

## CONTENTS

02	Management Discussion and Analysis
05	Liquidity and Financial Resources
05	Contingent Liabilities
05	Capital Commitments
05	Human Resources
06	Report on Review of Condensed Consolidated Financial Statements
07	Condensed Consolidated Statement of Profit or Loss
08	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
09	Condensed Consolidated Statement of Financial Position
10	Condensed Consolidated Statement of Changes in Equity
11	Condensed Consolidated Statement of Cash Flows
12	Notes to the Condensed Consolidated Financial Statements
24	Interim Dividend and Closure of Register of Members
24	Audit Committee
24	Remuneration Committee
25	Investment Advisory Committee
25	Nomination Committee
25	Disclosure Committee
26	Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures
27	Share Options
28	Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares
29	Purchase, Sale or Redemption of the Company's Listed Securities
29	Corporate Governance
29	Compliance with the Model Code for Securities Transactions
30	Corporate Information

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, 2017.

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, 2017, the Group’s turnover rose by 3.5% by comparison with the same period last year, to approximately HK\$326.5 million (six months ended 31st March, 2016: HK\$315.5 million). This was primarily due to a continued shift in the Group’s sales mix, as the trend towards a higher contribution from the Group’s services sector continued. The Group’s gross profit margin also improved slightly, rising to 91.6% as against 90.4% for the same period last year, as a result of the service sector occupying a higher proportion of the sales mix. Prudent cost controls implemented by the Group led to profit for the period rising by 270.3% compared with the same period last year, to HK\$34.9 million (six months ended 31st March, 2016: HK\$9.4 million). The Group maintained a strong cash position, having approximately HK\$365.2 million in cash in hand as at 31st March, 2017. The Board has resolved to declare an interim dividend of 4.0 HK cents per share for the six months ended 31st March, 2017 (six months ended 31st March, 2016: 1.0 HK cent per share).

## Management Discussion and Analysis

For the six-month period from 1st October, 2016 to 31st March, 2017, the Group continued to face a very flat Hong Kong market, little changed from the previous 12 months. However, despite this environment the Group improved its performance year-on-year across all the key indicator levels of turnover, gross profit margin, costs to revenue, and bottom-line profitability. A key to this comparatively successful performance was the Group’s ongoing commitment to its long-term strategic positioning initiatives, which over the past couple of years have seen ever-greater focus being placed on the Group’s higher-margin service businesses. As at the end of March, 2017, the sales mix of the Group’s beauty services and retail sales stood at 77.2% to 22.8%, a considerable change from the 73.3% to 26.7% ratio one year earlier. This increase of the proportion of services in the sales mix reflects both an increase in sales from the service segment and a decrease in retail sales in the period under review. In tandem with this, the Group continued with a series of prudent cost-control measures in the period designed to increase its competitiveness, which have helped it reduce rental, advertising and staff costs, especially those associated with its retail business. These measures resulted in a fall in sales of its retail products in line with the reduction in unprofitable sales outlets, but this was offset by increases in revenue from other segments of the Group’s business. The outcome has therefore been a favourable one, with cost reductions going hand in hand with increased revenue.

All four expenditure areas of advertising, depreciation, rental and staff costs were successfully reduced in the period under review. The reduction in rental and staff costs mostly sprang directly from the decision to close several underperforming retail outlets, although the Group also looked closely at its staffing structures and was able to identify further areas for rationalisation. In total, advertising costs were reduced by 12.3%, depreciation costs by 20.7%, rental and staff costs by 8.2% and 3.7% respectively.

## Beauty Services Business

The majority of the Group's beauty services are bundled together under its highly regarded 'Oasis' brand name. These include its major beauty outlets Oasis Beauty, Oasis Spa, Oasis Homme, and Oasis Medical Centre, along with a number of smaller specialist Oasis brands that include Oasis Nail, Oasis Florist and Oasis Health. Operating separately under the Group's beauty services umbrella is its 'Skinspa' services, under the Glycel brand.

