



Water **Oasis** Group Limited

奧思集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1161

奮起向前 迎新景象

A fresh breeze

INTERIM REPORT
中期報告

2023

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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 31 March 2023.

The unaudited consolidated results have been reviewed by the Company’s Audit Committee and the Company’s independent auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The independent auditor, on the basis of their review, concluded that nothing has come to their attention that causes them to believe that the 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 31 March 2023, the Group’s revenue rose by 26.7% by comparison with the same period last year, to approximately HK\$492.0 million (six months ended 31 March 2022: HK\$388.3 million).

Profit for the period amounted to HK\$57.1 million, as against HK\$26.4 million for the same period last year. As at 31 March 2023, the Group had approximately HK\$243.4 million in cash in hand.

The Board has resolved to declare an interim dividend of 7.0 HK cents per share for the six months ended 31 March 2023 (six months ended 31 March 2022: Nil).

Management Discussion and Analysis

The Group’s results for the period under review compare favourably with its results for the same period last year. This is partly because the first half of 2022 saw the ‘fifth wave’ outbreak of COVID in Hong Kong, which shut down the Group’s beauty services outlets from 7 January 2022 until April of that year. Consequently, the Group was reliant largely on revenue from product sales for almost half of the interim period last year. Naturally, the full operation of its beauty services during the current period under review saw a significant increase of revenue on a year-on-year comparison basis.

However, there is more to this strong performance than the return of revenues from the Group’s beauty services businesses. The disruptions of the COVID era and the impact of the pandemic on the economy meant that no business could take full recovery for granted. The Group was therefore very active both during and after the COVID shutdowns in planning ahead and preparing for the eventual return to normality. It did this by investing heavily in new store openings, in expanding its existing stores, and in undertaking promotional activities to enhance its appeal to consumers. This work, which has been central to the Group’s rapid return to a satisfactory performance, is discussed in more detail below.

The return to a full six months of beauty services operations naturally led to an adjustment in the Group’s sales mix and gross profit margin. Last year the sales mix moved sharply towards product sales due to the beauty service shutdown, namely 26.4% products to 73.6% beauty services. For this period, the sales mix shifted back to a more typical 17.1% products against 82.9% services. Because beauty services generally attract a higher profit margin than products, the Group’s gross profit margin also rose year-on-year, from 84.9% to 89.4%.

Revenue for the period was up by 26.7%, based on strong performances from most of the Group's beauty services brands. In particular, cash receipts in March 2023, traditionally a strong time for beauty services uptake, surged almost back to the performance level before the outbreak of COVID in 2019. This was a strong recognition of the Group's strong recovery capability, as well as a sign of its ability to quickly manage larger-scale demand after the recovery from COVID.

As mentioned above, the Group's improved performance in this period was by no means simply a result of COVID restrictions having been abandoned. With economic uncertainty in the air and a new generation of post-COVID consumers rethinking their spending choices, it was important for the Group to offer more to its customers. It decided to invest heavily in advertising campaigns to capture new customers and accentuate its sophisticated brand image, and in the first six months of this year it embarked on various large-scale advertising and promotional efforts. These included a focused five-month campaign starting in November 2022 that involved eye-catching posters in the Causeway Bay MTR station and the Cross-Harbour Tunnel Billboard, as well as powerful celebrity and KOL-led campaigns on its social media platforms. As a result of this and other marketing initiatives, the advertising expenses increased by 76.3% when compared to the same period last year. This was a worthwhile investment though, boosting the services business considerably and certainly contributing to the exceptional results achieved in the month of March 2023.

Depreciation costs remained stable as the Group continued to spend liberally on store openings, improvements and relocations, and the purchase of new beauty equipment. The percentage to revenue on rental costs however fell, mainly due to increased revenue from existing outlets. Staff costs rose, largely because compulsory closures last year had driven staff costs down; the current ratio of staff costs to revenue reflects a more normal and satisfactory situation. As for capital expenditure, this amount fell considerably to HK\$17.8 million against HK\$27.1 million last year. Capex in the previous period was high as the Group embarked on ambitious plans for store relocations, enlargements and refurbishments in preparation for the future. The Group is now coming to the consolidation phase of this process, and most of its capex for the period was focused on its final major project for the time being, the opening of the new Oasis Medical Centre flagship store in the Soundwill Plaza in Causeway Bay.

