	(328)
Central administrative costs							(35,745)	(31,557)
Profit before taxation							41,561	17,078

Segment results represent the profit earned by each segment without allocation of other income, other 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. Taxation

	Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Current taxation		
Current period	8,180	5,600
Deferred taxation	(193)	6,703
	<b>7,987</b>	12,303

Hong Kong Profits Tax has been provided at the rate of 16.5% (2014: 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% (2014: 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 Company'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.

## 6. Profit for the Period

	Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Profit for the period is stated at after charging:		
Amortisation of intangible assets	129	129
Allowance for doubtful debts	274	–
Interest expenses on secured mortgage loan	297	328
Write-off of property and equipment	350	36
Net exchange losses	–	159
and after crediting:		
Gain on fair value change of investment properties	549	541
Interest income on bank deposits	745	604
Net exchange gain	15	–
Gain on disposal of property and equipment	303	4
Rental income from investment properties	<b>2,277</b>	2,250

## 7. 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,	
	2015 HK\$'000	2014 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<b>31,604</b>	6,736

  

	Number of shares	
	2015	2014
Number of ordinary shares for the purposes of basic and diluted earnings per share	<b>763,952,764</b>	763,952,764

No adjustment had been made to the basic earnings per share for the six-month ended 31st March, 2014 and 2015 as the Company had no potentially dilutive ordinary shares in issue during those periods.

## 8. Dividends

	Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Interim dividend proposed of 4.0 HK cents (2014: 1.0 HK cent) per share	<b>30,558</b>	7,640

During the six months ended 31st March, 2015, a final dividend of 5.0 HK cents (2014: 1.5 HK cents) per share totalled approximately HK\$38,197,000 was paid to shareholders of the Company in respect of the year ended 30th September, 2014 (2014: HK\$11,459,000 was paid in respect of the year ended 30th September, 2013).

At the Board meeting held on 27th May, 2015, the directors declared an interim dividend of 4.0 HK cents (2014: 1.0 HK cent) 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.

9. **Capital Expenditures**

During the six months ended 31st March, 2015, the Group incurred capital expenditure of approximately HK\$14,380,000 for property and equipment (six months ended 31st March, 2014: HK\$10,136,000).

The Group's investment properties were revalued based on a valuation as of 31st March, 2015 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\$549,000 (six months ended 31st March, 2014: HK\$541,000) has been recognized directly in profit or loss.

10. **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, 2015 HK\$'000</b>	As at 30th September, 2014 HK\$'000
0 to 30 days	<b>37,086</b>	25,576
31 days to 60 days	–	12
61 days to 90 days	–	71
Over 90 days	<b>27</b>	3
	<b>37,113</b>	25,662

Movement in the allowance for trade receivables:

	<b>As at 31st March, 2015 HK\$'000</b>	As at 30th September, 2014 HK\$'000
Balance at beginning of the period	<b>1,093</b>	1,093
Impairment loss recognized	<b>274</b>	–
Balance at end of the period	<b>1,367</b>	1,093

11. 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:

	As at 31st March, 2015 HK\$'000	As at 30th September, 2014 HK\$'000
0 to 30 days	6,029	8,473

12. Secured Mortgage Loan

	As at 31st March, 2015 HK\$'000	As at 30th September, 2014 HK\$'000
Analysed for reporting purpose as:		
Current liabilities	2,960	2,930
Non-current liabilities	24,061	25,551
	<b>27,021</b>	28,481

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

	<b>As at 31st March, 2015 HK\$'000</b>	As at 30th September, 2014 HK\$'000
Within 1 year	2,960	2,930
1 year to less than 2 years	3,026	2,993
2 years to less than 3 years	3,091	3,058
3 years to less than 4 years	3,156	3,125
4 years to less than 5 years	3,226	3,191
5 years or more	11,562	13,184
	<b>27,021</b>	28,481
Less: Amount due within one year shown under current liabilities	<b>(2,960)</b>	(2,930)
Amount shown under non-current liabilities	<b>24,061</b>	25,551

As at 31st March, 2015, the mortgage loan is secured by the Group's investment properties with a carrying amount of HK\$230,027,000 (as at 30th September, 2014: HK\$229,478,000). It bears interest at 2.85% below the bank's Hong Kong Dollar Best Lending Rate per annum. The effective interest rate is approximately 2.15% (as at 30th September, 2014: 2.15%) per annum.