In the period under review, performance was strong across this stable of brands as the Group further increased its focus on the beauty services sector. In particular, the Group's high-end Oasis Spa and its advanced aesthetic medical beauty Oasis Medical Centre put in good performances, each achieving double-digit growth in sales by comparison with the same period last year. The positive results from the beauty services business were sustained by the Group's commitment to investing in the latest high-tech beauty equipment, expenditure on which resulted in an increase in the Group's capital expenditure for the period compared with last year.

The Group is also utilising new technology (such as its Oasis mobile app) and marketing tools (including new digital marketing initiatives) to expand its brand reputation in an efficient and cost-effective way. Its digital marketing strategies are proving highly effective in targeting new customers for its beauty services. This is reflected in the ever-increasing number of new customers acquired by the Group for its services business, especially for Oasis Medical Centre and Oasis Spa. There was also a comparative rise in the spending of new customers purchasing treatment packages.

The Group's mainstay Oasis Beauty outlets performed particularly well in the PRC, while also achieving a moderate sales increase in Hong Kong over the period. As at 31st March, 2017, the Group was operating 15 Oasis Beauty centres, 3 Oasis Spa centres, 6 Oasis Medical Centres and 2 Oasis Homme centres. In the PRC, 3 self-managed Oasis Beauty centres continued to operate.

## Retail Business

On the retail side, the Group has continued to sell skincare and beauty products under three self-owned and two licensed brands, at a mixture of sales outlets. The self-owned brands are Glycel, Eurobeauté and DermaSynergy, and the licensed brands are H2O+ and Erno Laszlo.

As mentioned above, the Group has continued with its policy of closing down underperforming retail outlets. Since the last interim period, 4 H2O+ stores have been closed. While reducing rental and staff costs, the store closures naturally affected the sales performances of the various brands. Sales of all the Group's retail brands, except Glycel, experienced drops by comparison with the same period last year, as a result of the flat retail market conditions and keen competition within the retail market. However, the Group was able to achieve a positive bottom line for the period following the closure of the non-profitable outlets. As at 31st March, 2017, the Group was operating 5 H2O+ outlets, 5 Erno Laszlo stores, and 13 Glycel stores in Hong Kong. In Macau, it continued to operate a Glycel outlet, along with an Oasis Beauty Store.

## Outlook

In March 2017, following the departure of Ms. Wong Man Lai, Stevie, the Group appointed Mr. Tam Siu Kei, Alan (“Mr. Tam”) to take up the role of new CEO. Mr. Tam has been involved with the Group for over 17 years, and thus has extensive experience both of the industry and the Group itself. He steps up to the CEO position from his previous post as Director - Group Operation. Mr. Tam brings with him a clear vision for future development of the Group and a detailed strategy for implementing it, closely aligned with the strategy that the Group has been successfully pursuing in recent years.

The Group expects to continue exploring the opportunities that are arising for online commerce in its industry, with the expectation that this relatively untapped area has great potential in Hong Kong. It made an encouraging start in February 2017 with its development of a new online trade platform called O~KO!beauty. The platform now specialises in making a range of sought-after Korean skincare products exclusively available in Hong Kong, sourced directly from Korea by the Group. Currently promoted through a dedicated Facebook page, the trendy and affordable O~KO!beauty products mainly target young women who are increasingly influenced in their consumption habits by social media trends and the recommendations of key opinion leaders, areas that the Group is further tapping into through its marketing initiatives. The official website for O~KO!beauty was launched in May 2017, and now offers a more comprehensive range of products to the customers targeted by the Group. Although this new business is still in the very early stages, feedback from users has been very positive for the first half of the financial year.

In general, the Group expects to continue on its current strategic course in the year ahead. It will continue to be look closely at new equipment for its beauty outlets, and upgrade and expand its equipment range where necessary to maintain its status at the head of the market. At the same time, it will explore any new skincare and beauty products that have the potential to expand and complement its existing range.

No major upturn is expected in the Hong Kong market generally in the year ahead. However, given that the Group has continued its successful performance of the second half of the last financial year into 2016/2017, even in a depressed market – something many of its peers have been unable to do – it has confidence that it remains on the right track for future growth.