Beauty Services

For the period under review, almost all the Group's beauty services brands performed strongly, recording double-digit growth in revenue. This growth was boosted by a number of strategic store relocations that further enhanced the Group's profile and brought many added benefits for customers. As a result, the number of large-scale flagship stores increased, helping reinforce the Group's position as a major player in the Hong Kong beauty market.

In particular, the period saw some major consolidations of the Group's beauty services brands in the same location. The most important of these was the opening of a flagship Oasis Medical Centre in the Soundwill Plaza in Causeway Bay in October 2022. The new store occupies an entire floor of the Soundwill Plaza (over 7,000 square feet) and offers exceptional levels of space, comfort and luxury. It consolidates two Oasis Medical Centres into one much larger location.

The expansion of Oasis Medical Centre in the Soundwill Plaza has also enabled the Group to optimise the medical professionals working there, as well as to increase the scope and flexibility of its bookings now that there are more treatment rooms available. This move follows on from the Group's launch of a similar flagship store in the New Territories in April 2022, in the Royal Park Hotel in Shatin, as well as its grouping together of three of its beauty brands in the Gateway Tsim Sha Tsui (Glycel, Oasis Spa and Oasis Medical Centre) so that the entire floor there is now occupied by the Group's businesses. This means that the Group now has several major flagship locations in strategic high-end areas of Hong Kong, along with numerous smaller branches of its beauty services brands.

These moves have continued a pattern of relocations and renovations previously undertaken by the Group that proved to be successful and attracted very positive customer feedback. For example, in May 2022 the Group relocated and upgraded a spa ph+ centre in Tsim Sha Tsui, followed in July 2022 with similar work on another spa ph+ centre in Shatin. Both relocations attracted enthusiastic feedback from customers, who praised the spacious new environments and sophisticated new look. Given this success, the Group carried out a similar relocation and renovation for its spa ph+ centre in Tsuen Wan, moving it from the 21st floor to larger premises on the 24th floor of the same mall and expanding the range of beauty machines available. Since its reopening in May 2023, customer numbers have risen.

In the period, the Group continued to acquire sophisticated high-tech beauty equipment and products to ensure its beauty services offerings remained ahead of the field. For example, new i-Body Slim equipment providing tension release therapy was introduced across Oasis Beauty Centres in October 2022, while new beauty treatments introduced in the period for use in Oasis Beauty Centres included Black Jelly Whitening & Firming Eye Extra Cooling Therapy, and HABA G-Lotion Ultrasonic Skin Rejuvenation Treatment. Oasis Medical Centres adopted new DEP medical grade non-invasive injection skin rejuvenation treatment in September and Excel-V treatment machines in December, as well as introducing other treatments such as Xeomin Micro-Toxin Treatment and Whitening and Spot Removal Treatment. Meanwhile, spa ph+ centres launched a series of HABA Squalene face and neck treatments, along with Idebenone Time-reverse skin renewal and eye treatments. Other popular combinations of treatments and products launched in the period included Glycel's "TIMELESS Twin-Power 3D Skin Remodeling Treatment" and H2 POWER JET 3D Facial Massage Stick.

As at 31 March 2023, the Group was operating 15 Oasis Beauty centres, 2 Oasis Homme centres, 4 Oasis Hair Spas, 10 Oasis Medical Centres, 3 Oasis Spas, and 1 Oasis Dental clinic. Other non-Oasis branded beauty services locations operated by the Group are 12 Glycel beauty centres, 1 32°C centre, 5 spa ph+ centres, and 1 AesMedic Clinic. In total, the Group had a total of 54 beauty centre operations in Hong Kong at period-end. These brands include those acquired as part of the Group's acquisition of the Millistrong Group in 2021; all making positive contributions to the Group's revenue since then, including in the period under review.

In the PRC, the Group opened an additional Oasis Beauty centre in Beijing in October 2022, bringing to four the number of self-managed Oasis Beauty centres it operates in the capital city.

In Macau, the Group operates one Glycel Skinspa and one Oasis Beauty Store.