### 13. Share Capital

	<b>As at 31st March, 2015 HK\$'000</b>	As at 30th September, 2014 HK\$'000
Authorized: 2,000,000,000 (2014: 2,000,000,000) ordinary shares of HK\$0.1 each	<b>200,000</b>	200,000
Issued and fully paid: 763,952,764 (2014: 763,952,764) ordinary shares of HK\$0.1 each	<b>76,395</b>	76,395

#### 14. Share Options

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 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 and 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 24th February, 2012, on which the Share Option Scheme was conditionally adopted pursuant to the resolution of the shareholders of the Company in general meeting held on that date. 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 Board may in its absolute discretion determine the period, saved that such period shall not be more than 10 years commencing on the date of the grant of option, and the minimum period for which a share option must be held before it can be exercised. 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 except for independent non-executive directors and substantial shareholders of the Company (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.

As at the date of this report, a total of 76,395,276 shares (representing approximately 10% of the existing issued share capital of the Company) may be issued upon exercise of all options which may be granted under the Share Option Scheme.

No share options under the Share Option Scheme was granted, exercised, cancelled or lapsed, during the current interim period nor outstanding as at 31st March, 2015.

15. Commitments and Operating Lease Arrangements

(a) Capital commitments

	As at 31st March, 2015 HK\$'000	As at 30th September, 2014 HK\$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the condensed consolidated financial statements	2,084	1,500

(b) Commitments and arrangements under operating leases

As at 31st March, 2015 and 30th September, 2014, the Group had total future aggregate minimum lease receipts and payments under non-cancellable operating leases in respect of investment properties and rented premises as follows:

As lessors Rental receipts	As at 31st March, 2015 HK\$'000	As at 30th September, 2014 HK\$'000
Not later than 1 year	948	3,387

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

As lessees Rental payments	As at 31st March, 2015 HK\$'000	As at 30th September, 2014 HK\$'000
Not later than 1 year	104,699	121,604
More than 1 year and not later than 5 years	56,040	92,195
	<b>160,739</b>	213,799

Operating leases relate to leased properties with an average lease term of 2 to 3 years (as at 30th September, 2014: 2 to 3 years).

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payable, if any, when 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.

16. Related Party Transactions

(a) Travelling Expenses

	Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Travelling expenses paid to:		
– Hip Holiday Limited	79	211

Mr. Yu Kam Shui, Erastus, an executive director of the Company and his son, Mr. Yu Ho Kwan, Steven are the sole director and ultimate shareholder of Hip Holiday Limited respectively.

(b) Compensation of key management personnel

	Six months ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
Basic salaries	4,624	1,932
Bonuses	3,106	1,970
Retirement benefit costs	45	30
	<b>7,775</b>	3,932

The related party transaction disclosed in (a) above was a fully exempted connected transaction under the Chapter 14A of Listing Rules because it was qualified for de minimis transaction.

17. Event after the Reporting Period

There was no significant event after the reporting period.



## Interim Dividend and Closure of Register of Members

The Board has declared an interim dividend of 4.0 HK cents per share for the six months ended 31st March, 2015 payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 17th June, 2015. The Register of Members will be closed from Monday, 15th June, 2015 to Wednesday, 17th June, 2015, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, whose share registration public offices are located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 12th June, 2015. The relevant dividend warrants will be dispatched to shareholders on Monday, 29th June, 2015.

## 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 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, 2015 with management and discussed with the independent auditor on reviewing internal control and financial reporting matters in respect of the condensed consolidated financial statements. It has also reviewed this report.

## 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 also makes 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, an executive director of the Company, and is chaired by Dr. Wong Chi Keung.

The objectives of the Investment Advisory 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 evaluate 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.