## Liquidity and Financial Resources

As at 31st March, 2017, the Group had net current liabilities of approximately HK\$21.1 million (as at 30th September, 2016: HK\$39.9 million).

The Group generally finances its operations with internally generated resources. As at 31st March, 2017, the Group had cash reserves of approximately HK\$365.2 million (as at 30th September, 2016: HK\$300.5 million).

As at 31st March, 2017, the gearing ratio, expressed as a percentage of the secured mortgage loan over total equity of approximately HK\$305.6 million (as at 30th September, 2016: HK\$286.1 million) was approximately 6.9% (as at 30th September, 2016: 7.9%). 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, 2017.

## Capital Commitments

The Group had no significant capital commitments as at 31st March, 2017.

## Human Resources

As at 31st March, 2017, the Group employed 747 staff (as at 30th September, 2016: 741 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 and Group performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

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

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

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

### Introduction

We have reviewed the condensed consolidated financial statements of Water Oasis Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 7 to 23, which comprises the condensed consolidated statement of financial position as of 31st March, 2017 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 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, 26th May, 2017

# Condensed Consolidated Statement of Profit or Loss

		Unaudited Six months ended 31st March,	
		2017	2016
		HK\$'000	HK\$'000
	Notes		
Turnover	4	326,536	315,458
Purchases and changes in inventories of finished goods		(27,554)	(30,270)
Other income		4,103	3,404
Other gains or losses		(320)	(1,100)
Staff costs		(144,045)	(149,606)
Depreciation of property and equipment		(8,557)	(10,790)
Finance costs		(234)	(267)
Other expenses		(107,065)	(113,132)
Profit before taxation		42,864	13,697
Taxation	5	(8,011)	(4,284)
Profit for the period	6	34,853	9,413
Profit for the period attributable to:			
Owners of the Company		34,853	9,407
Non-controlling interests		-	6
		34,853	9,413
Earnings per share			
Basic and diluted	7	4.6 HK cents	1.2 HK cents

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

	Unaudited Six months ended 31st March,	
	2017 HK\$'000	2016 HK\$'000
Profit for the period	34,853	9,413
<b>Other comprehensive expense:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	–	(2)
Reclassification adjustment of other comprehensive expense upon strike off of a subsidiary	–	(233)
Total comprehensive income for the period	34,853	9,178
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	34,853	9,186
Non-controlling interests	–	(8)
	34,853	9,178



## Condensed Consolidated Statement of Financial Position

	Notes	Unaudited As at 31st March, 2017 HK\$'000	Audited As at 30th September, 2016 HK\$'000
<b>Non-current assets</b>			
Intangible assets		59,108	59,144
Goodwill		3,012	3,012
Investment properties	9	229,983	229,549
Property and equipment	9	31,951	32,903
Rental deposits		28,407	28,727
Deferred tax assets		4,224	3,871
		<b>356,685</b>	<b>357,206</b>
<b>Current assets</b>			
Inventories		24,462	32,364
Trade receivables	10	34,256	24,011
Prepayments		65,903	61,235
Tax recoverable		235	5
Other deposits and receivables		12,629	13,151
Bank balances and cash		365,242	300,544
		<b>502,727</b>	<b>431,310</b>
<b>Current liabilities</b>			
Trade payables	11	3,638	5,124
Accruals and other payables		67,159	70,713
Receipts in advance		441,168	380,087
Secured mortgage loan – due within one year	12	3,091	3,058
Tax payable		8,816	12,258
		<b>523,872</b>	<b>471,240</b>
<b>Net current liabilities</b>		<b>(21,145)</b>	<b>(39,930)</b>
<b>Total assets less current liabilities</b>		<b>335,540</b>	<b>317,276</b>
<b>Capital and reserves</b>			
Share capital	13	76,395	76,395
Reserves		222,042	202,562
<b>Equity attributable to owners of the Company</b>		<b>298,437</b>	<b>278,957</b>
<b>Non-controlling interests</b>		<b>7,153</b>	<b>7,153</b>
<b>Total equity</b>		<b>305,590</b>	<b>286,110</b>
<b>Non-current liabilities</b>			
Secured mortgage loan – due after one year	12	17,944	19,500
Deferred tax liabilities		12,006	11,666
		<b>29,950</b>	<b>31,166</b>
		<b>335,540</b>	<b>317,276</b>

# Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Share options reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2015 (audited)	76,395	38,879	23,836	(1,766)	450	1,797	-	(589)	138,581	277,583	7,210	284,793
Profit for the period	-	-	-	-	-	-	-	-	9,407	9,407	6	9,413
Exchange differences arising on translation of foreign operations	-	-	12	-	-	-	-	-	-	12	(14)	(2)
Reclassification adjustment of other comprehensive expense upon strike off of a subsidiary	-	-	(233)	-	-	-	-	-	-	(233)	-	(233)
Total comprehensive (expense) income for the period	-	-	(221)	-	-	-	-	-	9,407	9,186	(8)	9,178
2015 final dividend paid	-	-	-	-	-	-	-	-	(19,099)	(19,099)	-	(19,099)
At 31st March, 2016 (unaudited)	76,395	38,879	23,615	(1,766)	450	1,797	-	(589)	128,889	267,670	7,202	274,872

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory fund reserve HK\$'000	Share options reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st October, 2016 (audited)	76,395	38,879	22,792	(1,766)	450	1,797	94	(589)	140,905	278,957	7,153	286,110
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	34,853	34,853	-	34,853
2016 final dividend paid	-	-	-	-	-	-	-	-	(15,279)	(15,279)	-	(15,279)
Reversal of equity-settled share-based payment expenses upon lapse of share options	-	-	-	-	-	-	(94)	-	-	(94)	-	(94)
At 31st March, 2017 (unaudited)	76,395	38,879	22,792	(1,766)	450	1,797	-	(589)	160,479	298,437	7,153	305,590

# Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 31st March,	
	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
Net cash from operating activities	<b>89,068</b>	42,413
Net cash used in investing activities:		
Purchase of property and equipment	<b>(8,389)</b>	(6,181)
Other investing cash flows	<b>1,055</b>	791
	<b>(7,334)</b>	(5,390)
Net cash used in financing activities:		
Dividends paid	<b>(15,279)</b>	(19,099)
Other financing cash flows	<b>(1,757)</b>	(1,757)
	<b>(17,036)</b>	(20,856)
Net increase in cash and cash equivalents	<b>64,698</b>	16,167
Cash and cash equivalents at beginning of the period	<b>300,544</b>	260,030
Effect of foreign exchange rate changes	-	(2)
Cash and cash equivalents at end of the period, represented by bank balances and cash	<b>365,242</b>	276,195

# 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. Its issued shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11th March, 2002.

The Company is an investment holding company. Its subsidiaries are principally engaged in the distribution of skincare products in Hong Kong, Macau 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 during the period.

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 26th May, 2017.

## 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 have been prepared on a going concern basis as at 31st March, 2017, 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, 2016.

### 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, 2017 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 30th September, 2016.

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

Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27	<i>Equity Method in Separate Financial Statements</i>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2012 – 2014 Cycle</i>

The application of the amendments to HKFRSs in the current interim period has 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		Services segment		Elimination		Consolidation	
	Six months ended		Six months ended		Six months ended		Six months ended	
	31st March,		31st March,		31st March,		31st March,	
	2017	2016	2017	2016	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales to external customers	74,556	84,131	251,980	231,327	-	-	326,536	315,458
Inter-segment sales	11,536	15,923	-	-	(11,536)	(15,923)	-	-
<b>Total</b>	<b>86,092</b>	<b>100,054</b>	<b>251,980</b>	<b>231,327</b>	<b>(11,536)</b>	<b>(15,923)</b>	<b>326,536</b>	<b>315,458</b>
Segment results	18,376	14,970	59,547	34,816	-	-	77,923	49,786
Other income							4,103	3,404
Other gains or losses							(320)	(1,100)
Finance costs							(234)	(267)
Central administrative costs							(38,608)	(38,126)
<b>Profit before taxation</b>							<b>42,864</b>	<b>13,697</b>

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.