Product Sales

The Group operates retail outlets for its range of self-owned and licenced beauty product brands. Some of these operate as independent retail stores or counters, while others are associated with its beauty services centres. The Group's self-owned brands include Glycel, Eurobeauté and DermaSynergy, while its licenced brands are HABA, Erno Laszlo and, until December 2022, H2O+. In addition, the Group's Glycel beauty treatment centres sell a full range of Glycel products.

Product sales dropped year-on-year, for various reasons. The HABA brand, which the Group sells in Hong Kong and for which it is one of the wholesale distributors in the PRC, was affected by widespread disruption towards the end of 2022 in China when the country's strict COVID restrictions were lifted. The rapid easing led to large-scale outbreaks of COVID across the nation, seriously affecting supply chains and the opening times of stores, as well as causing more cautious spending by PRC consumers. In Hong Kong, the reopening of the Group's beauty salons in the second half of the financial year 2022 as well as the ending of COVID restrictions in early 2023 saw the Group refocus its efforts on its beauty services, leading to a fall in online product sales. Product sales from H2O+ came to an end from December 2022, when the brand owner withdrew the product from global distribution. Together, these things contributed to a fall in product sales year-on-year of around 17.8%.

High quality new products continued to be rolled out under all the Group's beauty brands throughout the period, many of which are also used in its beauty centres as part of the treatments offered.

As at 31 March 2023, the Group operated 10 retail product stores or counters in Hong Kong, five in Macau, and one HABA wholesale distribution business in the PRC. In Hong Kong, the HABA counter in Sogo in Tsim Sha Tsui was relocated to Facesss Harbour City, another premier shopping destination in Tsim Sha Tsui. Following the end of the H2O+ licencing arrangement, the Group retained its one product store but is now selling its own-brand products in it.

The Group continued to sell Glycel products in 18 Glycel locations, including 5 stores or counters and 13 beauty services centres in Hong Kong and Macau.

Outlook

The Group has done much work over the past 12 months to prepare itself for an expected upsurge in demand for beauty services and products, and its efforts already look to be paying off. Some of that work has involved opening and fitting out a series of large flagship stores, in which two or three of its major brands are grouped together to provide greater synergies and higher customer convenience. These flagship stores are enhancing the Group's brand recognition, and sending out a clear message that the Group is expanding and flourishing. In addition, these larger stores can provide more leisure areas and treatment rooms, and this in turn is enabling the Group to handle more customers and be more flexible in accommodating bookings. In the months ahead, the Group will be consolidating its efforts of the past year and looking closely at the performances of these larger stores in order to develop strategies for future growth.

The relatively high spending of the past year was strategically focused on growth, and the bulk of this spending has now been completed. The Group remains in a strong financial situation, stable, healthy and cash-rich. Its ability to come through the COVID era and relaunch post-COVID while remaining financially sound throughout speaks volumes for its core principles of financial management and planning. These are principles that have served the Group well since its beginnings, and which will continue to underpin its culture and decision-making practices in the future.

Consumer confidence in Hong Kong is continuing to improve, while tourist arrivals are also climbing albeit slowly. Visitor numbers from the Mainland are on the rise. The Group is confident that the economy and consumer sentiment are gradually moving in the right direction, and that the work it has put into enhancing and expanding its beauty services outlets over the past year has set it up well for enjoying the post-COVID rebound. Financially secure and with a strong and loyal customer base and excellent public exposure and reputation, the Group is in a good position and is confident that the second half will be a positive one.

Liquidity and Financial Resources

As at 31 March 2023, the Group had net current liabilities of approximately HK\$323.5 million (as at 30 September 2022: HK\$338.3 million).

The Group generally finances its operations with internally generated resources. As at 31 March 2023, the Group had cash reserves of approximately HK\$243.4 million (as at 30 September 2022: HK\$234.3 million).

As at 31 March 2023, the gearing ratio, expressed as a percentage of the secured mortgage loan over total equity of approximately HK\$310.6 million (as at 30 September 2022: HK\$302.0 million) was approximately 0.5% (as at 30 September 2022: 1.1%). Details of the maturity profile of the secured mortgage loan (including pledge of the Group assets and interest rate) as set out in note 14 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 31 March 2023.

Capital Commitments

As at 31 March 2023, the Group had capital commitment in respect of acquisition of property and equipment of approximately HK\$2.6 million.