It 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 diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of services) 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, Chapter 571 of the Laws of Hong Kong (the "SFO"), a Disclosure Committee was established on 10th January, 2013. The Disclosure Committee comprises Mr. Yu Kam Shui, Erastus, an executive director 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 Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31st March, 2015, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company 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, which were required to be notified to the Company and 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 and chief executive	Name of companies in which interests are held	Capacity in which interests are held	Number and class of shares			Total	Approximate percentage of issued share capital
			Personal interests	Family interests	Corporate interests		
Yu Kam Shui, Erastus	The Company	Beneficial owner	8,000,000 ordinary	–	–	8,000,000 ordinary	1.0%
Tam Chie Sang	The Company	Interest of controlled corporations 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	The Company	Beneficial owner and interest of controlled corporations	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	The Company	Interest of spouse	–	8,000,000 ordinary <sup>(4)</sup>	–	8,000,000 ordinary	1.0%
Wong Chun Nam, Duffy, J.P.	The Company	Beneficial owner	600,000 ordinary	–	–	600,000 ordinary	0.1%
Wong Man Lai, Stevie <sup>(5)</sup>	The Company	Beneficial owner	1,874,000 ordinary	–	–	1,874,000 ordinary	0.25%

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 wife Ms. Yu Lai Chu, Eileen; both of them 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.
- (5) Ms. Wong Man Lai, Stevie is the chief executive officer of the Company.

As at 31st March, 2015, save as disclosed above, none of the directors, chief executive or any of their close associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company 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 14 to the condensed consolidated financial statements. No share options under the Share Option Scheme were granted, exercised, cancelled or lapsed during the current interim period nor outstanding as at 31st March, 2015.

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 and Short Positions in Shares, Underlying Shares and Debentures

As at 31st March, 2015, the following persons and corporations, other than a director or chief executive of the Company as disclosed in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures", had an interest or short position in the shares, underlying shares and debentures 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 <sup>(1)</sup>	Beneficial owner	166,113,760	21.7%
Zinna Group Limited <sup>(2)</sup>	Registered owner	155,333,760	20.3%
Advance Favour Holdings Limited <sup>(3)</sup>	Registered owner	77,666,880	10.2%
Billion Well Holdings Limited <sup>(4)</sup>	Registered owner	77,666,880	10.2%
Lai Yin Ling <sup>(3)&amp;(4)</sup>	Interest of controlled corporations	155,333,760	20.4%

Notes:

- (1) Ms. Yu Lai Si is the sister of Mr. Yu Kam Shui, Erastus and Ms. Yu Lai Chu, Eileen, both being the executive directors of the Company.
- (2) 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 wife, Ms. Yu Lai Chu, Eileen; both are executive directors of the Company.
- (3) Advance Favour Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, sister of Ms. Lai Yin Ping, an executive director of the Company.
- (4) Billion Well Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, sister of Ms. Lai Yin Ping, an executive director of the Company.

Save as disclosed above and so far as the directors and the chief executive of the Company were aware of, as at 31st March, 2015, no other person (other than the directors or the chief executive of the Company) had any interests and short positions in the shares, underlying shares and debentures of the Company which would pursuant to section 336 of the SFO, to be entered in the register referred to therein.

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

During the period under review, the Company did not redeem any of its listed shares nor did the Company or its subsidiaries purchase or sell any such shares.

## Corporate Governance

In the opinion of the directors, the Company has complied with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules during the period under review.

## 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.

By Order of the Board  
**Water Oasis Group Limited**  
**Yu Kam Shui, Erastus**  
*Executive Director*

Hong Kong, 27th May, 2015

# 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. (*Chairman*)  
Wong Chun Nam, Duffy, J.P.  
Wong Chi Keung

## Remuneration Committee

Wong Chun Nam, Duffy, J.P. (*Chairman*)  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chi Keung

## Investment Advisory Committee

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

## Nomination Committee

Wong Chi Keung (*Chairman*)  
Wong Lung Tak, Patrick, B.B.S., J.P.  
Wong Chun Nam, Duffy, J.P.

## Disclosure Committee

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

## Company Secretary

Lee Pui Shan

## 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 Share Registrar and Transfer Office

Tricor Standard Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
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

## Website

[www.wateroasis.com.hk](http://www.wateroasis.com.hk)

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[www.wateroasis.com.hk](http://www.wateroasis.com.hk)

18/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong  
香港銅鑼灣告士打道280號世貿中心18樓