5. Taxation

	Six months ended 31st March,	
	2017 HK\$'000	2016 HK\$'000
Current tax		
Current period	8,024	4,246
Deferred taxation	(13)	38
	<b>8,011</b>	4,284

Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward from prior years.

PRC Enterprise Income Tax was calculated at the statutory income tax rate of 25% (2016: 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,	
	2017 HK\$'000	2016 HK\$'000
Profit for the period is stated at after charging:		
Amortisation of intangible assets	51	107
Write-off of property and equipment	784	336
Loss on fair value change of investment properties	-	1,178
and after crediting:		
Net exchange gain	30	22
Gain on disposal of property and equipment	-	159
Interest income on bank deposits	1,070	606
Rental income from investment properties	2,648	2,648
Gain on fair value change of investment properties	434	-

## 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,	
	2017 HK\$'000	2016 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<b>34,853</b>	9,407

  

	Number of shares	
	2017	2016
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>763,952,764</b>	763,952,764
Effect of dilutive potential ordinary shares – share options of the Company	<b>691,996</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>764,644,760</b>	763,952,764

Diluted earnings per share for the six months ended 31st March, 2016 was the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during that period.

## 8. Dividends

	Six months ended 31st March,	
	2017 HK\$'000	2016 HK\$'000
Interim dividend proposed of 4.0 HK cents (2016: 1.0 HK cent) per share	<b>30,558</b>	7,640

During the six months ended 31st March, 2017, a final dividend of 2.0 HK cents (2016: 2.5 HK cents) per share totalled approximately HK\$15,279,000 was paid to shareholders of the Company in respect of the year ended 30th September, 2016 (2016: HK\$19,099,000 was paid to shareholders of the Company in respect of the year ended 30th September, 2015).

At the Board meeting held on 26th May, 2017, the directors declared an interim dividend of 4.0 HK cents (2016: 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, 2017, the Group incurred capital expenditure of approximately HK\$8,389,000 for property and equipment (six months ended 31st March, 2016: HK\$6,181,000).

The Group's investment properties were revalued based on a valuation as of 31st March, 2017 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\$434,000 (six months ended 31st March, 2016: decrease in fair value of investment properties of HK\$1,178,000) has been recognised directly in profit or loss.

10. **Trade Receivables**

The Group generally allows its trade debtors' credit terms of 30 days to 120 days. The following is an aging analysis of trade receivables, presented based on the payment due dates, net of allowance for bad and doubtful debts, at the end of the reporting period:

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
0 to 30 days	34,197	23,940
91 to 120 days	–	11
Over 120 days	59	60
	<b>34,256</b>	24,011

Movement in the allowance for trade receivables:

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
Balance at beginning of the period/year	589	589
Impairment loss recognised	–	–
Write-off of trade receivables	–	–
Balance at end of the period/year	<b>589</b>	589

#### 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:

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
0 to 30 days	<b>3,638</b>	5,124

#### 12. Secured Mortgage Loan

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
Analysed for reporting purpose as:		
Current liabilities	<b>3,091</b>	3,058
Non-current liabilities	<b>17,944</b>	19,500
	<b>21,035</b>	22,558

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

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
Within 1 year	<b>3,091</b>	3,058
1 year to less than 2 years	<b>3,156</b>	3,125
2 years to less than 3 years	<b>3,226</b>	3,191
3 years to less than 4 years	<b>3,297</b>	3,261
4 years to less than 5 years	<b>3,368</b>	3,332
5 years or more	<b>4,897</b>	6,591
	<b>21,035</b>	22,558
Less: Amount due within one year shown under current liabilities	<b>(3,091)</b>	(3,058)
Amount shown under non-current liabilities	<b>17,944</b>	19,500

The mortgage loan, which is denominated in Hong Kong dollars, is secured by the Group's investment properties with a carrying value of HK\$229,983,000 as at 31st March, 2017 (as at 30th September, 2016: HK\$229,549,000). It bears interest at 2.85% (as at 30th September, 2016: 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, 2016: 2.15%) per annum.