Employees and Remuneration Policy

As at 31 March 2023, the Group employed 1,047 staff (as at 30 September 2022: 1,112 staff). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options (if any) will also be granted to eligible staff based on individual and Group performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

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

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

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Report on Review of Condensed Consolidated Financial Statements



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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 08 to 21, which comprise the condensed consolidated statement of financial position as of 31 March 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and explanatory notes. The 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 (“HKICPA”). 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” (“HKSRE 2410”) issued by the HKICPA. 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.

BDO Limited
Certified Public Accountants
CHOI Kit Ying
Practising Certificate no. P07387

Hong Kong, 29 May 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Unaudited
Six months ended
31 March

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	5	491,957	388,347
Purchases and changes in inventories of finished goods		(52,026)	(58,522)
Other income		4,664	8,678
Other gains or losses		(981)	(2,272)
Staff costs		(211,466)	(151,773)
Depreciation		(80,439)	(80,622)
Finance costs		(4,002)	(3,057)
Other expenses	6	(74,854)	(63,042)
Profit before taxation		72,853	37,737
Taxation	7	(15,787)	(11,356)
Profit for the period	8	57,066	26,381
Profit (loss) for the period attributable to:			
Owners of the Company		57,211	26,588
Non-controlling interests		(145)	(207)
		57,066	26,381
Earnings per share			
Basic	9	8.4 HK cents	3.9 HK cents
Diluted	9	8.4 HK cents	3.9 HK cents

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

	Unaudited Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Profit for the period	57,066	26,381
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	2,557	2,313
Total comprehensive income for the period	59,623	28,694
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	59,768	28,912
Non-controlling interests	(145)	(218)
	59,623	28,694

Condensed Consolidated Statement of Financial Position

	Notes	Unaudited As at 31 March 2023 HK\$'000	Audited As at 30 September 2022 HK\$'000
Non-current assets			
Intangible assets		75,076	75,424
Goodwill		29,673	29,673
Investment properties	11	225,954	226,068
Property and equipment	11	124,856	130,487
Right-of-use assets		335,327	343,014
Rental deposits		35,055	37,922
Deferred tax assets		5,117	5,651
		831,058	848,239
Current assets			
Inventories		55,519	72,293
Trade receivables	12	18,681	18,016
Contract costs		43,277	43,241
Financial assets at fair value through profit or loss		546	579
Prepayments		9,989	14,105
Other deposits and receivables		18,772	29,224
Tax recoverable		5,775	1,179
Bank balances and cash		243,356	234,284
		395,915	412,921
Current liabilities			
Trade payables	13	1,933	2,103
Accruals and other payables		75,311	82,118
Provisions		32,769	32,208
Contract liabilities		499,653	490,197
Secured mortgage loan	14	1,458	3,187
Lease liabilities		103,090	101,480
Tax payable		5,195	39,916
		719,409	751,209
Net current liabilities		(323,494)	(338,288)
Total assets less current liabilities		507,564	509,951
Capital and reserves			
Share capital	15	68,055	68,055
Reserves		241,779	233,052
Equity attributable to owners of the Company		309,834	301,107
Non-controlling interests		726	871
Total equity		310,560	301,978
Non-current liabilities			
Lease liabilities		179,240	184,855
Deferred tax liabilities		17,764	23,118
		197,004	207,973
		507,564	509,951

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	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	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 October 2021 (audited)	68,055	1,153	25,649	(1,766)	450	1,797	(589)	257,672	352,421	6,344	358,765	
Profit (loss) for the period	-	-	-	-	-	-	-	26,588	26,588	(207)	26,381	
Exchange differences arising on translation of foreign operations	-	-	2,324	-	-	-	-	-	2,324	(11)	2,313	
Total comprehensive income (expense) for the period	-	-	2,324	-	-	-	-	26,588	28,912	(218)	28,694	
2021 final dividend declared	-	-	-	-	-	-	-	(112,291)	(112,291)	-	(112,291)	
Acquisition of additional equity interest in a subsidiary	-	-	-	-	-	-	2,006	-	2,006	(6,986)	(4,980)	
Contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	2,100	2,100	
	-	-	-	-	-	-	2,006	(112,291)	(110,285)	(4,886)	(115,171)	
At 31 March 2022 (unaudited)	68,055	1,153	27,973	(1,766)	450	1,797	1,417	171,969	271,048	1,240	272,288	

	Attributable to owners of the Company										Non-controlling interests HK\$'000	Total HK\$'000
	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	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 October 2022 (audited)	68,055	1,153	17,188	(1,766)	450	1,797	1,417	212,813	301,107	871	301,978	
Profit (loss) for the period	-	-	-	-	-	-	-	57,211	57,211	(145)	57,066	
Exchange differences arising on translation of foreign operations	-	-	2,557	-	-	-	-	-	2,557	-	2,557	
Total comprehensive income (expenses) for the period	-	-	2,557	-	-	-	-	57,211	59,768	(145)	59,623	
2022 final dividend paid	-	-	-	-	-	-	-	(51,041)	(51,041)	-	(51,041)	
At 31 March 2023 (unaudited)	68,055	1,153	19,745	(1,766)	450	1,797	1,417	218,983	309,834	726	310,560	

Condensed Consolidated Statement of Cash Flows

Unaudited
Six months ended
31 March

	2023 HK\$'000	2022 HK\$'000
Net cash from operating activities	131,791	13,351
Net cash used in investing activities:		
Purchase of property and equipment	(17,760)	(27,115)
Other investing cash flows	1,669	766
	(16,091)	(26,349)
Net cash used in financing activities:		
Dividend paid	(51,041)	–
Repayment of principal portion of lease liabilities	(52,667)	(44,448)
Repayment of interest portion of lease liabilities	(3,711)	(2,562)
Contribution from a non-controlling shareholder of a subsidiary	–	2,100
Acquisition of additional equity interest in a subsidiary	–	(4,980)
Other financing cash flows	(1,761)	(1,758)
	(109,180)	(51,648)
Net increase (decrease) in cash and cash equivalents	6,520	(64,646)
Cash and cash equivalents at beginning of the period	234,284	369,662
Effect of foreign exchange rate changes	2,552	2,602
Cash and cash equivalents at end of the period, represented by bank balances and cash	243,356	307,618

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 27 September 2001 under the Companies Act (As 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 of this interim report. Its issued shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11 March 2002.

The Company is an investment holding company. Its principal subsidiaries are engaged in the operations of beauty services including spas, beauty salons and medical beauty centres as well as the distribution of skincare products in Hong Kong, Macau and the People’s Republic of China (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 (the “Board”) on 29 May 2023.

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 (the “Listing Rules”).

The condensed consolidated financial statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 30 September 2022.

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss 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 31 March 2023 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 30 September 2022.

Amendments to Hong Kong Financial Reporting Standards (“HKFRS(s)”)

The HKICPA has issued a number of amended standards and interpretations to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, illustrative examples accompanying HKFRS 16 and HKAS 41

The application of these amendments to HKFRSs in the current interim period had no material impact on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

4. Use of Judgements and Estimates

In preparing these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2022.

5. Revenue and Segment Information

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

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

Disaggregation of revenue from contracts with customers

Revenue recognised during the period is as follows:

	Six months ended 31 March					
	Product segment		Service segment		Total	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Timing of revenue recognition						
At a point of time	84,154	102,405	–	–	84,154	102,405
Over time	–	–	407,803	285,942	407,803	285,942
Total	84,154	102,405	407,803	285,942	491,957	388,347

Performance obligations for contracts with customers

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

	Six months ended 31 March							
	Product segment		Service segment		Elimination		Consolidated	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Sales to external customers	84,154	102,405	407,803	285,942	–	–	491,957	388,347
Inter-segment sales	17,902	22,732	–	–	(17,902)	(22,732)	–	–
Total	102,056	125,137	407,803	285,942	(17,902)	(22,732)	491,957	388,347
Segment results	10,860	9,575	108,780	76,462	–	–	119,640	86,037
Other income							4,664	8,678
Other gains or losses							(981)	(2,272)
Finance costs							(4,002)	(3,057)
Central administrative costs							(46,468)	(51,649)
Profit before taxation							72,853	37,737

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

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

Geographical information

The Group's operations are located in Hong Kong, Macau and the PRC. The PRC includes Mainland China but excludes Hong Kong and Macau.