### 13. Share Capital

	<b>As at 31st March, 2017 HK\$'000</b>	As at 30th September, 2016 HK\$'000
Authorised: 2,000,000,000 (2016: 2,000,000,000) ordinary shares of HK\$0.1 each	<b>200,000</b>	200,000
Issued and fully paid: 763,952,764 (2016: 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 share 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 share 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 as stated in the Stock Exchange's daily quotation sheets on the date of the grant of options; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant of share 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 share options and in respect of which share 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 share 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 71,395,276 shares (representing approximately 9.3% of the existing issued share capital of the Company) may be issued upon exercise of all share options which may be granted under the Share Option Scheme.

Except for 5,000,000 share options which were lapsed during the current interim period, no other share options under the Share Option Scheme was granted, exercised, cancelled and lapsed, during both interim periods.

### (I) Movement of Share Options

Eligible participants	Number of Share Options					As at 31st March, 2017	Date of grant	Vesting period	Exercise period	Exercise price	Closing Price of Shares	
	As at 1st October, 2016	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period						Before date of grant	Before date of exercise
Directors/Chief Executive												
Wong Man Lai, Stevie*	1,500,000	-	-	-	1,500,000	-	12th April, 2016	12th April, 2016 to 1st October, 2017	2nd October, 2017 to 1st October, 2018	HK\$0.495	HK\$0.495	-
	1,500,000	-	-	-	1,500,000	-	12th April, 2016	12th April, 2016 to 1st October, 2018	2nd October, 2018 to 1st October, 2019	HK\$0.495	HK\$0.495	-
	2,000,000	-	-	-	2,000,000	-	12th April, 2016	12th April, 2016 to 1st October, 2019	2nd October, 2019 to 1st October, 2020	HK\$0.495	HK\$0.495	-
<b>Total</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>						

\* Ms. Wong Man Lai, Stevie resigned as the chief executive officer of the Company with effect from 15th March, 2017.

## (II) Number and Weighted Average Exercise Prices of Share Options

	2017		2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at the beginning of the period	5,000,000	HK\$0.495	–	–
Granted during the period	–	–	–	–
Exercised during the period	–	–	–	–
Cancelled during the period	–	–	–	–
Lapsed during the period	5,000,000	HK\$0.495	–	–
Outstanding at the end of the period	–	–	–	–
Exercisable at the end of the period	–	–	–	–

## (III) Valuation of Share Options

The fair value of each share option granted was estimated on the date of offer, determined by Ascent Partners Valuation Service Limited, using the Binomial Model with the following assumptions:

Date of grant	: 12th April, 2016
Share price at date of grant	: HK\$0.495
Exercise price	: HK\$0.495
Risk-free interest rate	: 0.712%-0.903%
Expected dividend yield	: 12.5%
Expected volatility	: 48.10%-55.16%
Expected life (years)	: 2.47 to 4.47

Based on the above assumptions, the estimated fair value of each share option was HK\$0.0822, HK\$0.0946 and HK\$0.1012, respectively. The Binomial Model requires input of various parameters. Any changes in the parameters may materially affect the estimation of the fair value of a share option.

Expected volatility was determined by using the historical volatility of the Company over the most recent period commensurate with the expected life of the share options.

During the period ended 31st March, 2017, equity-settled share-based payment expenses of HK\$94,000 (2016: nil) previously recognised in profit or loss were reversed in the condensed consolidated statement of profit or loss under the Share Option Scheme with reference to the share options lapsed prior to their vesting dates.