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

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Hong Kong and Macau	451,015	330,974
The PRC	40,942	57,373
	491,957	388,347

6. Other Expenses

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Auditor's remuneration	816	988
Amortisation of intangible assets	348	3,134
Bank charges	17,598	8,662
Marketing expenses	8,843	7,189
Expenses relating to leases of		
– Short-term lease expense	3,137	2,399
– Low-value lease expense	564	430
– Variable lease payments not included in the measurement of lease liabilities	2,554	3,497
Building management fees, government rent and rates	15,981	14,478
Cleaning and laundry	3,574	1,929
Transportation, storage and delivery	3,394	3,478
Printing, stationery and administration	4,150	3,763
Utilities and telecommunications	2,714	2,052
Others	11,181	11,043
	74,854	63,042

7. Taxation

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Current tax		
Current period	20,543	10,485
Deferred tax	(4,756)	871
	15,787	11,356

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward from prior years.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The PRC Enterprise Income Tax was calculated at the statutory income tax rate of 25% (2022: 25%) on the assessable profits.

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

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.

8. Profit for the Period

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Profit for the period is stated at after charging:		
Amortisation of contract costs	42,748	29,914
Loss on fair value change of investment properties	114	2,129
Loss on fair value of financial assets at fair value through profit or loss	33	149
Loss on disposal/write-off of property and equipment	660	123
Depreciation:		
– Property and equipment	22,713	18,040
– Right-of-use assets	57,726	62,582
Net exchange loss	284	–
and after crediting:		
Net exchange gain	–	110
Gain on disposal of property and equipment	–	19
Interest income on bank deposits	1,897	706
Government subsidies	72	45
Rental income from investment properties net of negligible direct operating expenses	1,745	1,712
Rent concessions related to COVID-19	–	5,341

9. 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 31 March	
	2023 HK\$'000	2022 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	57,211	26,588

	Number of shares	
	2023	2022
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	680,552,764	680,552,764

10. Dividends

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Interim dividend declared after the end of the reporting period of 7.0 HK cents (2022: Nil) per share	47,639	–

During the six months ended 31 March 2023, a final dividend of 7.5 HK cents (2022: 16.5 HK cents) per share totalled approximately HK\$51,041,000 was declared and paid to shareholders of the Company in respect of the year ended 30 September 2022 (2022: HK\$112,291,000 was declared and payable to shareholders of the Company in respect of the year ended 30 September 2021).

At the Board meeting held on 29 May 2023, the directors declared an interim dividend of 7.0 HK cents (2022: Nil) per share payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 15 June 2023. This 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.

11. Investment Properties and Property and Equipment

During the six months ended 31 March 2023, the Group incurred capital expenditure of approximately HK\$17,760,000 for property and equipment (six months ended 31 March 2022: HK\$27,115,000).

The Group's investment properties were revalued based on a valuation as of 31 March 2023 carried out by Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, an independent valuer not connected with the Group. The resulting decrease in fair value of investment properties of HK\$114,000 (six months ended 31 March 2022: HK\$2,129,000) has been recognised directly in profit or loss.

12. Trade Receivables

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

	As at 31 March 2023 HK\$'000	As at 30 September 2022 HK\$'000
0 to 30 days	13,343	10,283
31 to 60 days	1,531	1,752
61 to 90 days	965	1,674
91 to 120 days	1,464	1,396
121 to 150 days	937	2,180
151 to 180 days	391	660
Over 180 days	50	71
	18,681	18,016

13. Trade Payables

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

	As at 31 March 2023 HK\$'000	As at 30 September 2022 HK\$'000
0 to 30 days	1,735	1,799
31 to 60 days	191	299
Over 60 days	7	5
	1,933	2,103

14. [Secured Mortgage Loan](#)

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

	As at 31 March 2023 HK\$'000	As at 30 September 2022 HK\$'000
Within 1 year	1,458	3,187
Amount shown under current liabilities	1,458	3,187

The mortgage loan, which is denominated in Hong Kong dollars, is secured by the Group's investment properties with a carrying value of HK\$225,954,000 as at 31 March 2023 (as at 30 September 2022: HK\$226,068,000). It bears interest at 2.85% (as at 30 September 2022: 2.85%) below the bank's Hong Kong Dollar Best Lending Rate per annum. The effective interest rate is approximately 2.775% (as at 30 September 2022: 2.275%) per annum.

15. [Share Capital](#)

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 October 2021, 31 March 2022, 1 October 2022 and 31 March 2023	2,000,000,000	200,000
Issued and fully paid:		
At 1 October 2021, 31 March 2022, 1 October 2022 and 31 March 2023	680,552,764	68,055

16. Commitments and Operating Lease Arrangements

(a) Capital commitments

	As at 31 March 2023 HK\$'000	As at 30 September 2022 HK\$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the condensed consolidated financial statements	2,588	2,924

(b) Commitments and arrangements under operating leases

As at 31 March 2023 and 30 September 2022, the Group had total future aggregate minimum lease receipts under non-cancellable operating leases in respect of the investment properties:

As lessors Rental receipts	As at 31 March 2023 HK\$'000	As at 30 September 2022 HK\$'000
Not later than 1 year	3,734	3,418
More than 1 year but not later than 2 years	1,308	1,820
More than 2 years but not later than 3 years	54	300
	5,096	5,538

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

17. [Related Party Transactions](#)

Compensation of key management personnel

	Six months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Directors' fee	500	375
Basic salaries	4,084	3,959
Bonuses	5,542	14,619
Retirement benefit costs	9	9
	10,135	18,962

The above related party transaction was fully exempted connected transaction under Chapter 14A of the Listing Rules.

18. [Fair Value Measurements of Financial Instruments](#)

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

19. [Event after the Reporting Period](#)

There is no significant subsequent event after the reporting period.

Interim Dividend and Closure of Register of Members

The Board has declared an interim dividend of 7.0 HK cents per share for the six months ended 31 March 2023 payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 15 June 2023. The Register of Members will be closed from Wednesday, 14 June 2023 to Thursday, 15 June 2023, 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 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 13 June 2023. The relevant dividend warrants will be dispatched to shareholders on Monday, 3 July 2023.

Audit Committee

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

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, risk management and internal control systems. 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 contained in Appendix 14 to the Listing Rules (the "CG Code") 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 31 March 2023 with management and discussed with the independent auditor on reviewing internal control and financial reporting matters in respect of the condensed consolidated financial statements of the Group for the six months ended 31 March 2023. It has also reviewed this report.

Remuneration Committee

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

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 15 November 2007. The members of the Investment Advisory Committee comprise all 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 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 evaluate the performance of the investment portfolio.

Nomination Committee

To comply with the CG Code, a Nomination Committee was established on 22 March 2012. The members of the Nomination Committee comprise all 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 succession planning for directors. The principal duties of the Nomination Committee include reviewing the structure, size, diversity and composition (including the skills, knowledge and experience) of the Board at least annually, 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 10 January 2013. The Disclosure Committee comprises Mr. Yu Kam Shui, Erastus, an executive director of the Company and all 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; and to consider other topics, as defined by the Board.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2023, 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 (i) 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 (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"), 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 directors 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	10,166,000 ordinary	–	–	10,166,000 ordinary	1.49%
Yu Lai Chu, Eileen	The Company	Beneficial owner and interest of controlled corporations	15,850,000 ordinary ⁽¹⁾	–	155,333,760 ordinary ⁽¹⁾	171,183,760 ordinary	25.15%
	Water Oasis Company Limited	Beneficial owner	165,000 non-voting deferred	–	–	165,000 non-voting deferred	–
Lai Yin Ping	The Company	Interest of spouse	–	10,166,000 ordinary ⁽²⁾	–	10,166,000 ordinary	1.49%
Tam Siu Kei	The Company	Beneficial owner and interest of spouse	7,008,000 ordinary	2,294,000 ordinary ⁽³⁾	–	9,302,000 ordinary	1.37%
Wong Chun Nam, Duffy	The Company	Beneficial owner and interest of spouse	600,000 ordinary	410,000 ordinary ⁽⁴⁾	–	1,010,000 ordinary	0.15%
Wong Lung Tak, Patrick	The Company	Beneficial owner	494,000 ordinary	–	–	494,000 ordinary	0.07%

Notes:

- (1) 15,850,000 shares are registered in the name of Ms. Yu Lai Chu, Eileen and 155,333,760 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 80% owned by Ms. Yu Lai Chu, Eileen and 20% owned by her son, Mr. Tam Yue Hung.
- (2) These shares are registered in the name of Mr. Yu Kam Shui, Erastus, the husband of Ms. Lai Yin Ping.
- (3) These shares are registered in the name of Ms. Leung Pui Yi, the wife of Mr. Tam Siu Kei.
- (4) These shares are jointly registered in the name of Mr. Wong Chun Nam, Duffy and his wife Ms. Chiu Ching Wa, Tina.