15. Commitments and Operating Lease Arrangements

(a) Capital commitments

	As at 31st March, 2017 HK\$'000	As at 30th September, 2016 HK\$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the condensed consolidated financial statements	1,339	846

(b) Commitments and arrangements under operating leases

As at 31st March, 2017 and 30th September, 2016, 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, 2017 HK\$'000	As at 30th September, 2016 HK\$'000
Not later than 1 year	5,376	5,376
More than 1 year and not later than 5 years	4,190	6,878
	9,566	12,254

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

As lessees Rental payments	As at 31st March, 2017 HK\$'000	As at 30th September, 2016 HK\$'000
Not later than 1 year	89,832	97,568
More than 1 year and not later than 5 years	62,618	82,925
	152,450	180,493

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

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payable, if any, 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,	
	2017 HK\$'000	2016 HK\$'000
Travelling expenses paid to:		
– Hip Holiday Limited	107	30

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,	
	2017 HK\$'000	2016 HK\$'000
Basic salaries	4,645	4,622
Bonuses	2,320	6,804
Retirement benefit costs	37	36
Reversal of equity-settled share-based payment expenses	(94)	–
	6,908	11,462

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 is 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, 2017 payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 16th June, 2017. The Register of Members will be closed from Thursday, 15th June, 2017 to Friday, 16th June, 2017, 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 Wednesday, 14th June, 2017. The relevant dividend warrants will be dispatched to shareholders on Friday, 30th June, 2017.

## Audit Committee

The Company's Audit Committee comprises Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy 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.

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 system. 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, 2017 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.

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 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 22nd 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 Board succession. 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 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 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 31st March, 2017, 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 (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 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	8,000,000 ordinary	–	–	8,000,000 ordinary	1.05%
Tam Chie Sang	The Company	Interest of spouse	–	163,349,760 ordinary <sup>(2)</sup>	–	163,349,760 ordinary	21.38%
	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	8,016,000 ordinary	–	155,333,760 ordinary <sup>(2)</sup>	163,349,760 ordinary	21.38%
	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	1.05%
Wong Chun Nam, Duffy	The Company	Beneficial owner	600,000 ordinary	–	–	600,000 ordinary	0.08%
Tam Siu Kei <sup>(5)</sup>	The Company	Beneficial owner and interest of spouse	2,222,000 ordinary	2,294,000 ordinary <sup>(6)</sup>	–	4,516,000 ordinary	0.59%

Notes:

- (1) These shares are registered in the name of Ms. Yu Lai Chu, Eileen, the wife of Mr. Tam Chie Sang.
- (2) 8,016,000 shares are registered in the name of Ms. Yu Lai Chu, Eileen, the wife of Mr. Tam Chie Sang 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 75% owned by Ms. Yu Lai Chu, Eileen and 25% owned by her husband, Mr. Tam Chie Sang; both are executive 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) Mr. Tam Siu Kei was appointed as the chief executive officer of the Company with effect from 15th March, 2017.
- (6) These shares are registered in the name of Ms. Leung Pui Yi, the wife of Mr. Tam Siu Kei.

As at 31st March, 2017, 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.

On 24th February, 2012, the Company adopted a new share option scheme, which replaced the old share option scheme that was expired on 22nd January, 2012.

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 and Underlying Shares

As at 31st March, 2017, 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 or 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 and underlying shares

Name of shareholders	Capacity	Number of issued ordinary shares	Approximate percentage of issued share capital
Yu Lai Si <sup>(1)</sup>	Beneficial owner	166,113,760	21.74%
Zinna Group Limited <sup>(2)</sup>	Registered owner	155,333,760	20.33%
Advance Favour Holdings Limited <sup>(3)</sup>	Registered owner	77,666,880	10.17%
Billion Well Holdings Limited <sup>(4)</sup>	Registered owner	77,666,880	10.17%
Lai Yin Ling <sup>(3)&amp;(4)</sup>	Interest of controlled corporations	155,333,760	20.33%

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 75% owned by Ms. Yu Lai Chu, Eileen and 25% owned by her husband, Mr. Tam Chie Sang; 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, the 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, the 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, 2017, no other person or corporation (other than the directors or 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 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 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.

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

Hong Kong, 26th May, 2017

# 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, B.B.S., J.P.  
Wong Chi Keung

## Audit Committee

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

## Remuneration Committee

Wong Chun Nam, Duffy, B.B.S., 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, 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.

## 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

## Company Secretary

Lee Pui Shan

## Independent 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

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road  
P.O. Box 1586  
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)