As at 31 March 2023, save as disclosed above, none of the directors, chief executive or any of their close associates had any interests and 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

The Company does not have any share options scheme.

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 under review.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2023, the following persons and corporations, other than a director or the 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 and short position in the shares and 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/which was, directly or indirectly, with 5% interest or more of the issued share capital of the Company:

Long position in the shares of the Company

Name of substantial shareholders	Capacity/ Nature of interest	Number of issued ordinary shares	Approximate percentage of issued share capital
Yu Lai Si ⁽¹⁾	Beneficial owner/ Personal interest	166,113,760	24.41%
Zinna Group Limited ⁽²⁾	Registered owner/ Personal interest	155,333,760	22.82%
Advance Favour Holdings Limited ⁽³⁾	Registered owner/ Personal interest	37,994,880	5.58%
Billion Well Holdings Limited ⁽⁴⁾	Registered owner/ Personal interest	77,666,880	11.41%
Lai Yin Ling ⁽⁵⁾	Interest of controlled corporations/ Corporate interest	115,661,760	16.99%

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 and the aunt of Mr. Tam Siu Kei, an executive director of the Company and the chief executive officer 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 80% owned by Ms. Yu Lai Chu, Eileen, an executive director of the Company and 20% owned by her son, Mr. Tam Yue Hung.
- (3) Advance Favour Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, the sister of Ms. Lai Yin Ping and the sister-in-law of Mr. Yu Kam Shui, Erastus, both being the executive directors of the Company.
- (4) Billion Well Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling, the sister of Ms. Lai Yin Ping and the sister-in-law of Mr. Yu Kam Shui, Erastus, both being the executive directors of the Company.
- (5) Ms. Lai Yin Ling is deemed to have interested in 115,661,760 shares held through Advance Favour Holdings Limited and Billion Well Holdings Limited, her controlled corporations. Ms. Lai Yin Ling is the sister of Ms. Lai Yin Ping and the sister-in-law of Mr. Yu Kam Shui, Erastus, both being the executive directors 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 31 March 2023, no other person who or corporation which (other than a director and the chief executive of the Company) had any interests and short positions in the shares and underlying shares of the Company which would, pursuant to section 336 of the SFO, were required 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, where applicable, the code provisions set out in Part 2 of the CG Code during the period under review.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code. Following a specific enquiry by the Company, all directors confirmed that they had complied with the Model Code for transactions in the Company's securities throughout the period under review.

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

Update on Directors' Information

The changes in directors' information subsequent to the annual report of the Company dated 16 December 2022 and up to the date of this interim report, as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Prof. Wong Lung Tak, Patrick retired as an independent non-executive director of C C Land Holdings Limited, a company listed on the Stock Exchange, at its annual general meeting held on 22 May 2023.
- Prof. Wong Lung Tak, Patrick was appointed as an independent non-executive director of The Cross-Harbour (Holdings) Limited, a company listed on the Stock Exchange, at its annual general meeting held on 22 May 2023.

By Order of the Board
Water Oasis Group Limited
Tam Siu Kei
Executive Director and Chief Executive Officer

Hong Kong, 29 May 2023

Corporate Information

Directors

Executive Directors

Yu Kam Shui, Erastus
Tam Siu Kei (*Chief Executive Officer*)
Yu Lai Chu, Eileen
Lai Yin Ping

Independent Non-executive Directors

Wong Lung Tak, Patrick, B.B.S., J.P.
Wong Chun Nam, Duffy, B.B.S., J.P.
Wong Chi Keung
Chan Chi Kau, Johnnie Casire, S.B.S., B.B.S., J.P.

Audit Committee

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

Remuneration Committee

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

Investment Advisory Committee

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

Disclosure Committee

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

Company Secretary

Lee Pui Shan

Independent Auditor

BDO Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

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

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
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